



FRASER MILNER CASGRAIN LLP

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September 7, 2004

Mr. Gary D. Perkins, Board Counsel
Alberta Energy and Utilities Board
14th Floor, Law Branch
640 - 5th Avenue, S.W.
Calgary, Alberta T2P 3G4

Dear Sir:

**Subject: Pre-Hearing Meeting – Proceeding No. 1347905
Phase 3 Proceedings under Bitumen Conservation Requirements
Athabasca Wabiskaw-McMurray Area
Submission of ISH Energy Ltd (ISH Energy)
Our file no: 518281-1**

We are solicitors for ISH Energy in respect to the above proceeding. This is to advise, pursuant to the Board's Notice, dated June 8, 2004 that ISH Energy intends to participate in the Pre-Hearing Meeting on September 15, 2004 and in the final hearing.

ISH Energy has a direct and material interest in the final proceeding. The Board's decisions, that resulted in Interim Shut-In Order 04-001, caused ISH Energy to shut-in a number of Wabiskaw-McMurray gas zones in wells in the Kirby Area. ISH Energy intends to lead evidence in this final proceeding that it believes will demonstrate that the production from certain of the zones in its shut-in gas wells will not adversely affect the ultimate recovery of crude bitumen from within the area of those wells.

In the submission of ISH Energy, the scope of the final hearing should not be unnecessarily constrained but rather, should be broad enough to allow parties to adduce such evidence as may be relevant and material to the question of whether any reasonable likelihood exists that the production of the gas, in issue, will impact the ultimate recovery of crude bitumen.

ISH Energy is satisfied that the Board's usual practices and procedures for public hearings should be adequate for this proceeding.

Mr. G.D. Perkins: Alberta Energy and Utilities Board

ISH Energy would encourage the Board to move forward with the timing of this final hearing in an expeditious fashion. Although the public interest is now protected by the Board's Interim Shut-In Orders, the cost associated with that shut-in production is continuing to be borne by the mineral rights holders and will likely be so until such time as the shut-in is shown to be either unnecessary or the shut-in order is made final by the Board. In either case it is important that this final hearing and the decision thereon not be unduly delayed.

Communications with respect to this submission should be addressed to the undersigned and to:

Mr. Gordon Berkhold
ISH Energy Ltd.
900, McFarlane Tower
700 - 4th Avenue S.W.
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Yours very truly,

FRASER MILNER CASGRAIN LLP



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ALM/aw

cc: Mr. D. Larder, SSG Counsel
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