

**Fasken Martineau DuMoulin LLP \***  
Barristers and Solicitors  
Patent and Trade-mark Agents

www.fasken.com

3400 First Canadian Centre  
350 - 7th Avenue SW  
Calgary, Alberta, Canada, T2P 3N9

403 261 5350 Telephone  
403 261 5351 Facsimile

**FASKEN  
MARTINEAU** 

**A.W. (Sandy) Carpenter**  
Direct 403 261 5365  
Facsimile 403 261 5351  
scarpenter@cgy.fasken.com

August 25, 2006  
File No.: 261642.00004/15311

**Via Email**

Alberta Energy and Utilities Board  
640 – 5 Avenue SW  
Calgary, AB T2P 3G4

**Attention: Karine Fisher, Application Officer**

Dear Sirs/Mesdames:

**Proceeding No. 1457147, CBM Review Hearing**

Further to the Board's July 27, 2006 Amended Notice of Hearing and the Board's August 23, 2006 letter, please find attached Apache Canada Ltd.'s initial submission on this matter.

As provided in the Amended Notice of Hearing, Apache will provide an electronic copy of this submission to the other parties and will also provide twelve paper copies to the Board.

Yours truly,

**FASKEN MARTINEAU DuMOULIN LLP**



A.W. (Sandy) Carpenter

AWC/klh

Encl

c.c. Parties

DM\_CGY/261642-00004/26167.1

\* Fasken Martineau DuMoulin LLP is a limited liability partnership under the laws of Ontario and includes law corporations.

Vancouver Calgary Toronto Montréal Québec City New York London Johannesburg

**ALBERTA ENERGY AND UTILITIES BOARD**

**IN THE MATTER OF THE *ENERGY RESOURCES  
CONSERVATION ACT*, C. E-10 OF THE REVISED  
STATUTES OF ALBERTA 2000;**

**AND IN THE MATTER OF PROCEEDING NO. 1457147,  
COALBED METHANE (CBM) REVIEW HEARING (PART 2)**

**SUBMISSION OF APACHE CANADA LTD.**

**AUGUST 25, 2006**

## INTRODUCTION

1. In accordance with the Board's Amended Notice of Hearing dated July 27, 2006 and letter dated August 23, 2006, the following sets out Apache Canada Ltd.'s ("Apache") initial submission in this matter.
2. In its Amended Notice of Hearing, the Board indicated that it would consider the following issues in this part of the proceeding:
  - 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 ("Devon"), and Fairborne Energy Ltd.; and
  - Any outstanding measurement and accounting issues of coalbed methane ("CBM") production in connection with the said wells arising from the cancellation of Part 1 of Proceeding No. 1457147.
3. Apache is not aware of any outstanding measurement and accounting issues in connection with this matter and will limit its submission to the issue of entitlement to CBM at this time.
4. This submission begins by identifying Apache's direct and indirect interests in this matter. It then sets out Apache's current view on the role of the Board on the issue of legal entitlement and the issues that Apache believes the Board should take into account when it is addressing questions of legal entitlement. The submission then addresses the issue of legal entitlement to CBM. The submission concludes with an outline of relief which Apache presently expects to be seeking *at the end of this proceeding*.
5. Apache reserves the right to make full submissions at the conclusion of this matter based on all of the evidence and arguments submitted in this proceeding.

## APACHE'S INTERESTS

6. Apache holds freehold title to certain mineral rights, and is a lessor of such rights, in Section 8-34-26W4, Section 9-34-26W4, and Section 17-34-26W4 the rights to which are in issue in Devon Application Nos. 1383132, 1383134, 1383136, 1383137, 1383138, 1383139, 1383140, 1383141, 1380005, 1380010, 1380013, and 1380014. Copies of the Certificates of Title to these sections showing Apache's title to "all mines and minerals other than coal" are attached as Schedules 1-3. Copies of the Certificates of Title to these sections showing Luscar Ltd.'s title to "coal" are attached as Schedules 4-6.
7. Apache also has significant holdings in the immediate vicinity of the areas that are the subject matter of this proceeding for the purpose of CBM development.

