

Montana worried about Flathead wastewater

The state's governor says coal-bed methane projects in eastern B.C. could contaminate waterways that flow south

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VANCOUVER -- Another skirmish is brewing in the continuing battle between British Columbia and Montana over potential resource development north of the border and its impact on rivers flowing into the United States.

Montana Governor Brian Schweitzer is now questioning the province's commitment to prevent any coal-bed methane (CBM) projects from dumping wastewater from gas wells into drainages that eventually flow south to Montana.

At the same time, he is raising concerns about a phosphate exploratory drilling project in the same area, recently completed by privately held Paget Resources Corp. of Vancouver.

The more pressing issue, from Mr. Schweitzer's perspective, is a CBM pilot project run by junior exploration company Storm Cat Energy Corp. of Denver. The company confirmed it has a permit from the B.C. government to discharge wastewater from its pilot project into Brit Creek, a tributary of the Elk River. The Elk River flows into Lake Kococanusa, which straddles the B.C.-Montana border.

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Premier Gordon Campbell "said they were going to re-inject it all," Mr. Schweitzer said in an interview. "But now we're not talking about re-injecting, are we? When he says we're not going to allow CBM without re-injection - music to my ears. This is a departure from what I've heard in the past."

The governor was referring to a newly implemented government policy in B.C. that prohibits CBM projects from disposing of any well wastewater on the surface. The water is often contaminated, and the new policy requires such water to be re-injected into the geological formations from which it came in the first place.

But Storm Cat's permit was grandfathered when the new policy was introduced, and B.C. Energy Minister Richard Neufeld said the company must comply with the old regulation, not the new one.

"There's nothing new about this," Mr. Neufeld said. "They've been discharging to surface in that part of the world since the early- to mid-'90s. It's the only area in the province where that happens." He said new CBM projects - and that would include any move toward commercial development by Storm Cat and others in the area - will have to meet the new regulations.

Storm Cat spokesman Will Kent said the company is in full compliance with all regulations governing water discharge, and it provides monitoring reports to the provincial oil and gas commission, all of which are publicly available.

The phosphate exploration project was conducted over an eight-day period that ended Oct. 27. A Paget spokesperson declined further comment, other than to say the results of the program will be filed with provincial authorities as required by the regulations.

The two projects have sparked another battle in a continuing dispute over B.C.'s determination to make its own decisions about resource development in the Flathead River drainages north of the U.S.-Canada border, and Montana's determination to stop such developments until their environmental concerns have been fully met. The Flathead River flows south from B.C. into Montana alongside Montana's Glacier National Park.

BP Canada Energy Co. of Calgary wants to launch a five-year, coal-bed methane exploration project that could lead to a \$3-billion production facility, and Cline Mining Corp. of Sudbury hopes to develop a metallurgical coal mine. Both would have some impact on the Flathead drainage.

In late summer, Mr. Schweitzer and Mr. Campbell exchanged sharply worded letters about the dispute, but have had no dialogue since. Mr. Schweitzer proposed a meeting between the two, but he said nothing has been scheduled, as Mr. Campbell made it clear he was not interested in a meeting focused only on B.C.'s activities.

"The letter he sent back didn't say no," Mr. Schweitzer argued, agreeing that it also didn't say yes. "I'm in politics too, and I don't want to go to a public lynching. I wouldn't want to go to a public meeting where the first words out of my mouth [are] met with someone yelling, 'Get a rope.'"

But he says he's still eager to meet with Mr. Campbell, and would be happy to talk about how the two jurisdictions could work together on global-warming concerns. "Hey, I'd love to talk about that. I've got a climate-change position. We've done some remarkable things here. I'm right with him on that."

Mr. Schweitzer believes part of his problem with B.C. is that the Flathead area is a long way from Vancouver and hasn't registered yet.

"Gosh, I'm pretty sure that the mood of the people of Vancouver is probably greener than we have even in the Flathead," he said. "My guess is if it was adequately understood what is proposed, even on the Pacific side of B.C. there would be a large number of people saying we don't want to jeopardize a pristine opportunity for future generations for a few years of natural-resource wealth."

Mike Morton, Mr. Campbell's press secretary, confirmed there has been no direct contact between the two leaders and that nothing is in the works. The Premier was not available for comment.

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