

---

**TITLES****TITLES-03-03****Subject: Coalbed Gas Rights**  
(*Supercedes Information Letter EMD99-05*)**Definition of Coalbed Gas:**

Coalbed Gas is natural gas colloquially referred to as coalbed methane. In British Columbia coalbed gas is defined as all substances:

- (a) That can be recovered to the surface through a wellbore from subsurface coal deposits and any reservoirs in communication with the coal deposits, and
- (b) The volume of which, if measured at the surface immediately following that recovery, would be measured as a gas.

**Coalbed Gas Ownership:**

The *CoalBed Gas Act* was given Royal Assent on April 10, 2003 and confirms that coalbed gas is natural gas owned by the holder of natural gas rights. Rights to Provincial coalbed gas are conveyed by petroleum and natural gas tenures issued under the *Petroleum and Natural Gas Act*.

**Request for Posting of Provincial Coalbed Gas:**

Persons wishing to obtain rights to coalbed gas may nominate parcels for inclusion in a competition for petroleum and natural gas rights. See Information Letter "Crown Disposition Dates -Titles-03-02" for details on postings and nominations. Requested parcels may be configured to include only coal bearing zones. Requests for rights in areas outside the northeast region of the Province may require more processing time than indicated in information letter Titles-03-02 to allow for ownership research and consultation requirements.

**Freehold/Private Coal Rights:**

In certain areas, and for a limited period of time, freehold or private coal owners may have an option to acquire coalbed gas rights from the Province. Freehold coal is primarily located on Vancouver Island and in the Kootenays. Contact Mrs. Kim Stone, Coal Administrator, Titles Division, Ministry of Energy and Mines at 250-952-0567 for specific details and please visit our website to view information letter TITLES-03-06 at: <http://www.em.gov.bc.ca/Subwebs/landsale/Infoletters/petitles/TITLES-03-06.htm>

**Royalty and Freehold Mineral Tax:**

For information regarding coalbed gas royalty, freehold mineral tax, qualifications for low productivity gas assessments and other royalty programs, please visit the ministry internet address: <http://www.em.gov.bc.ca/subwebs/oilandgas/royalties/newtargeted.htm>.

**Exploration, Drilling and Production:**

Coalbed gas exploration drilling and production activities are regulated by the Oil and Gas Commission, under the provisions of the legislation governing petroleum and natural gas.

Gerald German  
Executive Director  
Titles Division

October 1, 2003

MPCAA/B/C

**For Further Information Contact:**

Colin Magee  
Director, Oil & Gas Titles  
Titles Division  
6<sup>th</sup> floor, 1810 Blanshard Street  
Victoria, BC V8W 9N3  
Telephone: 250-952-0335  
Facsimile: 250-952-0331