## ROLE OF THE BOARD ON ISSUES OF LEGAL ENTITLEMENT

8. Apache believes that the Board should take into account the following considerations in addressing issues of legal entitlement.
9. First, while the Board has substantial technical and legal expertise that may be of assistance in addressing issues of legal entitlement, the Board's primary role is administering the statutes for which it is responsible. While the Board may address issues of legal entitlement in carrying out its primary role, Apache understands that the Board does not have the power to make final determinations of legal ownership and that this authority resides with the Courts.<sup>1</sup>
10. Second, the Board's involvement in disputes over ownership should not be a bar to production. While the Board cannot ignore questions of legal entitlement, if a disagreement over production occurs, parties are entitled to go to Court to resolve that dispute.<sup>2</sup>

---

<sup>1</sup> *Anderson v. Amoco Canada Oil and Gas* (1998), 63 Alta. L.R. (3d) 1, at para. 147, aff'd 2002 ABCA 162.

<sup>2</sup> *Alberta Energy Co. v. Goodwell Petroleum Corp.* (2003) ABCA 277, at para. 98.

11. Third, there is an established process for addressing questions of legal entitlement. The relevant portions of section 16 of the *Oil and Gas Conservation Act* (“OGCA”) provide as follows:

**Entitlement for well licence**

16(1) No person shall apply for or hold a licence for a well

(a) for the recovery of oil, gas or crude bitumen, or

(b) for any other authorized purpose

unless that person is a working interest participant and is entitled to the right to produce the oil, gas or crude bitumen from the well or to the right to drill or operate the well for the other authorized purpose, as the case may be.

(2) If, after 30 days from the mailing of a notice by the Board to a licensee at the licensee’s last known address, the licensee fails to prove entitlement under subsection (1) to the satisfaction of the Board, the Board may cancel the licence or suspend the licence on any terms and conditions that it may specify.

12. These provisions suggest that, while the Board has the jurisdiction to enquire into questions of entitlement, that the legislature did not expect the Board to be conducting extended hearings into these issues or to require proof to the level that would be required were these matters to be the subject of Court proceedings.
13. Finally, in the case of CBM, while Apache understands that there are certain forms of freehold grants and reservations that are relatively common, there can be differences in the circumstances in which these transfers took place, including when they took place, and it is also likely that there are numerous other less common forms of transfers. If the Board were to attempt to conduct “trials” on the question of ownership, this could result in numerous hearings on legal entitlement, and hearings of greater and greater detail as parties attempt to distinguish their circumstances from previous Board decisions.

14. Based on the above, and the current information that has been filed in this proceeding, at this time Apache believes that:
- i) Applicants should not be required to submit detailed information on entitlement as part of their original Applications to the Board. In split-title situations, Applicants should give notice of their Application to other freehold title holders;
  - ii) If the Board or a party raises an issue of entitlement, the issue should generally be addressed following the process set out in section 16(2) of the OGCA;
  - iii) While an Applicant should be able to establish a strong case for entitlement, it should not have to “demonstrate undisputed entitlement,” as has been previously suggested in this proceeding,<sup>3</sup> as the proof satisfactory to the Board;
  - iv) Conversely, the Board should not exercise its powers to cancel or suspend a licence under section 16(2) unless, in the Board’s opinion, a competing claim of entitlement has a substantial chance of success and that claim is being diligently pursued; and
  - v) The Board should rely on its underlying legislation, its policies, and the current state of the jurisprudence in reviewing issues of CBM entitlement.
15. While Apache recognizes that there may have to be exceptions to this process, at this time it appears that this process could be used in the majority of CBM-related entitlement issues.

---

<sup>3</sup> See e.g., Ex. 03-020-2005-06-24 Luscar (now CDP) Review Request, para. 3.

## THE LEGAL ENTITLEMENT TO CBM FOR BOARD PURPOSES

16. Based on the above, Apache submits that the following should generally constitute satisfactory proof to the Board of entitlement to CBM on split-title lands:
- i) CBM is defined as “gas” under the OGCA;<sup>4</sup>
  - ii) Since 1991, the Board and the Alberta Department of Energy have held the view that CBM is a form of natural gas;<sup>5</sup> and
  - iii) The weight of the current jurisprudence supports the view that title to CBM lies with the natural gas or mineral rights holder, not with the coal rights holder.<sup>6</sup>

## RELIEF SOUGHT

17. At present, Apache expects that it will seek the following relief at the conclusion of this proceeding:
- i) An Order dismissing the review and variance applications of CDP, and/or an Order confirming the Board’s original Orders, on those applications in which Apache has a direct interest; and
  - ii) Guidance from the Board regarding how it will address the issue of legal entitlement to CBM on split-title lands in the future, including the information and notice requirements for Applications on split-title lands, the expected process the Board will follow when issues of entitlement are raised, and the general approach the Board will take on these issues.

