

ALBERTA ENERGY AND UTILITIES BOARD

**IN THE MATTER OF THE *ENERGY RESOURCES CONSERVATION ACT*, R.S.A. 2000,
C. E-10; AND THE *OIL AND GAS CONSERVATION ACT*, R.S.A. 2000, C. 0-6.**

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

**REPLY OF QUICKSILVER RESOURCES CANADA INC.
TO THE REBUTTAL ARGUMENT OF
CARBON DEVELOPMENT PARTNERSHIP, DATED JANUARY 4, 2007
AND THE SURREBUTTAL ARGUMENT OF ENCANA CORPORATION,
DATED JANUARY 4, 2007**

FEBRUARY 12, 2007

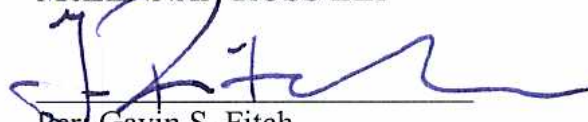
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1. On January 4, 2007, Carbon Development Partnership (“CDP”) submitted “Rebuttal Argument” to the Reply Submissions of Quicksilver Resources Canada Inc. (“Quicksilver”) and the other gas producers. The rebuttal argument addressed the assertions made by Quicksilver and the other gas producers that CDP had introduced new evidence (the “Sequestration Patent” and chapter 4 of the Gas Research Institute Report) in its Final Written Argument.
2. On January 4, 2007, EnCana Corporation (“EnCana”) filed “Surrebuttal Argument”. This was in respect of the *Continental Resources of Illinois Inc. v. Illinois Methane LLC* case. Quicksilver and the other gas producers objected to the propriety of EnCana filing this Surrebuttal Argument. However, the Board ruled that it would accept both CDP’s Rebuttal Argument and EnCana’s Surrebuttal Argument, subject to the right of reply. This is the reply of Quicksilver.
3. It is the position of Quicksilver that the issues in this Proceeding have been exhaustively argued. This includes both the technical evidence of Mr. Mavor and Dr. Levine, as well as the legal arguments. Neither CDP’s Rebuttal Argument nor EnCana’s Surrebuttal Argument raise any new issues which have not already been fully addressed by Quicksilver in our previously filed evidence, submissions and argument. In short, they do not require further response.

4. That being said, we have reviewed the Further Written Argument filed on behalf of both Devon Canada Corporation (“Devon”) and Fairborne Energy Ltd. (“Fairborne”). In our submission, the Further Written Argument of Devon and Fairborne concisely and cogently respond to CDP’s Rebuttal Argument and EnCana’s Surrebuttal Argument. Therefore, Quicksilver agrees with that Further Written Argument and adopts it as expressing the position of Quicksilver.

ALL OF WHICH IS RESPECTFULLY SUBMITTED at the City of Calgary, in the Province of Alberta, this 12th day of February, 2007.

McLENNAN ROSS LLP



Per. Gavin S. Fitch
Solicitor for Quicksilver Resources
Canada Inc.