

January 29, 2004

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Attention: Susan Riddell Rose

Dear Ms. Riddell Rose:

RE: General Bulletin 2003-28 (GB 2003-28), EUB Defined Liege Field

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I have been asked to provide you with the Board's response to your letter of January 19, 2004, addressed to our Chairman Neil McCrank, Q.C. In your letter you state that Paramount Energy Trust (PET) is extremely concerned with the EUB's Regional Geological Study (RGS) and its interpretation of the Liege gas pools and their potential to be deemed associated with economically exploitable bitumen. Your letter also expresses concern about the current RGS process and the potential for gas producers to suffer damages as a result of any shut-in of gas from the Liege gas pools. You request the opportunity for PET to make a technical presentation regarding the information contained in your letter, and at the very least that PET be given an opportunity to provide further discussion of the comments contained in your letter.

The matters raised in your letter of January 19, 2004 are similar in nature to the concerns you expressed in your letter of January 12, 2004. You may wish to refer to my letter to you dated January 28, 2004 when you consider this reply to your letter of January 19th.

With respect to the concerns you expressed regarding the technical issues involved in determining whether gas produced from the Liege pools may be associated with potentially recoverable bitumen, those are issues that may be explored during the Phase 3 hearing. For the reasons set out in my letter to you dated January 28, 2004, at this time it is not appropriate for the EUB, including members of the Staff Submission Group, to meet with you or any other party to the Phase 3 Proceeding for the purpose of discussing matters that may be put in issue in the hearing. PET will have an opportunity to present its concerns during the Phase 3 hearing, provided the information is relevant to the issues in the hearing.

With respect to your comments regarding the procedures in Phase 3 of the Bitumen Conservation Requirements, the Board panel assigned to the Phase 3 hearing intends to issue further directions following the February 9<sup>th</sup> due date for filing objections to the EUB Staff Submission Group's recommendations. I expect that the Board will consider your comments on process, together

with any comments provided by other interested parties, when the Board determines the specific procedures for the Phase 3 hearing.

The Board has asked me to advise you that your letter of January 19, 2004, together with the attachments to that letter and a copy of this letter in response, will be posted to the EUB's Phase 3 Proceedings Web Page.

If you have any questions in relation to this letter you or PET's counsel are free to contact me.

Yours truly,

Gary D. Perkins  
Board Counsel

cc: Neil McCrank, Q.C., EUB Chairman  
Michael Bruni, Q.C., EUB General Counsel