

THE DRUMHELLER MAIL

Nordic Oil to explore coal gasification in Drumheller area lease

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Nordic Oil and Gas, through its 50 per cent owned subsidiary Green Coal Canada Ltd. is planning to drill four to six test wells in the Lower Horseshoe Canyon coals to explore whether an underground coal gasification project is viable.

The Mail reported on Nordic Oil and Gas in 2009 shortly after it reacquired leases it held through the 1970s to the 1990s. The leases northwest of Drumheller encompass about 10,000 acres and have a large deposit of recoverable coal.

Coal gasification is the process of producing natural gas from coal. Chairman and CEO of Nordic Oil and Gas Donald Benson explained the basic model of coal gasification to The Mail in 2009. Two wells are drilled and connected laterally by the formation. At the source, well saline water and oxidants are injected. The second well uptakes the products of oxidizing the coal. At the surface the product is separated into hydrogen, methane and carbon monoxide.

This type of project has the potential for the reinjection of carbon dioxide into a formation working as a carbon capture model.

In a press release dated December 19 of this year it states that initial interpretation from existing logs are favourable for this kind of project.

In addition, the company is looking for a customer to buy its coal from a planned coal mine where the company has significant amounts of recoverable coal. The company also has plans of selecting a dedicated team of professionals to implement Green Coal Canada's objectives.

Nordic Oil and Gas is a Winnipeg-based junior oil company involved in exploration, development and production of oil, natural gas and coal bed methane. It is active in Alberta and Saskatchewan