

March 9, 2006

Via Facsimile

Luscar Ltd.
1600, 10235 - 101 Street
Edmonton, AB T5J 3G1
Attention: Robert Donick

Code Hunter LLP
850, 440 - 2nd Avenue S.W.
Calgary, AB T2P 5E9
Attention: Christian J. Popowich

EnCana Corporation
421 - 7th Avenue S.W.
Calgary, AB T2P 2S5
Attention: Lisa Stebbins

Vermilion Resources Ltd.
2800, 400 - 4th Avenue S.W.
Calgary, AB T2P 0J4
Attention: Velma Scott

Field LLP
1900, 350 - 7th Avenue S.W.
Calgary, AB T2P 3N9
Attention: William T. Corbett, Q.C.

Dear Sirs and Mesdames:

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.)

Fraser Milner Casgrain LLP
30th Fl., 237 - 4th Avenue S.W.
Calgary, AB T2P 4X7
Attention: Allan McLarty, Q.C.

Bearspaw Petroleum Ltd.
80, 6712 Fisher Street S.E.
Calgary, AB T2H 2A7
Attention: R.G. Jensen

Carscallen Lockwood LLP
1500, 407 - 2nd Street S.W.
Calgary, AB T2P 2Y3
Attention: Donald C. Edie, Q.C.

Thackray Burgess
1900, 736 - 6th Avenue S.W.
Calgary, AB T2P 3T7
Attention: John Gruber

The Board has considered the above-referenced requests for review submitted by Luscar Ltd. and EnCana Corporation pursuant to sections 39 and 40 of the *Energy Resources Conservation Act* (ERCA). In considering these requests, the Board had before it the public record of each review

and the public record of each application that is the subject of a review request. The Board also considered the oral argument presented by each interested party during the course of the oral proceeding held on January 31, 2006.

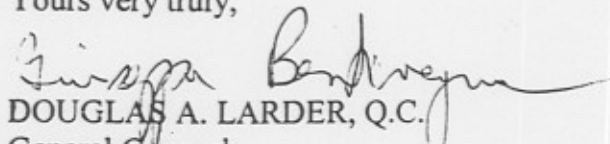
As you are aware, section 40 (1) of the *ERCA* provides for a two step process. A person who is affected by a Board decision made without the holding of a hearing may apply for a hearing. If the Board determines a person is affected, it must hold a hearing. In each of the above-referenced requests for review, the Board has determined that the review applicants are affected.

The Board notes that all parties to the review requests have acknowledged that the issue of legal entitlement to coalbed methane has not been resolved by the courts. In light of the uncertainty surrounding entitlement to coalbed methane, the Board considers that the review applicants have met the test for review set by section 40(1) of the *ERCA*. As such, the Board will hold a review hearing into the Board's decision to grant the above-referenced applications.

The Board will contact the interested parties in due course to discuss the question of the timing and nature of the hearing to be held. In the meantime, the Board requests that the parties consider the nature of the hearing to be held. In particular, the Board seeks the views of the parties as to whether the Board ought to consider the issue of legal entitlement to coalbed methane or ought to focus upon the issue of appropriate interim measures for tracking coalbed methane production. The Board also seeks the views of the parties as to whether the decisions which form the subject matter of the requests for review ought to be suspended pending completion of the review hearing.

If you have any questions or comments, do not hesitate to contact the undersigned.

Yours very truly,

for 
DOUGLAS A. LARDER, Q.C.
General Counsel