

Notice

NOTICE OF HEARING

PART 2 OF PROCEEDING NO. 1457147

BEARSPAW PETROLEUM LTD., CARBON DEVELOPMENT PARTNERSHIP (SUCCESSOR IN INTEREST TO PRAIRIE MINES AND ROYALTY LTD., FORMERLY LUSCAR LTD.), DEVON CANADA CORPORATION, ENCANA CORPORATION, AND FAIRBORNE ENERGY LTD. CLIVE, EWING LAKE, STETTLER AND WIMBORNE FIELDS

Take Notice that the Alberta Energy and Utilities Board (EUB/Board) will hold a public hearing of Part 2 of Proceeding No. 1457147 at the offices of the EUB, 640 – 5 Avenue SW, Calgary, Alberta, commencing on Monday, October 16, 2006, at the hour of 9:00 a.m. All parties registered for this proceeding must be present at the commencement of the hearing.

Further Take Notice that the hearing for Part 1 of Proceeding No. 1457147, which was scheduled to commence June 26, 2006, was cancelled on June 15, 2006.

And Further Take Notice that *Bulletin 2006-19: Applications Involving Objections Relating to the Legal Entitlement of Coalbed Methane* was issued from the offices of the EUB on May 30, 2006, pursuant to which the Board decided that all applications regarding which legal entitlement to coalbed methane is at issue will be held in abeyance pending issuance of the Board's decision in Part 2 of Proceeding No. 1457147. As a result, this notice is being distributed to advise interested persons that the Board is now undertaking a review of the issue of legal entitlement of coalbed methane being produced or intended to be produced from certain wells on split-title freehold lands, more particularly described below.

And Further Take Notice that pursuant to Section 26 of the *Energy Resources Conservation Act (ERCA)*, any third party that may be directly and adversely affected by the applications contained in Part 2 of Proceeding No. 1457147 may submit a written notice of objection (which includes the information set out below) so that a determination can be made by the Board on that third party's standing or other participation rights. If a third party chooses to do so, it must file this request and provide information on how its rights may be impacted by the applications in Part 2 of Proceeding No. 1457147 by July 4, 2006.

Nature of the Proceeding

Proceeding No. 1457147 arises out of a Board decision dated March 9, 2006, in which it was determined that EnCana Corporation and Luscar Ltd. (now Carbon Development Partnership, successor in interest to Prairie Mines and Royalty Ltd., formerly Luscar Ltd.) were affected parties, pursuant to Section 40(1) of the *ERCA*, in connection with the

issuance of certain well licences and compulsory pooling and special spacing orders described below.

This Notice applies to Part 2 of Proceeding No. 1457147. In Part 2, the Board will consider

- the issue of legal entitlement of coalbed methane being produced or intended to be produced from wells that have been licensed to Bearspaw Petroleum Ltd., Devon Canada Corporation, and Fairborne Energy Ltd., as more particularly described below; and
- any outstanding measurement and accounting issues of coalbed methane production in connection with the said wells arising from the cancellation of Part 1 of Proceeding No. 1457147.

The particulars of the specific well licences and compulsory pooling and special well spacing orders that are the subject of the Part 2 hearing are described as follows:

Bearspaw Petroleum Ltd. (Bearspaw)

On October 26, 2005, and December 8, 2006, the Board approved a compulsory pooling application and a well licence application submitted by Bearspaw in the Ewing Lake and Stettler Fields. On March 9, 2006, the Board determined that EnCana Corporation was an affected party, pursuant to Section 40(1) of the *ERCA*. The particulars of these two applications are summarized in the table below.

Application No.	Location or Unique Well Identifier	Subject of Application	Order or Approval No.
1406764	Section 13 of Township 37, Range 21, West of the 4th Meridian (Section 13-37-21W4M) 00/09-13-037-21W4	Order prescribing that all tracts within the drilling spacing unit comprising Section 13-37-21W4M be operated as an unit for the production of gas from all zones to the base of the Belly River Group	P 290
1423722	02/13-21-038-20W4	B140 Category Well Licence targeting gas in the Belly River Group and coalbed methane in the Horseshoe Canyon Formation	0344816

Devon Canada Corporation (Devon)

On May 27, 2005, and July 14, 2005, the Board approved twelve well licence applications and a holding application submitted by Devon in the Wimborne Field. On March 9, 2006, the Board determined that Luscar Ltd. (now Carbon Development Partnership) was an

affected party, pursuant to Section 40(1) of the *ERCA*. The particulars of these applications are summarized in the table below.

