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Via Fax and E-mail

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

Attention: Mr. Gary Perkins
Board Counsel

Dear Sir:

Re: Bitumen Conservation Requirements
Athabasca, Wabiskaw-McMurray
Phase 3 Final Hearing
SSG Request

We write on behalf of Canadian Natural Resources Limited to object to the SSG request that the SSG be granted exclusive use of the Board's data base system in the manner suggested in Mr. Larder's letters of July 12 and July 23 of this year. We respectfully submit the following:

1. While CNRL acknowledges that any revised pool orders issued by the Board System as a result of SSG inputs are not binding on the parties or the Board Panel conducting the final hearing, such use by the SSG will result in pool orders being issued by the EUB system in advance of the Board's decision. In light of the procedures put in place by the Board, CNRL objects to the issuance of revised pool orders for the Athabasca, Wabiskaw-McMurray area in advance of the Board's final determination. The current Pool Orders are the result of the Board's determinations regarding pool delineation following the interim Phase 3 hearing and the current production status of wells in the subject area are based on that pool delineation. There should be no variance of those pool orders in advance of the Board's decision following the final hearing as any issuance of revised Pool Orders in advance of the hearing process gives the appearance that the SSG has usurped the position of the Board Panel conducting the final hearing. It further gives the appearance that pool delineation has been predetermined by the Board based on the SSG recommendations. In our respectful submission, even the appearance of such predetermination and usurpation of Board authority must be avoided.
2. CNRL agrees that all relevant evidence should be properly presented at the Final Hearing. The SSG was created to be independent from and to make recommendations

to the Board regarding the production status of wells in the subject area. Accordingly, the SSG recommendations should be treated as recommendations and be seen to be treated as recommendations until completion of the Final Hearing and in preparing and making its recommendations, the SSG should be in no better and no worse position than those parties whose wells are being affected. Further, the SSG should not appear to be in any better or worse position than the affected parties. Therefore, no procedure should be put in place that permits the issuance of pool orders prior to the decision of the Board following the Final Hearing and the SSG recommendations should be made independent of the Board system.

3. It is CNRL's understanding that Board staff are continuing to process ID 99-1 applications for wells within the RGS area. As such there will be a requirement for Board orders to be changed as this work is completed. It is our understanding that this process is ongoing and may result in legitimate changes in Board orders. Mr Larder's letter suggests that such database changes would be "vetted" by the SSG. This implies that the SSG's opinion would override that of the Board staff and as such is unacceptable.
4. The creation of one or more "non-binding" orders from the SSG's evolving work with a series of effective dates displayed on the Board order system would be confusing for Industry users. There apparently would be no method for Industry to identify the authentic sanctioned Board orders from the non-binding orders created by the SSG.

We trust that the Board will consider the forgoing submissions and deny the request of the SSG accordingly.

Yours truly,
THACKRAY BURGESS

Patrick J. McGovern

cc: Interested Parties (via e-mail)
cc: Client