

O&G Call For Proposals (OGCFP-03-04)

To Develop Coalbed Gas Resources in the Tuya River, Klappan-Groundhog and Telkwa Coalfield Regions

Ministry of Energy and Mines
Oil and Gas Division
December 18th, 2003

One of the British Columbia Ministry of Energy and Mines' service plan objectives is to increase oil and gas production and stimulate \$24 billion in investment in the province by 2011. While this is an ambitious objective, it is achievable. An important strategy supporting this objective will be to facilitate and encourage the development of the province's vast, yet untapped, sources of natural gas such as coalbed gas (CBG).

The northwest part of the province has three coalfields with more than 8 Tcf CBG potential in total; the Tuya River, Klappan-Groundhog and Telkwa coalfields.

In 2001, the Ministry announced it would be accepting posting requests for provincial P&NG rights within these areas. Ministry staff have met with community representatives including town councils, business groups and First Nations and have held public open houses to explain how coalbed gas is produced and the potential benefits and impacts of development.

The Ministry of Energy and Mines is now soliciting proposals for innovative projects to develop coalbed gas resources in the Tuya River, Klappan Groundhog and Telkwa Coalfield Regions.

In addition to CBG development concepts, the project proposals should include other technologies and concepts which could make the project economically feasible, create partnership opportunities and provide benefits to local communities and the province.

Submission format:

Proposals should be defined in no more than five pages at this stage and should include the following information (where

appropriate). Additional information could be attached as Appendixes.

- Brief description of resource opportunity
- Brief description of resource development concepts
- Quantification of resource
- Location of the project
- Timeframe and cost estimate for development
- Fiscal, Regulatory, Tenure, Infrastructure issues
- Partnership opportunities
- Benefits to the local communities and province

All submissions will be treated as strictly confidential. The deadline for submission is January 31, 2004 (4pm PST). Two copies of the proposal must be received before the deadline, and they should not be submitted by fax. The proposal must include an authorized signature.

Project proposals will be evaluated and ranked based on its CBG resource development potentials, feasibility (cost, time frame, and feasibility to resolve outstanding issues), partnership opportunities and benefits to the local communities and province. Only highly ranked proposals will be selected and advanced to the next level.

For further information please contact:

Sachie Morii, Manager
Oil and Gas Division
(250) 365-9792

Forward submission to:

Talitha Castillo
Oil and Gas Division
(250) 356-9795
(250) 952-0922 (fax)
e-mail:talitha.castillo@gems4.gov.bc.ca