



Derek Krivak, vice-president of operations for Stealth Ventures Ltd., examines the well head of a drill the Calgary-based company has set up near Springhill to test the viability of coal-bed methane gas.

(TOM MCCOAG / Staff)

# Calgary company drills for coal-bed methane

## Stealth Ventures hopeful it found 'sweet spot' near Springhill

By TOM MCCOAG  
Amherst Bureau

SPRINGHILL — A 30-metre-high drilling rig erected this week on the outskirts of this former coal town will help **Stealth Ventures Ltd.** determine the viability of extracting methane gas from the Cumberland coal basin.

"We view the potential for both this and the Stellarton basin as huge," Derek Krivak, Stealth vice-president of operations, said Friday. "What is happening here has piqued the interest of everyone, including people (in the gas industry) in Calgary."

Based in Calgary and with an office in Stellarton, Stealth has taken over coal exploration permits formerly held by **Amvest**. The permits allowed exploration for coal-bed methane gas in the 71,600-hectare Cumberland

Basin and the 9,700-hectare Stellarton Sub-basin in Pictou County.

Earlier exploration has estimated 1.5 trillion-2.5 trillion cubic feet of methane gas, which is a fuel source, in the two basins. Mr. Krivak said Stealth wants to determine if the figure is accurate and whether gas extraction would be economically viable.

To help find the answers, Stealth has spent the last six months acquiring all data collected in more than two decades of exploring the gas potential of the two basins, including data produced when Amvest drilled in the area a decade ago.

It has hired **Sproule and Associates** to examine the data and indicate how much gas is there.

Stealth is spending \$10 million this year to drill up to eight wells in the two basins to help determine whether the gas can

be viably extracted.

The well outside Springhill is the first test hole. It will be about 1,000 metres deep and use a method known as horizontal drilling. The well is about 100 metres from one drilled by Amvest in 1995 that Mr. Krivak said showed some promising results. Data from the new and the old wells will be compared and should indicate where other wells in the Cumberland Basin should be drilled.

"We do feel, from all of our analysis so far that the region we are drilling in is the basin's sweet spot," Mr. Krivak said.

He did not reveal the other sites to be drilled in the Cumberland Basin and said sites in the Stellarton Sub-basin were still being determined. When the sites are selected, the public will be informed.

While nothing came from Amvest's exploration a decade

ago, Mr. Krivak said interest in the two basins has increased because of several new factors that didn't exist a decade ago.

When Amvest drilled the original well in 1995 the price of natural gas was \$2 per 1,000 cubic feet of gas, a figure that was deemed uneconomical back then. Today the price is \$8.50 and has been as high as \$15 in recent months.

The Maritime and Northeast Pipeline that takes Sable natural gas to the Boston market and the Heritage Gas pipeline that serves Amherst would give the company access to both the domestic and international markets. While these factors have made the prospect of extracting coal-bed methane here attractive, the test wells being drilled this year will give Stealth a clearer picture of the project's viability.

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