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June 23, 2005

Alberta Energy and Utilities Board
640-5th Avenue SW
Calgary, AB T2P 3G4

Attention: Gary D. Perkins, Board Counsel

Dear Sir:

**Re: General Bulletin 2003-28 (GB 2002-28), Bitumen Conservation
Requirements, Athabasca Wabiskaw-McMurray, Phase 3 Final
Proceeding, Proceeding No. 1347905**

We are in receipt of the Board's letter dated June 17, 2005 inviting parties to respond to Paramount Energy Operating Corporation's (PEOC) notification that it intends to reference certain additional materials during its direct evidence. We are also in receipt of PEOC's reply to the Board dated June 20, 2005 clarifying its intended use of these additional materials in its direct evidence.

PEOC, in its letter dated June 20, 2005, justifies reference to Petro-Canada's MacKay River Progress Reports on the basis that Petro-Canada's witness panel confirmed that "knowledge from its commercial and pilot projects in the Athabasca area had informed its submission". As Mr. Fong confirmed at Transcript Pages 399 to 401, Petro-Canada uses all its experience gained throughout the Athabasca in understanding the McMurray. The fact that the MacKay River Project learnings form part of its overall general experience does not render all data relating to that particular project relevant to this proceeding. More importantly, as Mr. Fong noted at Transcript Page 401, Line 15, the MacKay River Project is *not* within the RGS study area. Accordingly, it is Petro-Canada's position that this information is not relevant to these proceedings.

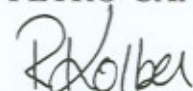
Petro-Canada notes that PEOC had ample opportunity to reference this information in its earlier submissions to the Board, including both a response *and* a reply submission. Petro-Canada is concerned that introduction of this new material so late in the hearing process and contrary to both the Board's Notice of Hearing and the Rules of Practice is prejudicial to other parties that will not have an adequate opportunity to review and respond to this extensive new information. PEOC cannot seek to justify the late introduction of material for its direct evidence that should

otherwise have properly been filed as part of its submission based solely upon its self-serving cross-examination of another party.

Petro-Canada will be in a better position to provide comment, however, once it has reviewed PEOC's presentation slides. Petro-Canada will object to any inappropriate use of these materials during PEOC's direct evidence.

Yours sincerely,

PETRO-CANADA



Rachel Kolber
Legal Counsel

cc: Interested Parties