---

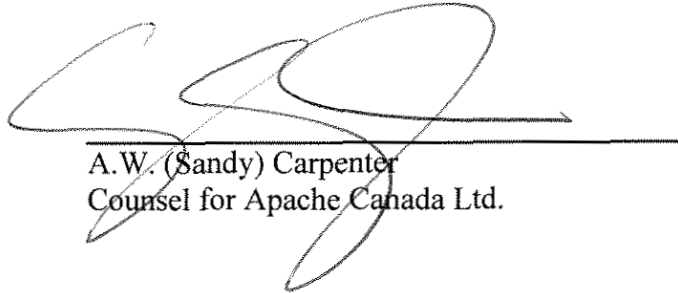
<sup>4</sup> OGCA, s. 1(l)(y) definition of “gas”; definition of “raw gas” (s.1(l)(tt)); and definition of “methane” (s.1(l)(ff)).

<sup>5</sup> AEUB Informational Letter IL 91-11.

<sup>6</sup> *Crow’s Nest Pass Coal Co. v. British Columbia*, [1961] S.C.R. 750; *Borys v. Canadian Pacific Railway*, [1953] A.C. 217 (P.C.); *Amoco Production Co. v. Southern Ute Tribe* 526 U.S. 865 (1999).

18. Apache reserves the right to amend this relief or seek alternative relief based on the evidence and argument in this proceeding.

All of which is respectfully submitted this 25<sup>th</sup> day of August, 2006.



A.W. (Sandy) Carpenter  
Counsel for Apache Canada Ltd.

# **SCHEDULE 1**



ALBERTA REGISTRIES  
LAND TITLE CERTIFICATE

M	LINC	SHORT LEGAL	TITLE NUMBER
	0021 748 793	4;26;34;8;NW	011 101 294 +61
	0021 748 785	4;26;34;8;NE	
	0024 841 132	4;26;34;8;SW	
	0024 841 140	4;26;34;8;SE	

LEGAL DESCRIPTION

FIRST

\*ALL MINES AND MINERALS OTHER THAN COAL AS RESERVED IN TRANSFER 2247FD  
WITHIN, UPON OR UNDER ....  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 8  
QUARTER NORTH WEST  
AND THE RIGHT TO WORK THE SAME

SECOND

\*ALL MINES AND MINERALS OTHER THAN COAL AS RESERVED IN TRANSFER 7095FE  
WITHIN, UPON OR UNDER ....  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 8  
QUARTER NORTH EAST  
AND THE RIGHT TO WORK THE SAME  
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

THIRD

\*ALL MINES AND MINERALS OTHER THAN COAL AS RESERVED IN TRANSFER 7693FH,  
WITHIN, UPON OR UNDER ....  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 8  
QUARTER SOUTH WEST  
AND THE RIGHT TO WORK THE SAME

( CONTINUED )

FOURTH

\*ALL MINES AND MINERALS OTHER THAN COAL AS RESERVED IN TRANSFER 7693FH,  
WITHIN, UPON OR UNDER ....  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 8  
QUARTER SOUTH EAST  
AND THE RIGHT TO WORK THE SAME

ESTATE: FEE SIMPLE

MUNICIPALITY: RED DEER COUNTY

REFERENCE NUMBER: 951 222 849 +3

---

REGISTRATION	DATE(DMY)	REGISTERED OWNER(S) DOCUMENT TYPE	VALUE	CONSIDERATION
011 101 294	18/04/2001	TRANSFER OF LAND		SEE INSTRUMENT

---

OWNERS

APACHE CANADA LTD.  
OF 1000, 700-9 AVE SW  
CALGARY  
ALBERTA T2P 3V4  
(DATA UPDATED BY: CHANGE OF NAME 021320677)

---

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
861 136 259	20/08/1986	CAVEAT RE : MINERAL RIGHTS CONVEYANCE , ETC. CAVEATOR - CANPAR HOLDINGS LTD.. P.O. BOX 2246, STATION M CALGARY ALBERTA T2P2M6

( CONTINUED )

ENCUMBRANCES, LIENS & INTERESTS

PAGE 3  
# 011 101 294 +61

REGISTRATION  
NUMBER DATE (D/M/Y) PARTICULARS

901 199 302 31/07/1990 CAVEAT  
RE : BENEFICIAL OWNER  
CAVEATOR - CANPAR HOLDINGS LTD..  
P.O. BOX 2246, STN "M"  
CALGARY  
ALBERTA T2P2M6  
(DATA UPDATED BY: CHANGE OF ADDRESS 981133094)

