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April 27, 2006

Our File: 43173.1

VIA FAX

ALBERTA ENERGY AND UTILITIES BOARD

640 – 5th Avenue S.W.
CALGARY, Alberta
T2P 3G4

ATTENTION: Douglas A. Larder, Q.C.
General Counsel

RE: REVIEW AND VARIANCE APPLICATIONS
9500 - 1404564 (Luscar Ltd. / Fairborne Energy Ltd.)
9500 - 1406894 (Luscar Ltd. / Devon Canada Corporation)
9500 – 1424930 (Luscar Ltd. / Glacier Energy Limited)
9500 – 1406721 (EnCana Corporation / Devon Canada Corporation)
9500 – 1422781 (EnCana Corporation / Bearspaw Petroleum Ltd.); and
9500 – 1439810 (EnCana Corporation / Bearspaw Petroleum Ltd.)

Further to your letter of April 21st and the Board's Notice of Hearing of today's date, it would be the expectation of Luscar Energy Ltd. ("Luscar") that Luscar's request, pursuant to Section 40(4) of the *Energy Resources Conservation Act* will be addressed as part of Proceeding No. 1457147.

Subject to being satisfied that coalbed methane production from the Luscar wells has been and will continue to be monitored in a fashion satisfactory to Luscar, Luscar would be prepared to consider suspending its request under Section 40(4) if Devon Canada Corporation ("Devon") and Fairborne Energy Ltd. ("Fairborne") would be prepared to acknowledge that any such suspension would be without prejudice to and would not be relied upon by Devon or Fairborne as a basis for resisting a claim by Luscar for restitutionary damages, including challenging the quantum of such damages, in any claim brought by Luscar against Devon and Fairborne.

{C0366406.DOC;1}

We look forward to discussing these issues with all counsel tomorrow.

Yours truly,

FIELD LLP



W. T. Corbett

cc: Robert Donick, Corporate Counsel
Fraser Milner Casgrain – A.L. McLarty
Code Hunter – C.J. Popowich
Encana Corporation – L. Stebbins
Vermilion Resources – V. Scott
Bears paw Petroleum Ltd. – R.G. Jensen
Carscallen Lockwood LLP – D. Edie
Thackray Burgess – J. Gruber