

-2- ending Sept. 25/98

MEM-Week

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 Similkameen 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.

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