941 285 699 04/11/1994 CAVEAT  
RE : PETROLEUM AND NATURAL GAS LEASE  
CAVEATOR - DEVON CANADA CORPORATION.  
2000, 400-3RD AVENUE SW  
CALGARY  
ALBERTA T2P4H2  
AFFECTED LAND: 4;26;34;8;SE  
(DATA UPDATED BY: TRANSFER OF CAVEAT  
991140024)  
(DATA UPDATED BY: TRANSFER OF CAVEAT  
041432235)

941 285 700 04/11/1994 CAVEAT  
RE : PETROLEUM AND NATURAL GAS LEASE  
CAVEATOR - DEVON CANADA CORPORATION.  
2000, 400-3RD AVENUE SW  
CALGARY  
ALBERTA T2P4H2  
AFFECTED LAND: 4;26;34;8;NE  
(DATA UPDATED BY: TRANSFER OF CAVEAT  
991140024)  
(DATA UPDATED BY: TRANSFER OF CAVEAT  
041432235)

951 032 172 06/02/1995 CAVEAT  
RE : PETROLEUM AND NATURAL GAS LEASE  
CAVEATOR - DEVON CANADA CORPORATION.  
2000, 400-3RD AVENUE SW  
CALGARY  
ALBERTA T2P4H2  
AFFECTED LAND: 4;26;34;8;SW  
(DATA UPDATED BY: TRANSFER OF CAVEAT  
981050882)  
(DATA UPDATED BY: TRANSFER OF CAVEAT  
001164979)  
(DATA UPDATED BY: TRANSFER OF CAVEAT  
041432238)

( CONTINUED )

ENCUMBRANCES, LIENS & INTERESTS

PAGE 4  
# 011 101 294 +61

REGISTRATION  
NUMBER DATE (D/M/Y) PARTICULARS

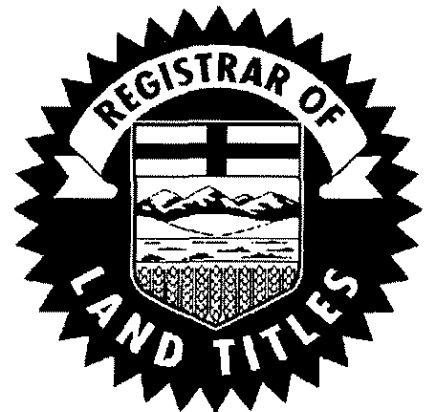
951 032 173 06/02/1995 CAVEAT  
RE : PETROLEUM AND NATURAL GAS LEASE  
CAVEATOR - DEVON CANADA CORPORATION.  
2000, 400-3RD AVENUE SW  
CALGARY  
ALBERTA T2P4H2  
AFFECTED LAND: 4;26;34;8;NW  
(DATA UPDATED BY: TRANSFER OF CAVEAT  
991140024)  
(DATA UPDATED BY: TRANSFER OF CAVEAT  
041432239)

TOTAL INSTRUMENTS: 006

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE  
REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED  
HEREIN THIS 11 DAY OF AUGUST, 2006 AT 11:29 A.M.

ORDER NUMBER:6029605

CUSTOMER FILE NUMBER: Audrey Densh



\*END OF CERTIFICATE\*

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE  
SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS  
SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM  
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION, APPRAISAL OR  
OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS PART OF THE ORIGINAL  
PURCHASER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL EXPERTISE FOR  
THE BENEFIT OF CLIENT(S).

## **SCHEDULE 2**



ALBERTA REGISTRIES  
LAND TITLE CERTIFICATE

M	LINC	SHORT LEGAL	TITLE NUMBER
	0024 453 813	4;26;34;9;NW	011 101 294 +31
	0024 453 821	4;26;34;9;NE	
	0021 748 819	4;26;34;9;SW	
	0021 742 689	4;26;34;9;SE	

LEGAL DESCRIPTION

FIRST

\*ALL MINES AND MINERALS OTHER THAN COAL, WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 9  
QUARTER NORTH WEST  
AND THE RIGHT TO WORK THE SAME  
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

SECOND

\*ALL MINES AND MINERALS OTHER THAN COAL, WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 9  
QUARTER NORTH EAST  
AND THE RIGHT TO WORK THE SAME  
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

