

DISTRICT OF HUDSON'S HOPE
SPECIAL MEETING
HELD IN THE COUNCIL CHAMBERS
THURSDAY, DECEMBER 11, 2008 AT 2:00 P.M.

Present **Council:** Mayor Anderson; Councillors Quibell, Stacey, Johnson and Webster
 Staff: C. Bonnick, Administrator; and B. Mercereau, Deputy Clerk
 Other: C. Lewis, W. Beavers, S. LaCroix, R. Brown, B. Bach, R. Karst

CALL TO ORDER

Hudson's Hope Gas

Hudson's Hope Gas representatives presented updates and the 2009 plans for the Peace River Coalbed Gas Project. The following information was provided:

- discussed the partnership dynamics between GeoMet, Inc. and Canada Energy Partners;
- the current tenure rights are more than 50,000 acres and cover the rights from the surface to bottom of the Gething formation;
- have approximately 20 wells drilled in the area, all of which are north of the Peace River;
- have also drilled two produced water disposal wells;
- the compression/gas treatment is almost completed, which will tie into the Spectra transmission line;
- commercial sales are planned to start during the week of December 15, 2008;
- in 2009 it is planned to drill 10 new production wells and 12 well sites are identified for permitting;
- the surveying for the new wells is planned to begin in January, 2009;
- the spacing of the wells is approximately one well per 80 acres;
- they do not plan to drill between these wells if the flow in the other wells decreases, but this could be a consideration in the future;
- on private land the company cannot drill more than one well per quarter section, but if the landowners agrees to having more wells than they can make an agreement with the company;
- the first stages of this project were completed on crown land and away from residents;
- although there are worries about the current state of the economy, the company has planned for worst case scenarios and feels confident to continue with the project;
- the exact amount of coalbed methane that will be produced once production begins is unknown at this time;
- flaring may occur on a few of the new wells prior to being able to connect them to the system or if they want to dewater the well before production occurs; however these flares will not last for long periods of time;
- the equipment at the compressor station is in the building and has hospital mufflers to reduce noise;
- there is sufficient capacity in the Spectra pipeline to take the extra supply from Hudson's Hope Gas;
- the above ground structures along the pipelines are at the high spots for water removal;
- they are putting the pipelines outside of municipal road allowances and will try to go parallel to road allowances when possible to reduce the footprint;
- suggested stopping the Beryl Prairie Water well testing until a well is drilled closer to the water source that would be of concern to residents;
- the gas is 100% sweet, but there have been tests that have shown traces of sour gas; however it is thought that these were introduced gases and tests are ongoing;
- there are no plans to drill horizontal wells, but there may be an opportunity in the future;
- discussed water needs and the amount of water used per well;

- they have a water licence to take water from Williston Lake but this has not been pursued yet; and
- no radioactive fracing material is being used for this project.

ADJOURNMENT

420/08

Moved by Councillor Quibell and Seconded by Councillor Johnson;
"That this special meeting of the Council be adjourned." (2:55 pm)

Certified Correct:

Clerk

Mayor