Application No.	Location or Unique Well Identifier	Subject of Application	Order or Approval No.
1383132	02/06-08-034-26W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331749
1383134	02/08-08-034-26W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331750
1383136	02/14-08-034-26W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331751
1383137	02/16-08-034-26W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331752
1383138	02/06-17-034-26W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331753
1383139	00/08-17-34-026W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331754
1383140	00/14-17-34-026W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331755
1383141	00/16-17-34-026W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331756
1380005	03/06-09-34-026W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331738
1380010	02/08-09-34-026W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331742
1380013	00/14-09-34-026W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331746
1380014	00/16-09-34-026W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331747
1377141	Section 36-33-26W4M and Sections 1, 2, 3, 8, 9, 10, 11, 14, 16, 17 of 34-26W4M	Holdings for the production of gas from the Edmonton (coals and sands) Wimborne Area	SU 4283C

On May 27, 2005, the Board approved the eight well licence applications submitted for Devon in the Wimborne Field. On March 9, 2006, the Board determined that EnCana Corporation was an affected party, pursuant to Section 40(1) of the *ERCA*. The particulars of these eight applications are summarized in the table below.

Application No.	Unique Well Identifier	Subject of Application	Approval No.
1379737	03/06-15-034-26W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331718
1379726	02/06-35-033-26W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331713
1379743	00/08-15-034-26W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331719
1383129	00/08-35-033-26W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331748
1379746	00/14-15-034-26W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331730
1379730	02/14-35-033-26W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331717
1379763	00/15-35-033-26W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331731
1380004	00/16-15-034-26W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331737

Fairborne Energy Ltd. (Fairborne)

On May 26, 2005, and May 27, 2005, the Board approved two well licence applications submitted by Fairborne in the Clive Field. On March 9, 2006, the Board determined that Luscar Ltd. (now Carbon Development Partnership) was an affected party, pursuant to Section 40(1) of the *ERCA*. The particulars of these two applications are summarized in the table below.

Application No.	Unique Well Identifier	Subject of Application	Approval No.
1402289	02/10-35-39-24W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331663
1402290	02/12-35-39-24W4	B140 Category Well Licence targeting coalbed methane in the Edmonton Group	0331714

On March 10, 2006, the Board approved three well licence applications submitted by Fairborne in the Clive Field. By letter of April 21, 2006, the Board determined that Luscar Ltd. (now Carbon Development Partnership) was an affected party, pursuant to Section 40(1) of the *ERCA*, and granted a request that these applications be included in the review hearing. The particulars of these three applications are summarized on the table below.

Application No.	Unique Well Identifier	Subject of Application	Approval No.
1446453	00/02-27-039-24W4	B140 Category Well Licence targeting gas in the Belly River Group	0353789
1446462	00/03-17-039-24W4	B140 Category Well Licence targeting coalbed methane in the Horseshoe Canyon Formation	0353792
1446465	00/05-35-039-24W4	B140 Category Well Licence targeting gas in the Belly River Group	0353794

Additional Information

Copies of the materials for all of the above-referenced applications and related material are available for viewing on the EUB's Web site at www.eub.gov.ab.ca on the Integrated Application Registry (IAR).

For information about EUB procedures, contact

Applications Branch, Resources Applications Group
Attention: K. Fisher, Applications Coordinator
Telephone: (403) 297-8490
Fax: (403) 297-2474
E-mail: karine.fisher@gov.ab.ca

To File a Submission

The Board has established the following filing deadlines for third parties seeking intervener status or other participation rights for this proceeding:

Submissions	Filing Deadlines
Third-party requests to intervene or other participation rights	No later than 1 p.m. on July 4, 2006
Bearspaw, Carbon Development Partnership, Devon, EnCana, and Fairborne responses to third-party requests to intervene or other participation rights	No later than 1 p.m. on July 14, 2006

The Board will review all submissions after the July 14, 2006, deadline and advise all interested parties by no later than July 21, 2006.

The Board has established the following filing deadlines for registered parties and other third parties that have been granted intervener status or other participation rights:

Submissions	Filing Deadlines
Bearspaw, Devon, Fairborne, and any other third-party natural gas holders granted intervener status or other participation rights	No later than 1 p.m. on August 11, 2006
EnCana, Carbon Development Partnership and any other third-party coal holders granted intervener status or other participation rights	No later than 1 p.m. on September 1, 2006
Replies of Bearspaw, Devon, Fairborne and any other third-party natural gas holders granted intervener status or other participation rights	No later than 1 p.m. on September 22, 2006
Hearing commences	October 16, 2006

Interested parties must send their electronic submission documents in Acrobat PDF format by e-mail or on CD to the other parties involved and to the EUB at the address listed below. Text documents must be converted from an electronic source or scanned to allow for a searchable image. In addition to the above-mentioned electronic versions, all interested parties must send 12 complete paper copies of the submission documents to

P. Ferensowicz
Energy Team Secretariat
Alberta Energy and Utilities Board
640 - 5 Avenue SW
Calgary, Alberta T2P 3G4
Telephone (403) 297-6895
E-mail: paul.ferensowicz@gov.ab.ca

Notes

In accordance with Section 38 of the *Alberta Energy and Utilities Board Rules of Practice*, witnesses must give evidence under oath or affirmation.

Any statements filed regarding this application become part of the public record and are accessible by the public.

Issued at Calgary, Alberta on June 23, 2006.

ALBERTA ENERGY AND UTILITIES BOARD
Douglas A. Larder, Q.C., General Counsel