THIRD

\*ALL MINES AND MINERALS OTHER THAN COAL WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 9  
QUARTER SOUTH WEST  
AND THE RIGHT TO WORK THE SAME  
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

( CONTINUED )

FOURTH

\*ALL MINES AND MINERALS OTHER THAN COAL WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 9  
QUARTER SOUTH EAST  
AND THE RIGHT TO WORK THE SAME  
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE

MUNICIPALITY: KNEEHILL COUNTY

REFERENCE NUMBER: 951 216 461

-----  
REGISTERED OWNER(S)  
REGISTRATION      DATE(DMY) DOCUMENT TYPE      VALUE      CONSIDERATION  
-----  
011 101 294      18/04/2001 TRANSFER OF LAND           SEE INSTRUMENT

OWNERS

APACHE CANADA LTD.  
OF 1000, 700-9 AVE SW  
CALGARY  
ALBERTA T2P 3V4  
(DATA UPDATED BY: CHANGE OF NAME 021319017)

-----  
ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION  
NUMBER      DATE (D/M/Y)      PARTICULARS  
-----  
8008GR .      03/08/1954 CAVEAT  
CAVEATOR - BANFF OIL LTD.  
C/O ULSTER PETROLEUMS LTD  
1400, 144-4TH AVE SW  
CALGARY  
ALBERTA T2P3N4

( CONTINUED )

-----  
 ENCUMBRANCES, LIENS & INTERESTS

PAGE 3

REGISTRATION

# 011 101 294 +31

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		AFFECTED LAND: 4;26;34;9;SE (DATA UPDATED BY: CHANGE OF ADDRESS 941161456) (DATA UPDATED BY: CHANGE OF ADDRESS 971071159)
8301HE .	27/02/1957	CAVEAT CAVEATOR - MERRILL HOLDINGS LTD. AFFECTED LAND: 4;26;34;9;SE
8302HE .	27/02/1957	CAVEAT CAVEATOR - MERRILL PETROLEUMS LTD. AFFECTED LAND: 4;26;34;9;SE
1257HQ .	01/12/1958	CAVEAT CAVEATOR - CANADIAN SEABOARD OIL COMPANY.
3589IY .	10/02/1964	CAVEAT CAVEATOR - BANFF OIL LTD. C/O ULSTER PETROLEUMS LTD 1400, 144-4TH AVE SW CALGARY ALBERTA T2P3N4 (DATA UPDATED BY: CHANGE OF ADDRESS 941161456) (DATA UPDATED BY: CHANGE OF ADDRESS 971071159)
5237KV .	15/03/1971	CAVEAT CAVEATOR - TEXACO EXPLORATION CANADA LTD..
791 150 619	13/09/1979	CAVEAT CAVEATOR - DEVON CANADA CORPORATION. 2000, 400-3RD AVENUE SW CALGARY ALBERTA T2P4H2 AFFECTED LAND: 4;26;34;9;SE "DATA UPDATED BY: TRANSFER OF CAVE NO 921058962" (DATA UPDATED BY: TRANSFER OF CAVEAT 971086137) (DATA UPDATED BY: TRANSFER OF CAVEAT 041432193)

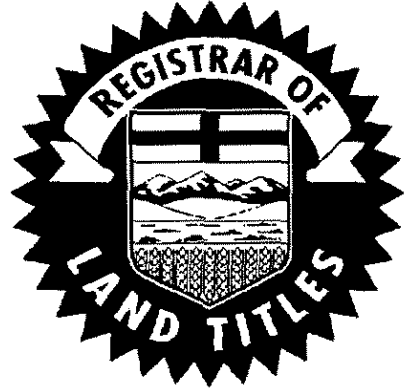
( CONTINUED )

TOTAL INSTRUMENTS: 007

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE  
REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED  
HEREIN THIS 24 DAY OF AUGUST, 2006 AT 02:50 P.M.

ORDER NUMBER:6141879

CUSTOMER FILE NUMBER: 261990.16204



\*END OF CERTIFICATE\*

---

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE  
SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS  
SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM  
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION, APPRAISAL OR  
OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS PART OF THE ORIGINAL  
PURCHASER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL EXPERTISE FOR  
THE BENEFIT OF CLIENT(S).

