

Tulameen  
Basin MEM Weekly - July 16/99  
924/10

**Boliden:**

- Boliden continues to be frustrated by lack of agreement on fisheries compensation package for Myra Creek tailings upgrade. MEM will facilitate one more meeting on July 19th to seek resolution so work can proceed this year. (Mines)

**Kemess:**

- Kemess Forest Practices Board investigation of powerline may continue. Mines Branch inspection completed and report issued. (Mines)

**Pine Valley Coal:**

- Hinting at winter trial cargo of 50,000 tonnes. Mines Act permit is issued. (Mines)

**Quinsam:**

- Research on ownership of natural gas in the Quinsam area for future coalbed methane development completed. Majority of rights are privately owned. Research continuing on area west of Nanaimo. (MTL)

**Tulameen Coal**

- (Pacific West Coal Ltd.) - a permit will be issued to LA Transport Limited to extract a 10,000 tonne bulk sample from this property for testing and marketing. (Mines)

**Petroleum Leases:**

- The July oil and gas rights sale on Wednesday will offer 26 drilling licences and 16 leases covering 49,688 hectares. Compared to July 1998 which offered 24,369 hectares and brought \$6 million in revenue. (PLA)
- Proposed meeting with the Mount Currie First Nation to discuss a geothermal resources application has been postponed until mid August. (PLA)

**Sand and Gravel:**

- Received DM approval for 4 phase process to address aggregate issues. Phases are:
  1. Interagency committee to refine scope, clarify issues and identify options. This phase is well underway.
  2. Consultation with UBCM and industry to further refine issues and options, and to develop a public consultation process.
  3. Public consultation process, to proceed in late 1999.
  4. Implementation, including drafting legislation and policy and monitoring and evaluating impacts. (Mines)
- Mainland Sand & Gravel - Contractor has been hired to facilitate BCAL review of Pitt Lake barge loadout for pit proposal in coordination with MEM permit review. (Mines)
- Resort Municipality of Whistler - Preparing for meeting with Ted Hall, Linda Stewart and Gerald German to discuss aggregate planning. (Mines)

**Communications**

- CBC Radio: Jeff Weaver of CBC interviewed Peter Bobrowsky on July 14 regarding tsunamis hazards. (GSB)

**Natural Hazards**

- Peter Bobrowsky has been contacted by Jonathan Fannin, UBC Professor, requesting help with a large delegation (10) from Norway (Norwegian Fund for Natural Disasters) for the 3<sup>rd</sup> week of October 1999.

-2-  
MEM Weekly: to Oct. 9/98

### Engineering and Operations

- Amoco Monteith: expect judicial pronouncement before October 16.
- SYD Road:
  - BCTFA still targeting October 21 as date for submission for approval of Order in Council for road use charges. If Approved Partnership implementation by November 1.
  - preparing finalized road use charges and well list for BCTFA.
- Forest Practices Code: no issues to report over previous week.
- OGC- NEB regulated pipelines: assembled work group team members, draft plan of action, draft final product outline

### OPERATIONAL ISSUES

#### Mines Branch

- Kemess - inspection on site discussion of tailings dam short term requirements. The mine faces a significant uphill battle to catch up and get ahead of the construction schedule to satisfy freeboard requirements for safety and mill production. Another visit planned for November. Announced October 7 that Commercial Production has been achieved. Mill availability continues to rise from 84% in August to 92% in September. Charges by DFO for sediment release during construction are still being contemplated while investigators continue to gather evidence. Tim Eaton at site for inspection.
- Myra Falls Mine - A major fall of ground occurred October 8 in the 18-level of the Battle-Gap Zone. No injuries reported. Bryan Good and George Headley are investigating.
- Royal Scott Minerals - sent a letter to the Minister requesting a decision be made on their application to mine a 100,000 tonne/year bulk coal sample at their Tulameen Coal Project.
- Town of Ashcroft - has written a letter to the Minister in support of the application to operate a quarry. The town is anticipating an estimated 75 jobs will be created at this quarry. The Mayor of Ashcroft has written to the Premier bringing his attention to the discrepancy in production threshold levels for the same material having different end uses. MEM has asked that proposed changes to the EA threshold for industrial minerals be fast-tracked.
- Highland Valley Copper - publicly announced they will proceed with the layoff of 50 employees on December 8. These employees will be employees with the least job seniority. The union has stated this announcement was not a surprise to them and they were expecting it.
- Land use - A new type of park is in the wings "Wilderness Retreat". 525 hectares area near Williams lake being referred through Lands.
- Misty Mountain Gold - a mineral exploration property, has applied for a surety bond to replace their present security. It will not be accepted. Sureties are now only being accepted for major mines and only for those with limited long-term ARD issues.
- Gibraltar Mine - Continued operation of this mine will depend upon successful purchase from Boliden. The completion of this purchase, in turn, will depend on the technical review of the proposed closure, the expected closure liabilities and the placement of security by both Boliden and the new company. Victoria and regional staff will be working to an end of October deadline.

