
Nordic Oil to apply to build coal gasification project

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Nordic Oil & Gas Ltd and partner Western Warner Oils Ltd said that they plan to apply to the province of Alberta for permits to build an underground coal gasification project at a Drumheller property.

Mr Donald Benson chairman and CEO of Nordic in a statement said that the companies are making preparations to submit an application for what would be the second such UCG project in Canada.

Coal gasification involves injecting oxygen and saline water into the deeply buried coal to turn it into synthesis gas. Mr Benson said that "The basic UCG process involves drilling two wells into the coal one for injection of the oxidants (water/air or water/oxygen mixtures) and another some distance away to bring the product gas to the surface."

He added that "The technique offers an alternative to conventional coal mining methods."

In March, the Alberta government announced it will provide USD 8.83 million to Swan Hills Synfuels of Calgary towards a USD 30 million project near Swan Hills in north-central Alberta.

The Alberta government said that it will be the deepest underground coal gasification conducted in the world - more than 1,000 meters below the surface.

It's hoped the project will eventually lead to using the coal seams to capture and store carbon dioxide, which is pumped into the ground to help push oil out of aging reserves.

(Sourced from The Canadian Press)

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