**SCHEDULE 3**



ALBERTA REGISTRIES

HISTORICAL LAND TITLE CERTIFICATE

CURRENT TITLE WITH HISTORICAL DATA

M	LINC	SHORT LEGAL	TITLE NUMBER
	0020 967 691	4;26;34;17;NW	011 101 294 +32
	0018 525 123	4;26;34;17;NE	
	0020 734 737	4;26;34;17;SW	
	0020 734 745	4;26;34;17;SE	

LEGAL DESCRIPTION

FIRST

\*ALL MINES AND MINERALS OTHER THAN COAL, WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 17  
QUARTER NORTH WEST  
AND THE RIGHT TO WORK THE SAME  
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

SECOND

\*ALL MINES AND MINERALS OTHER THAN COAL, WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 17  
QUARTER NORTH EAST  
AND THE RIGHT TO WORK THE SAME  
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

THIRD

\*ALL MINES AND MINERALS OTHER THAN COAL, WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 17  
QUARTER SOUTH WEST  
AND THE RIGHT TO WORK THE SAME  
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

( CONTINUED )

FOURTH

\*ALL MINES AND MINERALS OTHER THAN COAL, WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 17  
QUARTER SOUTH EAST  
AND THE RIGHT TO WORK THE SAME  
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE

MUNICIPALITY: RED DEER COUNTY

REFERENCE NUMBER: 951 216 461 +1

-----  
REGISTERED OWNER(S)  
REGISTRATION      DATE(DMY) DOCUMENT TYPE      VALUE      CONSIDERATION  
-----  
011 101 294      18/04/2001 TRANSFER OF LAND           SEE INSTRUMENT

OWNERS

APACHE CANADA LTD.  
OF 1000, 700-9 AVE SW  
CALGARY  
ALBERTA T2P 3V4  
(DATA UPDATED BY: CHANGE OF NAME 021319017)

-----  
ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION  
NUMBER      DATE (D/M/Y)      PARTICULARS  
-----  
1257HQ      01/12/1958 CAVEAT  
CAVEATOR - CANADIAN SEABOARD OIL COMPANY.  
3590IY      10/02/1964 CAVEAT  
CAVEATOR - BANFF OIL LTD.  
C/O ULSTER PETROLEUMS LTD  
1400, 144-4TH AVE SW

( CONTINUED )

-----  
ENCUMBRANCES, LIENS & INTERESTS

PAGE 3

# 011 101 294 +32

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
		CALGARY ALBERTA T2P3N4 (DATA UPDATED BY: CHANGE OF ADDRESS 941161456) (DATA UPDATED BY: CHANGE OF ADDRESS 971071159)
5237KV .	15/03/1971	CAVEAT CAVEATOR - TEXACO EXPLORATION CANADA LTD..
791 150 619	13/09/1979	CAVEAT CAVEATOR - DEVON CANADA CORPORATION. 2000, 400-3RD AVENUE SW CALGARY ALBERTA T2P4H2 "DATA UPDATED BY: TRANSFER OF CAVE NO 921058962" (DATA UPDATED BY: TRANSFER OF CAVEAT 971086137) (DATA UPDATED BY: TRANSFER OF CAVEAT 041432193)
941 161 456	21/06/1994	CHANGE OF ADDRESS FOR SERVICE RE: BANFF OIL LTD. C/O ENERPLUS PENSION RESOURCES CORPORATION I 3200 150 6 AVE SW CALGARY ALBERTA T2P3Y7 AFFECTS INSTRUMENT: 3590IY .
971 071 159	13/03/1997	CHANGE OF ADDRESS FOR SERVICE RE: BANFF OIL LTD. C/O ULSTER PETROLEUMS LTD 1400, 144-4TH AVE SW CALGARY ALBERTA T2P3N4 AFFECTS INSTRUMENT: 3590IY .
971 086 137	01/04/1997	TRANSFER OF CAVEAT 791150619 TRANSFEREE - ULSTER PETROLEUMS LTD.. 1400,144-4TH AVENUE SW, CALGARY ALBERTA T2P3N4
021 319 017	11/09/2002	CHANGE OF NAME RE: APACHE CANADA LTD. 1000, 700-9 AVE SW CALGARY ALBERTA T2P3V4 AFFECTS INSTRUMENT: 011101294 +32

( CONTINUED )



## **SCHEDULE 4**



ALBERTA REGISTRIES  
LAND TITLE CERTIFICATE

M	LINC	SHORT LEGAL	TITLE NUMBER
	0021 748 793	4;26;34;8;NW	041 128 618 +7
	0021 748 785	4;26;34;8;NE	
	0024 841 132	4;26;34;8;SW	
	0024 841 140	4;26;34;8;SE	

