

13140177  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB Approval	
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Expires: .....	May 31, 2002
Estimated average burden hours per response .....	1

**FORM D**  
**[Initial Report]**

**NOTICE OF SALE OF SECURITIES  
PURSUANT TO REGULATION D,  
SECTION 4(6), AND/OR  
UNIFORM LIMITED OFFERING EXEMPTION**

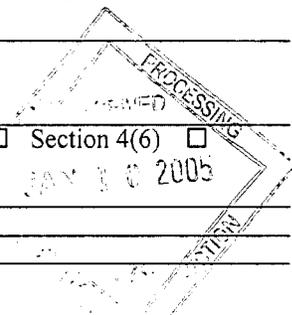
SEC USE ONLY	
Prefix	Serial
DATE RECEIVED	

*manually signed*



Name of Offering ( check if this is an amendment and name has changed, and indicate change.)  
Unit Offering

Filing Under (Check box(es) that apply):  Rule 504  Rule 505  Rule 506  Section 4(6)   
Type of Filing:  New Filing  Amendment  
U LOE



**A. BASIC IDENTIFICATION DATA**

1. Enter the information requested about the issuer

Name of Issuer ( check if this is an amendment and name has changed, and indicate change.)

**BPI Industries Inc.**

Address of Executive Offices (Number and Street, City, State, Zip Code) Telephone Number (Including Area Code)  
Suite 1500, 885 West Georgia Street, Vancouver, BC V6C 3E8 (604) 685-8688

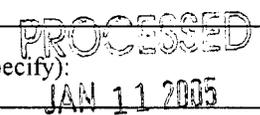
Address of Principal Business Operations (Number and Street, City, State, Zip Code) Telephone Number (Including Area Code)  
(if different from Executive Offices)

Brief Description of Business

Coalbed Methane Exploration and Production

Type of Business Organization

corporation  limited partnership, already formed  other (please specify):  
 business trust  limited partnership, to be formed



Actual or Estimated Date of Incorporation or Organization: Month Year  Actual  Estimated  
0 8 8 0

Jurisdiction of Incorporation or Organization: (Enter two-letter U.S. Postal Service abbreviation for State;  
CN for Canada, FN for foreign Jurisdiction)  C  N

**GENERAL INSTRUCTIONS**

**Federal:**

*Who Must File:* All issuers making an offering of securities in reliance on an exemption under Regulation D or Section 4(6), 17 CFR 230.501 et seq. or 15 U.S.C. 77d(6).

*When To File:* A notice must be filed no later than 15 days after the first sale of securities in the offering. A notice is deemed filed with the U.S. Securities and Exchange Commission (SEC) on the earlier of the date it is received by the SEC at the address given below or, if received at that address after the date on which it is due, on the date it was mailed by United States registered or certified mail to that address.

*Where to File:* U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549

*Copies Required:* Five (5) copies of this notice must be filed with the SEC, one of which must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

*Information Required:* A new filing must contain all information requested. Amendments need only report the name of the issuer and offering, any changes thereto, the information requested in Part C, and any material changes from the information previously supplied in Parts A and B. Part E and the Appendix need not be filed with the SEC.

*Filing Fee:* There is no federal filing fee.

**State:**

This notice shall be used to indicate reliance on the Uniform Limited Offering Exemption (ULOE) for sales of securities in those states that have adopted ULOE and that have adopted this form. Issuers relying on ULOE must file a separate notice with the Securities Administrator in each state where sales are to be, or have been made. If a state requires the payment of a fee as a precondition to the claim for the exemption, a fee in the proper amount shall accompany this form. This notice shall be filed in the appropriate states in accordance with state law. The Appendix to the notice constitutes a part of this notice and must be completed.

**ATTENTION**  
Failure to file notice in the appropriate states will not result in a loss of the federal exemption. Conversely, failure to file the appropriate federal notice will not result in a loss of an available state exemption unless such exemption is predicated on the filing of a federal notice.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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**B. INFORMATION ABOUT OFFERING**

1. Has the issuer sold or does the issuer intend to sell, to non-accredited investors in this offering? .....  Yes  No

Answer also in Appendix, Column 2, if filing under ULOE.

