

LUSCAR LTD.

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May 9, 2005

Via direct telefax #403-503-5272

**McNally Land Services Ltd.
#215, 5718-1A Street SW
CALGARY, AB T2H OE8**

Attention: Sarah Spence

Dear Madam:

RE: FAIRBORNE ENERGY LTD.
FILE 05-295 FAIRBORNE CLIVE 12-35-39-24 (YF05-295X)
FILE 05-296 FAIRBORNE CLIVE 10-35-39-24 (YF05-294X)
FILE 05-296 FAIRBORNE CLIVE 05-35-39-24 (YF 05-296X)
WELLSITE PROJECT


This is to confirm our telephone discussion of April 15, 2005 in which you advised that the above-noted wellsite locations were targeting Coal Bed Methane. I advised you that Luscar Ltd. objects to those locations as Luscar Ltd. is claiming the Coal Bed Methane at those locations.

You requested that I not contact the EUB at this time until I had heard further from you. Can you advise?

Please do not hesitate to contact the writer at (780) 420-4092.

Yours very truly,

LUSCAR LTD.


Brenda Mason
(780) 420-4092 (phone)
(780) 420-5835 (fax)