

Via Email

December 21, 2006

Carscallen Lockwood LLP
Code Hunter LLP

Attention: Mr. Donald Edie, Q.C.
Attention: Mr. Christian Popowich and
Ms. Katherine Reiffenstein
Attention: Mr. William T. Corbett, Q.C.

Field LLP

RE: PROCEEDING NO. 1457147, COALBED METHANE (CBM) REVIEW HEARING

The Alberta Energy and Utilities Board (Board) has received a joint reply argument dated December 13, 2006 from Canpar Holdings Ltd., Centrica Canada Limited, ConocoPhillips Canada Resource Corp., Devon Canada Corporation, Fairborne Energy Ltd., and Quicksilver Resources Canada Inc. In this joint reply argument, at paragraph 4, it reads "...The extreme unfairness of the Coal Owners referring to U.S. Patent US 6,412,559 (the "Sequestration Patent") and other similar evidence for the first time in their final arguments is addressed in individual company reply submissions." Upon reviewing the individual reply submissions, the Board notes that:

- ConocoPhillips Canada Resource Corp. submits that the Sequestration Patent is inadmissible and the Coal Owners argument related to it should be struck from the record.
- Devon Canada Corporation and Fairborne Energy Ltd. submit that the Sequestration Patent was improperly tendered evidence. Therefore, in these circumstances, they argue that the Board must ignore this improperly tendered evidence and CDP's submissions related to such. Devon Canada Corporation and Fairborne Energy Ltd. also submit that these same principles apply to the excerpts from the Whitson and Brule text entitled "Phase Behaviour" submitted by EnCana with its argument, and to the document referred to as the "GRI Report" that was submitted with CDP's final argument.
- Quicksilver Resources Canada Inc. submit that the Sequestration Patent and Chapter 4 of a Gas Research Institute Report titled "A Guide to Coalbed Methane Reservoir Engineering" which was attached to CDP's final argument as Appendix A and Appendix B respectively are not admissible at this point in the proceeding. It requests that this evidence not be accepted nor relied upon in any way by the Board in rendering its decision in the proceeding.

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The Board requests that you provide any responses you may have to these matters by no later than 4 pm on January 4, 2007.

Yours truly,

<*Original Signed By*>

Tamara Bews
Board Counsel

cc: Legal Counsel (See Attached Schedule A)

Schedule A

Registered Party or Third Party Participant	Legal Counsel	Law Firm
Apache Canada Ltd.	A.W. (Sandy) Carpenter	Fasken Martineau DuMoullin LLP
ARC Resources Ltd.	R. Craig Steele	Thackray Burgess
Bearspaw Petroleum Ltd.	John Gruber and Katie Slipp	Thackray Burgess
Canpar Holdings Ltd.	John Lowe	Burnet, Duckworth & Palmer LLP
Centrica Canada Limited	Peter Linder, Q.C., and Johanna Price	Peacock Linder & Halt LLP
Computershare Trust Company of Canada	Alan Harvie	Macleod Dixon LLP
ConocoPhillips Canada Resources Corp.	Alan Ross	Borden Ladner Gervais LLP
Devon Canada Corporation and Fairborne Energy Ltd.	D. Crowther and T. O'Leary	Fraser Milner Casgrain LLP
Freehold Petroleum and Natural Gas Owners Association	Tibor Osvath	Rae & Company
Quicksilver Resources Canada Inc.	Gavin Fitch and David Farmer	McLennan Ross LLP