

L. M. Sali, Q.C.
Direct Line: 403.298.3469
e-mail: sali1@bennettjones.ca
Our File No.: 52022-7

June 20, 2005

VIA FACSIMILE & E-MAIL

Attention: Mr. Gary D. Perkins

Alberta Energy and Utilities Board
Law Branch
640 - 5 Ave SW
Calgary, AB T2P 3G4

Dear Sir:

**Re: GENERAL BULLETIN 2003-28 (GB 2003-28)
BITUMEN CONSERVATION REQUIREMENTS
ATHABASCA WABISKAW-MCMURRAY
PHASE 3 FINAL PROCEEDING
PROCEEDING NO. 1347905**

Further to your June 17th letter, requesting clarification arising out of our letter of June 13th, Paramount Energy Operating Corporation can advise as follows. PEOC does not intend to file all of the Resource Management and Progress Reports referenced in the list appended to our letter. As stated, PEOC intends to refer to those documents as part of its direct evidence. PEOC will give an oral presentation of its evidence in chief, drawn from its prefiled submissions and supplemented by power point slide presentations. These slides will contain information and quotations from a number of the listed reports and papers.

With respect to the relevance of such information, it should be noted that Counsel to Petro-Canada initially took the position in correspondence that information derived from the MacKay River was irrelevant. However Petro-Canada's witness panel subsequently allowed that knowledge from its commercial and pilot projects in the Athabasca area had informed its submission – although Petro-Canada chose to lead evidence only on the single issue of whether gas is in communication with recoverable bitumen. While the SSG's opening statement asserted that there was no new information adding to various issues, the SSG later acknowledged that it had not considered various resource management and progress reports, notwithstanding that the information required to be contained in those reports was, on its face, relevant to various issues in this final proceeding.

June 20, 2005

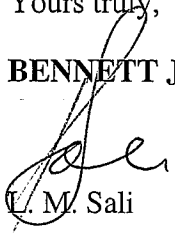
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To the extent that the Board wishes PEOC to file full copies of those reports and papers to which it will refer, kindly advise. As stated, PEOC's present intention is to include relevant information and quotations drawn from those documents. PEOC's presentation of its evidence in chief will be similar, in scope and duration, to the direct examinations at the previous Chard-Leismer final hearing, including those by both gas and bitumen producers. It will be longer than direct examinations to date in the present final proceeding, partly because PEOC will speak to its modeling, which other parties have chosen not to present, and PEOC will address a number of issues relevant to this hearing which the SSG and bitumen producers have chosen not to address.

PEOC wishes to remind parties that due to the availability of one of its principal witnesses, it will be unable to put forward a witness panel until June 29th. PEOC will provide copies of its presentation slides in advance, by June 24th, although that has not been the practice of other parties to date in the present final proceeding.

Yours truly,

BENNETT JONES LLP



L. M. Sali

cc: Client
Interested Parties