

**FAXED**

February 13, 2004

Macleod Dixon LLP  
3700 Canterra Tower  
400 Third Avenue SW  
Calgary, Alberta T2P 4H2  
Fax:(403) 264-5973

Attention: Mr. D.G. Davies

**RE: GENERAL BULLETIN 2003-28 (GB 2003-28)  
BITUMEN CONSERVATION REQUIREMENTS  
ATHABASCA WABISKAW-MCMURRAY  
PHASE 3 PROCEEDINGS**

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This letter is further to our letter to you dated February 9, 2004, and our subsequent telephone discussion during which I advised you that the Board would consider your letter outlining your client's particular concerns with the current Phase 3 process. Your letter has been referred to the Board and it confirms that Phase 3 under GB 2003-28 includes those Chard-Leismer decision wells in respect of which the EUB staff submission group has made a recommendation.

The description of the Board's Bitumen Conservation Requirements and Process begins on page 3 of GB 2003-28. On page 5, the Phase 3 process is described as follows:

**3.3 Phase 3-Full Review at a Hearing**

Upon completion of all or a portion of its regional geological study, EUB staff will release their interpretation and notify potentially affected parties of their intention to recommend to the Board that it continue or vary the production status of zones within a well. If a licensee of the gas well, an oil sands leaseholder, or other party objects to the EUB staff recommendation, the Board will notify all affected parties of the objection. The Board will then conduct a public hearing, including an interim proceeding, if necessary, in accordance with the Board's practice."

This description of Phase 3 makes no exception for gas production from wells that were considered at the Chard-Leismer hearing. This is in contrast to the Board's description of Phase 1, contained in section 3.1 of GB 2003-28. The second last paragraph of that section states

"It should be understood that decisions made respecting Wabiskaw-McMurray gas production from wells that were considered at the Surmont hearing (*Decision 2000-22*)

and the Chard-Leismer hearing (*Decision 2003-023*) are unaffected by this interim shut-in order.”

The Board expressly excepted Chard-Leismer decision wells from the Shut-in order and Exemptions process in Phase 1. No such exception was provided in the Phase 3 process, wherein recommendations were made by the Staff Submission Group and parties were given an opportunity to object to those recommendations and thereby send the matter to hearing. Therefore, where a Chard-Leismer decision well is the subject of a recommendation by the EUB Staff Submission Group, that well will be considered in the Phase 3 process under GB 2003-28.

Yours truly,

Gary D. Perkins  
Board Counsel