LEGAL DESCRIPTION

FIRST

\*ALL COAL, WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 8  
QUARTER NORTH WEST  
AND THE RIGHT TO WORK THE SAME

SECOND

\*ALL COAL, WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 8  
QUARTER NORTH EAST  
AND THE RIGHT TO WORK THE SAME  
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

THIRD

\*ALL COAL WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 8  
QUARTER SOUTH WEST  
AND THE RIGHT TO WORK THE SAME

FOURTH

\*ALL COAL WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 8  
QUARTER SOUTH EAST  
AND THE RIGHT TO WORK THE SAME

( CONTINUED )

ESTATE: FEE SIMPLE

MUNICIPALITY: RED DEER COUNTY

REFERENCE NUMBER: 011 085 018 +4

-----  
REGISTERED OWNER(S)  
REGISTRATION      DATE(DMY) DOCUMENT TYPE      VALUE      CONSIDERATION  
-----  
041 128 618      13/04/2004 TRANSFER OF LAND           SEE INSTRUMENT

OWNERS

LUSCAR LTD..  
OF 1600,10235-101 ST  
EDMONTON  
ALBERTA T5J 3G1

-----  
ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION  
NUMBER      DATE (D/M/Y)      PARTICULARS  
-----  
041 121 800      05/04/2004 CAVEAT  
RE : SEE CAVEAT  
CAVEATOR - FORDING INC..  
SUITE 1000, 205 9 AVENUE SE  
CALGARY  
ALBERTA T2G0R4  
"ENDORSED BY 041122105 ON 20040405"

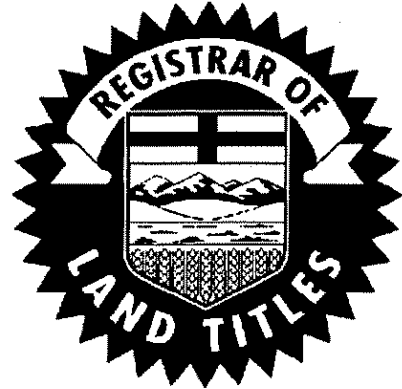
( CONTINUED )

TOTAL INSTRUMENTS: 001

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE  
REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED  
HEREIN THIS 24 DAY OF AUGUST, 2006 AT 02:40 P.M.

ORDER NUMBER:6141641

CUSTOMER FILE NUMBER: 261990.16204



\*END OF CERTIFICATE\*

---

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE  
SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS  
SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM  
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION, APPRAISAL OR  
OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS PART OF THE ORIGINAL  
PURCHASER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL EXPERTISE FOR  
THE BENEFIT OF CLIENT(S).

## **SCHEDULE 5**



ALBERTA REGISTRIES  
LAND TITLE CERTIFICATE

M	LINC	SHORT LEGAL	TITLE NUMBER
	0024 453 813	4;26;34;9;NW	041 128 618 +11
	0024 453 821	4;26;34;9;NE	
	0021 748 819	4;26;34;9;SW	
	0021 742 689	4;26;34;9;SE	

LEGAL DESCRIPTION

FIRST

\*ALL COAL, WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 9  
QUARTER NORTH WEST  
AND THE RIGHT TO WORK THE SAME  
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

SECOND

\*ALL COAL, WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 9  
QUARTER NORTH EAST  
AND THE RIGHT TO WORK THE SAME  
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

THIRD

\*ALL COAL WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 9  
QUARTER SOUTH WEST  
AND THE RIGHT TO WORK THE SAME  
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

( CONTINUED )

FOURTH

\*ALL COAL WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 9  
QUARTER SOUTH EAST  
AND THE RIGHT TO WORK THE SAME  
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE

MUNICIPALITY: KNEEHILL COUNTY

REFERENCE NUMBER: 011 085 018 +8

REGISTRATION	DATE(DMY)	REGISTERED OWNER(S) DOCUMENT TYPE	VALUE	CONSIDERATION
041 128 618	13/04/2004	TRANSFER OF LAND		SEE INSTRUMENT

OWNERS

LUSCAR LTD..  
OF 1600,10235-101 ST  
EDMONTON  
ALBERTA T5J 3G1

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
041 121 800	05/04/2004	CAVEAT RE : SEE CAVEAT CAVEATOR - FORDING INC.. SUITE 1000, 205 9 AVENUE SE CALGARY ALBERTA T2G0R4 "ENDORSED BY 041122105 ON 20040405"

