

September 20, 2005

L. Stebbins
EnCana Corporation
421 – 7 Avenue S.W.
P.O. Box 2850
Calgary, AB T2P 2S5

Dear Ms. Stebbins:

**BEARSPAW PETROLEUM LTD. (BEARSPAW)
COMPULSORY POOLING APPLICATION NO. 1406764
EWING LAKE FIELD: SECTION 13-37-21 W4M**

The Alberta Energy and Utilities Board (the Board/EUB) considered your objection to the subject application as contained in letters of July 21 and September 1, 2005. The EUB has also considered Bears paw's application and related correspondence.

Pursuant to Section 26 (2) of the *Energy Resources Conservation Act* (ERCA), the Board will hear an application if it appears to the Board that its decision on an application may directly and adversely affect the rights of a person. The person seeking standing must demonstrate that he or she may be directly and adversely affected by the decision on the application. The Board makes its decision on a case-by-case basis, taking into account the facts of each application.

The Board noted that EnCana Corporation (EnCana) submits that it is the fee simple owner of the coal under Section 13-37-21 W4M and of the natural gas rights for a portion of west half, and that it agreed to pool natural gas excluding coal bed methane in a portion of the west half. However, EnCana and Bears paw have been unable to agree on the definition of coal bed methane. EnCana further argued that its precedent pooling agreement protects its interest as a mineral owner in that EnCana typically negotiates a higher working interest for itself under its pooling agreement if the pooling includes coal bed methane. As the compulsory pooling order applies to all natural gas, including the coal strata, EnCana submitted that it will affect its rights as a mineral owner, and the Board should not grant the compulsory pooling order.

The Board is satisfied that Bears paw's petroleum and natural gas leases demonstrate sufficiently its entitlement to produce natural gas from the Belly River Group. The Board was of the view that EnCana has not given any acceptable reasons for not calculating the pooled interest on an acreage basis. The Board determined that EnCana has not shown that it may be adversely affected by the issuance of a compulsory pooling order, as pooling orders have the same provisions for all parties. Whether minerals are leased or not is not material to a pooling application. Furthermore, the Board was of the view that the parties cannot agree on the terms of the pooling agreement based on the correspondence received and that a pooling order was necessary in this case.

As a result, the Board is of the view that EnCana would not be impacted by a pooling order in any different way or to a greater degree than any party who is subject to a pooling order. The Board therefore dismisses EnCana's objection and directs that the pooling order be issued.

For your information, attached please find an information page listing the appeal and review options of the EUB. If you wish to file a review request, please note the attached rules as to the contents of a review request.

To be considered, your review request must contain new or different information than that which has already been considered by the Board. If you submit that the Board made an error of law or jurisdiction, you must explain the facts on which you base this statement. Otherwise your review request may be dismissed without further process.

In addition, if your review request does not contain the information as required by Section 46 of the *Alberta Energy and Utilities Board Rules of Practice*, your review request may be returned.

If you have any questions, please contact the undersigned at (403) 297-8332.

Yours truly,


Giuseppa Bentivegna
Board Counsel

Enclosure

c: R. Jensen, Bearspaw Petroleum Ltd., by email only at rjensen@bearspawpet.com

APPEAL AND REVIEW OF EUB DECISIONS

Decisions of the Alberta Energy and Utilities Board may be appealed or reviewed. What follows is a brief description of the appeal and review process, but in no way is meant to be an exhaustive explanation of either process.

APPEAL

In certain situations a party may appeal a Board decision to the Alberta Court of Appeal. In order to proceed with such an appeal you must first obtain permission from the Alberta Court of Appeal and an application requesting leave must be filed within 30 days from the date the Board's decision is issued.

REVIEW

1. The Board itself has the power to review, rescind, change, alter or vary any order or direction that it makes. In order to seek such a review, a person must provide the following to the Board in writing:
 - a) a clear and concise statement of facts relevant to your application;
 - b) the grounds on which your application is made;
 - c) a brief explanation as to the nature of the prejudice or damage that has resulted or will result from the order, decision or direction;
 - d) a brief description of the remedy sought; and
 - e) your name, address, telephone number, fax number and an available email address;

The information set out above must also be sent to all other persons who are involved in the original application that resulted in the order, decision, or direction was made.

Upon receiving this application and after requesting submissions from all other interested parties, the Board will first review the application to determine whether it raises a substantial doubt as to the correctness of the original decision or that new facts or circumstances exist since the original decision was made. To be successful a person will have to show that the Board has either erred and that that error has impacted the decision or that the new facts or changes in circumstances could lead the Board to change the decision.

2. In addition to the above, where a Board decision was made without a hearing a person may apply to the Board for a review. Such a request must be made to the Board in writing within 30 days after the decision was made. An application for a review must contain the same information as above, in #1.

To be successful a person must show the Board how the subject of the decision (i.e. the well or pipeline) potentially directly and adversely affects him or her.