2. What is the minimum investment that will be accepted from any individual? ..... \$ N/A

3. Does the offering permit joint ownership of a single unit? .....  Yes  No

4. Enter the information requested for each person who has been or will be paid or given, directly or indirectly, any commission or similar remuneration for solicitation of purchasers in connection with sales of securities in the offering. If a person to be listed is an associated person or agent of a broker or dealer registered with the SEC and/or with a state or states, list the name of the broker or dealer. If more than five (5) persons to be listed are associated persons of such a broker or dealer, you may set forth the information for that broker or dealer only.

Full Name (Last name first, if individual)

Sanders Morris Harris Inc.

Business or Residence Address (Number and Street, City, State, Zip Code)

600 Travis, Suite 3100, Houston, Texas 77002

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) .....  All States

[AL] [AK] [AZ] [AR] [CA] [CO] [CT] [DE] [DC] [FL] [GA] [HI] [ID]  
[IL] [IN] [IA] [KS] [KY] [LA] [ME] [MD] [MA] [MI] [MN] [MS] [MO]  
[MT] [NE] [NV] [NH] [NJ] [NM] [NY] [NC] [ND] [OH] [OK] [OR] [PA]  
[RI] [SC] [SD] [TN] [TX] [UT] [VT] [VA] [WA] [WV] [WI] [WY] [PR]

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) .....  All States

[AL] [AK] [AZ] [AR] [CA] [CO] [CT] [DE] [DC] [FL] [GA] [HI] [ID]  
[IL] [IN] [IA] [KS] [KY] [LA] [ME] [MD] [MA] [MI] [MN] [MS] [MO]  
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[RI] [SC] [SD] [TN] [TX] [UT] [VT] [VA] [WA] [WV] [WI] [WY] [PR]

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) .....  All States

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[RI] [SC] [SD] [TN] [TX] [UT] [VT] [VA] [WA] [WV] [WI] [WY] [PR]

(Use blank sheet, or copy and use additional copies of this sheet, as necessary)

**C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS**

1. Enter the aggregate offering price of securities included in this offering and the total amount already sold. Enter "0" if answer is "none" or "zero". If the transaction is an exchange offering, check this box  and indicate in the column below the amounts of the securities offered for exchange and already exchanged.  
 The following information includes \$3,300,000 of the offering sold to two persons not resident in the United States.

Type of Security	Aggregate Offering Price	Amount Already Sold
Debt .....	\$ _____	\$ _____
Equity 11,200,000 Shares and 5,600,000 Warrants.....	\$ <u>14,000,000</u>	\$ <u>12,694,000</u>
<input checked="" type="checkbox"/> Common <input type="checkbox"/> Preferred		
Convertible Securities (including warrants) .....	\$ _____	\$ _____
Partnership Interests .....	\$ _____	\$ _____
Other (Specify): .....	\$ _____	\$ _____
Total .....	\$ <u>14,000,000</u>	\$ <u>12,694,000</u>

Answer also in Appendix, Column 3, if filing under ULOE

2. Enter the number of accredited and non-accredited investors who have purchased securities in this offering and the aggregate dollar amounts of their purchases. For offerings under Rule 504, indicate the number of persons who have purchased securities and the aggregate dollar amount of their purchases on the total lines. Enter "0" if answer is "none" or "zero." Includes \$3,000,000 subscribed by two US persons, funds in escrow, not yet closed.

\* 48 investors in USA, two not in USA

	Number Investors	Aggregate Dollar Amount of Purchases
Accredited Investors* .....	50	\$ <u>12,694,000</u>
Non-accredited Investors .....	0	\$ <u>0</u>
Total (for filings under Rule 504 only) .....	_____	\$ _____

Answer also in Appendix, Column 3, if filing under ULOE

3. If this filing is for an offering under Rule 504 or 505, enter the information requested for all securities sold by the issuer, to date, in offerings of the types indicated, in the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C-Question 1.

Type of offering	Type of Security	Dollar Amount Sold
Rule 505.....	_____	\$ _____
Regulation A .....	_____	\$ _____
Rule 504 .....	_____	\$ _____
Total .....	_____	\$ _____

4.a. Furnish a statement of all expenses in connection with the issuance and distribution of the securities in this offering. Exclude amounts relating solely to organization expenses of the issuer. The information may be given as subject to future contingencies. If the amount of an expenditure is not known, furnish an estimate and check the box to the left of the estimate. Estimates assume total offering is sold.