#### Mineral Titles

- Converting of expiring placer leases to "lease of placer minerals (LPM)" continues to use the bulk of Vancouver staff time, to the exclusion of other tasks. The LPM task is a priority due to certain placer tenures coming up for statutory termination.

-2- ending Sept. 25/98

MEM- Weekly

**Geological Survey**

- Roundup 1999. We have been allocated only 1 day (Tuesday) for government geoscience talks (BC, GSC, Yukon). Wednesday p.m. will be for Ministry displays.
- 1998 Exploration Display for use at NWMA, Roundup and PDA being planned.

**Petroleum Lands**

- Testing of electronic funds transfer for oil and gas rights bids is going well. Expect to be able to start pilot project within a month.
- Renewed interest from companies wishing to develop coalbed methane on Vancouver Island and to obtain oil and gas rights on Graham Island in the Queen Charlottes. Rights issuance would call for significant public consultation, background paper being prepared on a potential method for shifting this burden to the party interested in acquiring the tenure.

**Petroleum Geology**

- Staff of the Geological Survey of Canada presented a resource assessment of the hydrocarbon potential of the Pacific margin sedimentary basins of British Columbia, indicating excellent potential for oil and gas.
- Recommended signing and approval authorities for geological staff of the Oil and Gas Commission.
- Critically reviewing two draft agreements regarding royalty and geological functions, between government and the Oil and Gas Commission, designed to ensure a smooth transition.

**Engineering and Operations**

- SYD Road - the budget for the five-year program is now \$12.5 million after negotiations with the private contractor (Walter SCI). BCTFA have consulted with industry and obtained acceptance of the new budget numbers. The OIC is being revised with an October 21 target date for submission to Cabinet.
- Amoco Monteith Judicial Review - Court proceedings started on September 21 and are continuing. The length of the hearing may extend beyond this week due to the length of the petitioner's arguments.

**OPERATIONAL ISSUES**

**Mines Branch**

- Blackdome Mine - start-up proceeding on schedule; concerns over delays by Ministry of Forests in issuing license to cut over the area where gravel is needed to raise the tailings dam. Ministry of Forests' concern focuses on First Nations consultation. We are following up with Ministry of Forests in attempts to expedite the process.
- Tulameen Coal - Meeting on September 16, between Ministry of Energy and Mines (Eric Beresford and Linda Stewart), Upper Simi'kameen Band and Ministry of Environment, Lands and Parks. One of the Ministry of Energy and Mines concerns is the Band's demand that permitting be delayed another two months while they attempt to establish an economic agreement with the company. The other concern is Royal Scot Coal. Complaints expressed at the meeting by the Ministry of Environment, Lands and Parks were that the application is just below Environmental Assessment Act threshold to avoid environmental assessment review and company may wish to expand operations in the future. Company has submitted an addendum report to fulfill additional sampling/monitoring requirements of the Ministry of Environment, Lands and Parks. These issues will be the main focus at October 27, South Central Mine Development Review Committee meeting in Penticton.
- Ashcroft Quarry - Clifton Associates/IKO Industries Ltd. application for 25,000 tonne rock quarry (i.e. below Environmental Act threshold) to manufacture stone products for roofing shingles. Company has expressed dismay to Ministers Miller and Lali over the application of the "mineral" threshold, when the same rock can be used for railroad ballast at an Environmental Assessment Act threshold of 250,000 tonnes. Opportunity is for some 60 jobs and long-term manufacturing facilities at Ashcroft.

(1M)