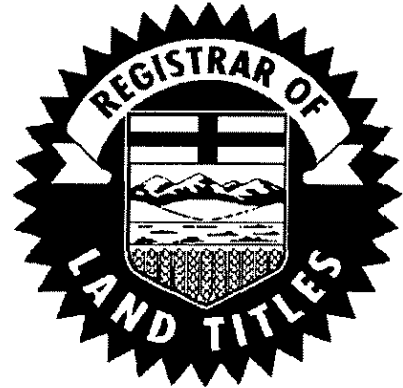
( CONTINUED )

TOTAL INSTRUMENTS: 001

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE  
REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED  
HEREIN THIS 24 DAY OF AUGUST, 2006 AT 02:50 P.M.

ORDER NUMBER:6141879

CUSTOMER FILE NUMBER: 261990.16204



\*END OF CERTIFICATE\*

---

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE  
SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS  
SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM  
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION, APPRAISAL OR  
OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS PART OF THE ORIGINAL  
PURCHASER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL EXPERTISE FOR  
THE BENEFIT OF CLIENT(S).

## **SCHEDULE 6**



ALBERTA REGISTRIES  
LAND TITLE CERTIFICATE

M	LINC	SHORT LEGAL	TITLE NUMBER
	0020 967 691	4;26;34;17;NW	041 128 618 +12
	0018 525 123	4;26;34;17;NE	
	0020 734 737	4;26;34;17;SW	
	0020 734 745	4;26;34;17;SE	

LEGAL DESCRIPTION

FIRST

\*ALL COAL WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 17  
QUARTER NORTH WEST  
AND THE RIGHT TO WORK THE SAME  
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

SECOND

\*ALL COAL WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 17  
QUARTER NORTH EAST  
AND THE RIGHT TO WORK THE SAME  
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

THIRD

\*ALL COAL WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 17  
QUARTER SOUTH WEST  
AND THE RIGHT TO WORK THE SAME  
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

( CONTINUED )

FOURTH

\*ALL COAL WITHIN, UPON OR UNDER:  
MERIDIAN 4 RANGE 26 TOWNSHIP 34  
SECTION 17  
QUARTER SOUTH EAST  
AND THE RIGHT TO WORK THE SAME  
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE

MUNICIPALITY: RED DEER COUNTY

REFERENCE NUMBER: 011 085 018 +9

-----  
REGISTERED OWNER(S)  
REGISTRATION      DATE(DMY)      DOCUMENT TYPE      VALUE      CONSIDERATION  
-----  
041 128 618      13/04/2004      TRANSFER OF LAND           SEE INSTRUMENT

OWNERS

LUSCAR LTD..  
OF 1600,10235-101 ST  
EDMONTON  
ALBERTA T5J 3G1

-----  
ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION  
NUMBER      DATE (D/M/Y)      PARTICULARS  
-----  
041 121 800      05/04/2004      CAVEAT  
RE : SEE CAVEAT  
CAVEATOR - FORDING INC..  
SUITE 1000, 205 9 AVENUE SE  
CALGARY  
ALBERTA T2G0R4  
"ENDORSED BY 041122105 ON 20040405"

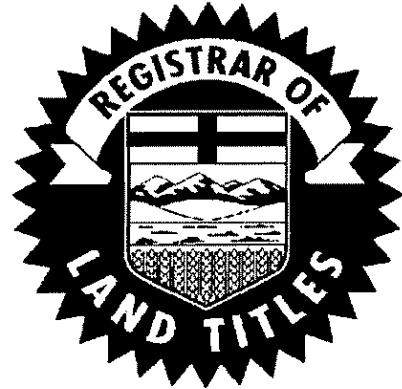
( CONTINUED )

TOTAL INSTRUMENTS: 001

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE  
REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED  
HEREIN THIS 24 DAY OF AUGUST, 2006 AT 02:50 P.M.

ORDER NUMBER:6141879

CUSTOMER FILE NUMBER: 261990.16204



\*END OF CERTIFICATE\*

---

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE  
SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS  
SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM  
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION, APPRAISAL OR  
OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS PART OF THE ORIGINAL  
PURCHASER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL EXPERTISE FOR  
THE BENEFIT OF CLIENT(S).