Transfer Agent's Fees .....	<input type="checkbox"/>	\$ _____
Printing and Engraving Costs. ....	<input type="checkbox"/>	\$ _____
Legal Fees. ....	<input checked="" type="checkbox"/>	\$ <u>52,000</u>
Accounting Fees .....	<input type="checkbox"/>	\$ _____
Engineering Fees .....	<input type="checkbox"/>	\$ _____
Sales Commissions (specify finder's fees separately) and financial advisory fees.....	<input checked="" type="checkbox"/>	\$ <u>980,000</u>
Other Expenses (identify) travel, printing, mailing.....	<input checked="" type="checkbox"/>	\$ <u>50,000</u>
Total .....	<input checked="" type="checkbox"/>	\$ <u>1,032,000</u>

**C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS**

b. Enter the difference between the aggregate offering price given in response to Part C- Question 1 and total expenses furnished in response to Part C-Question 4.a. This difference is the "adjusted gross proceeds to the issuer." ..... \$ 12,968,000

5. Indicate below the amount of the adjusted gross proceeds to the issuer used or proposed to be used for each of the purposes shown. If the amount for any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted gross proceeds to the issuer set forth in response to Part C-Question 4.b. above.

		Payments to Officers, Directors, and Affiliates		Payments To Others
Salaries and fees .....	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
Purchase of real estate. ....	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
Purchase, rental or leasing and installation of machinery and equipment. ....	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
Construction or leasing of plant buildings and facilities. ....	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
Acquisition of other businesses (including the value of securities involved in this offering that may be used in exchange for the assets or securities of another issuer pursuant to a merger).....	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
Repayment of indebtedness .....	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
Working capital .....	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
Other (specify) <u>coalbed methane well drilling and completion costs, working capital</u> .....	<input type="checkbox"/>	\$ _____	<input checked="" type="checkbox"/>	\$ <u>12,968,000</u>
Column Totals. ....	<input type="checkbox"/>	\$ _____	<input checked="" type="checkbox"/>	\$ <u>12,968,000</u>
Total Payments Listed (column totals added) .....		<input checked="" type="checkbox"/> \$ <u>12,968,000</u>		

**D. FEDERAL SIGNATURE**

The issuer has duly caused this notice to be signed by the undersigned duly authorized person. If this notice is filed under Rule 505, the following signature constitutes an undertaking by the issuer to furnish to the U.S. Securities and Exchange Commission, upon written request of its staff, the information furnished by the issuer to any non-accredited investor pursuant to paragraph (b) (2) of Rule 502.

Issuer BPI Industries Inc.	Signature  Stephen E. Rounds	Date January 3, 2005
Name of Signer Stephen E. Rounds	Title of Signer U. S. securities counsel	

**Intentional misstatements or omissions ( ATTENTION federal criminal violations. (See 18 U.S.C. 1001.)**



**APPENDIX**

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)			Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)
State	Yes	No		Number of Accredited Investors	Amount	Number of Non-accredited Investors	Amount	Yes	No
AL									
AK									
AZ									
AR									
CA		X	shares and warrants	5	\$900,000	0			X
CO		X	shares and warrants	2	\$750,000	0			X
CT									
DE									
DC									
FL									
GA		X	shares and warrants	2	\$75,000	0			X
HI									
ID									
IL		X	shares and warrants	2	\$2,200,000	0			X
IN									
IA									
KS									
KY									
LA									
ME									
MD									
MA									
MI									
MN									
MS									
MO		X	shares and warrants	2	\$154,000	0			X

**APPENDIX**

1	2		3	4				5	
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State	Yes	No		Number of Accredited Investors	Amount	Number of Non-accredited Investors	Amount	Yes	No
MT									
NE									
NV									
NH									
NJ		X	shares and warrants	1	\$1,500,000	0			X
NM									
NY		X	shares and warrants	2	\$1,600,000	0			X
NC									
ND									
OH		X	shares and warrants	2	\$200,000	0			X
OK		X	shares and warrants	6	\$175,000	0			X
OR									
PA									
RI									
SC									
SD									
TN									
TX		X	shares and warrants	24	\$1,840,000	0			X
UT									
VT									
VA									
WA									
WV									
WI									
WY									
PR									