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Via Fax (original via T2P Courier)

Alberta Energy and Utilities Board  
640 - 5th Avenue S.W.  
Calgary, Alberta  
T2P 3G4

Attention: Mr. Neil McCrank, Q.C. Chairman

Dear Sir:

Re: Appeal GB 2003-28  
Our Reference: CNR190

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This letter is sent on behalf of Canadian Natural Resources Limited ("CNRL") to seek an extension of time for the scheduling of the phase three interim hearing. CNRL requests that the dates for parties to give notification to the EUB regarding their disagreement with EUB Staff recommendations (February 9, 2004) and the date for filing evidence (February 23, 2004) following EUB Board Staff recommendations be extended by 2 weeks each. Please refer to Attachment 1.

Since release of the Regional Geological Study ("RGS") on January 2, 2004, representatives of CNRL have been working diligently to interpret and understand the study. Based on the review of this study and the work that has been completed by CNRL to this point, CNRL has concluded that there is insufficient time to adequately prepare for the interim hearing scheduled for March 8, 2004 and will require at least one month to identify wells in dispute and one month to prepare for the interim hearings. Accordingly, it is respectfully requested that each of the dates in the Schedule be extended by 2 weeks each. In addition CNRL feels that the one week time allowed for filing of reply evidence should be reviewed and a reasonable date set once the list of wells for which interested parties who disagree wish to make a case is made public. The volume of work involved to reasonably complete these tasks must be recognised by the Board if affected parties are to be afforded the right to fairly and effectively respond.

In support of this application for revision to the schedule, CNRL submits the following:

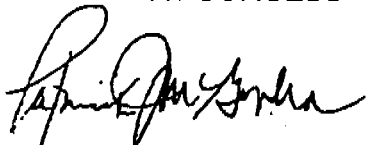
1. The schedule currently set on this matter is compressed into a much shorter time frame than any previously schedule set or contemplated involving the consideration of gas vs. bitumen issues in much smaller areas.

2. Relevant to CNRL's interest, the RGS designates 70 gas pools and thereby approximately 1200 wells as associated with bitumen. It is not possible for CNRL to properly examine, understand and adequately challenge any of the conclusions reached therein within the timeframe contemplated in the existing schedule;
3. The RGS does not identify those wells that are thought to connect gas pools with bitumen. The wells identified by the authors of the study as being problem wells for a given pool are not identified. CNRL must, therefore, examine all of the gas wells in a pool and attempt to infer, which wells the authors of the RGS, perceived to be the problem wells. Only after that process is complete can rebuttal properly be prepared. This makes more work for CNRL, particularly for large multi-well pools and will result in challenges that might be avoided if these matters were more clearly set out. Had Board Staff identified the areas and wells that are thought to connect particular gas pools with bitumen, challenges could have been more focused and more quickly developed and the interim process dealt with more expediently;
4. The RGS has created several very large pools from a number of smaller pools; apparently on the basis of geology. For example, Leismer Wabiskaw - McMurray A. The creation of these new large pools result in a large number of wells being shut-in that would otherwise not have been considered to be in association with bitumen. Integration of recently acquired pressure data will be critical in the analysis and understanding of such pools. Under the current Schedule, only 50% of the pressure data to be collected this season is currently available; with the remainder to be submitted by the end of February, 2004. CNRL will require time to evaluate that data and incorporate such into any challenges to the recommendations of the EUB Staff Submission Group ("SSG"). Time is required for this. If CNRL is not granted such time before the interim hearing, the hearing process will have to be repeated when the data does become available and is properly analysed. The extension sought herein will allow the data to be incorporated into CNRL's positions and will make the process more efficient;
5. The RGS significantly revises previous G Orders. Since those G Orders define the region of influence, the previous work developed for exemption requests must be redone in its entirety;
6. The RGS also incorporates a new and significant stratigraphic unit: the Wabasca B Valley Fill. This new unit was not considered in either the Surmount or Chard hearings. Accordingly, since the characteristics of this unit have not been established by prior hearings, the scope of the issues to be covered and any challenge to the recommendations to the SSG are potentially much greater and as a result, CNRL requires more time to adequately analyse this additional level of complexity and to prepare proper response;
7. The Shut-In Order of September 1, 2003 will effectively protect bitumen known to be in association with the gas and therefore extending the current hearing process by one month should not threaten affected bitumen;
8. The Board should maintain flexibility in the current one week time allocated to preparation and submission of rebuttal evidence. Once the well list of challenges has been published all parties including the SSG may be able to assess how much time must reasonably be allocated to this phase; and

9. It is CNRL's position that no further gas should be shut in until a decision has been reached on those wells in the interim or final hearing. Point 7 above has adequately addressed the Board's concern for urgency.

In conclusion, we request that the Board grant an extension of one month to the current schedule.

Yours truly,  
THACKRAY BURGESS



Patrick J. McGovern

cc: Client

Attachment 1

Revised Schedule proposed by CNRL

1. January 26<sup>th</sup>, 2004

EUB staff submission group release recommendations to continue or vary gas production status of wells subject to EUB General Bulletin (GB) 2003-28

2. February 23<sup>rd</sup>, 2004

Parties that disagree with recommendations must notify the EUB's Board of the wells for which they wish to present their case at an interim hearing. Based on the number of wells and pools where there is disagreement the Board sets a deadline for reply evidence to be filed.

3. March 22<sup>nd</sup>, 2004

Parties file evidence supporting their case

4. Date to Be Announced,

Parties file reply evidence

5. After a similar elapsed time ( as between step 3 and 4 )

EUB interim hearing begins.