

**ConocoPhillips Canada**

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**VIA COURIER & EMAIL**

July 4, 2006

Alberta Energy and Utilities Board  
640 - 5<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 3G4

Attn: P. Ferensowicz, Energy Team Secretariat

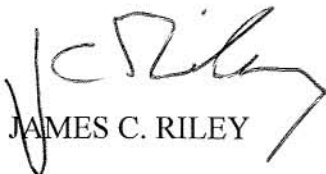
**Re: NOTICE OF HEARING  
PART 2 of PROCEEDING No. 1457147  
BEARSPAW PETROLEUM LTD., CARBON DEVELOPMENT  
PARTNERSHIP (SUCCESSOR IN INTEREST TO PRAIRIE MINES AND  
ROYALTIES LTD., FORMERLY LUSCAR LTD.), DEVON CANADA  
CORPORATION, ENCANA CORPORATION, AND FAIRBORNE  
ENERGY LTD.  
CLIVE, EWING LAKE, STETTLER AND WIMBORNE FIELDS**

Pursuant to the Board's notice of Hearing dated June 23, 2006, enclosed are twelve copies of the submission of ConocoPhillips Canada Resources Corp. ("ConocoPhillips Canada") whereby ConocoPhillips Canada requests intervener status in Proceeding No. 1457147. As requested, these documents have been forwarded electronically as well.

We trust the foregoing is in order. Should you have any questions, please contact the writer.

Yours truly,

**CONOCOPHILLIPS CANADA RESOURCES CORP.**

  
JAMES C. RILEY

cc: Dean Allatt, ConocoPhillips Canada Resource Corp. Law Department (via email only)

AND TO: SEE ATTACHED SERVICE LIST

VIA EMAIL TO:

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## **ALBERTA ENERGY AND UTILITIES BOARD**

**IN THE MATTER OF** section 40(1) of the *Energy Resources Conservations Act*, R.S.A. 2000, c. E-10

**AND IN THE MATTER OF** Part 2 of Proceeding No. 1457147, Bears paw Petroleum Ltd., Carbon Development Partnership (Successor in Interest to Prairie Mines and Royalties Ltd., Formerly Luscar Ltd.), Devon Canada Corporation, Encana Corporation, and Fairborne Energy Ltd., in relation to the Clive, Ewing Lake, Stettler And Wimborne Fields.

### **NOTICE OF INTERVENTION OF CONOCOPHILLIPS CANADA RESOURCES CORP. IN PROCEEDING NO. 1457147, PART 2**

#### **INTRODUCTION**

1. Further to the Notice of Hearing issued June 23, 2006 in relation to Part 2 of Proceedings No. 1457147, ConocoPhillips Canada Resources Corp ("ConocoPhillips Canada") files this Notice of Intervention and requests to intervene in Proceeding No. 1457147. The Board has advised that it will address the ownership of natural gas from coal ("coalbed methane"). As a holder of significant rights to coalbed methane in the Province of Alberta, any decision of the Board has the potential to directly and adversely affect the interests of ConocoPhillips Canada.

2. ConocoPhillips Canada is the third largest producer of petroleum and natural gas in Canada and holds substantial leasehold interests in lands with the potential for the production of coalbed methane. By virtue of those leasehold interests, ConocoPhillips holds the rights to production of, among other things, natural gas and related hydrocarbons, except coal. In the vast majority of these lands, the coal rights are held by EnCana Corporation or other third parties, resulting in the same split-title situation as found in the wells at issue in Proceeding No. 1457147.

3. ConocoPhillips Canada understands that this split-title situation exists in numerous sections of land in which it holds natural gas interests, including lands located in townships 35 through 37, range 20, south of the Fairborne Energy Ltd. wells, and in townships 33 and 34, ranges 24 through 26 east of the Devon Canada Corporation wells at issue in Proceeding No. 1457147. Attached as Schedule "A" is a map showing the approximate location of ConocoPhillips Canada's leasehold interests in split title lands in the application area.

4. ConocoPhillips Canada's development of these lands will lead to the issue of legal entitlement to coalbed methane as is currently before the EUB on Proceeding No. 1457147. Further, ConocoPhillips Canada has already been advised by EnCana that EnCana takes the view that the rights of ConocoPhillips Canada to develop and produce natural gas do not entitle it to produce coalbed methane. In addition, EnCana Corporation has already issued Notices of Objection in relation to the acquisition of surface leases, on 18 leases in which ConocoPhillips Canada holds an interest and where Quicksilver Resources Canada Inc. is the operator.

5. As outlined in *Bulletin 2006-19: Applications Involving Objections Relating to the Legal Entitlement to Coalbed Methane*, the EUB has determined that all applications in relation to legal entitlement to coalbed methane will be held in abeyance pending the outcome of Proceeding No. 1457147. Accordingly, the EUB's resolution of the issues between the parties in Proceeding No. 1457147, will affect all future decisions on legal entitlement to coalbed methane and directly impact on the economic, orderly and efficient development of coalbed methane. This will include issues that have and will continue to arise between EnCana and ConocoPhillips Canada on split title lands. As such, ConocoPhillips Canada will be directly affected and may be adversely affected by the determinations made on the applications in Proceeding No. 1457147. ConocoPhillips Canada will provide relevant and necessary information, argument and evidence to the EUB to assist the EUB in comprehensively considering the issue of legal entitlement to coalbed methane.

6. On the basis of the foregoing, ConocoPhillips Canada requests that it be granted status to intervene in Part 2 of Proceeding No. 1457147.

**NATURE AND SCOPE OF CONOCOPHILLIPS CANADA'S INTENDED PARTICIPATION**

7. ConocoPhillips Canada will fully participate in the Proceeding by cross-examining witnesses, presenting evidence and argument.

**DISPOSITION SOUGHT**

8. ConocoPhillips seeks a determination by the Board that coalbed methane is the property of the natural gas rights holder.

**FACTS AND REASONS**

9. ConocoPhillips will present evidence that coalbed methane is natural gas. Where a grant of natural gas rights has occurred, on lands to which the title to coal is reserved or held separately from the natural gas rights, the grant of natural gas rights carries with it the right to exploit, drill for, win, take, remove, store and dispose of coalbed methane.

**EFFORTS TO RESOLVE ISSUES ASSOCIATED WITH THE PROCEEDING**

10. The industry as a whole has been unable to comprehensively resolve the issue of ownership of coalbed methane that will be addressed in the Proceeding.

**COMMUNICATIONS**

6. Communications relating to these submissions can be directed to:

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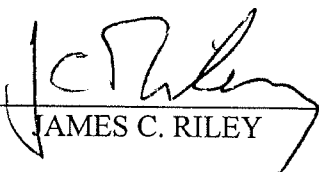
AND TO:

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Submitted this 4th day of July, 2006

**CONOCOPHILLIPS CANADA RESOURCES  
CORP.**

  
Per: JAMES C. RILEY

