

January 30, 2004

**Via E-Mail and Fax to EUB  
Via Fax to Interested Parties**

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

**Attention: Gary Perkins**

Dear Sir:

**Re: General Bulletin 2003-28 (GB 28) Bitumen Conservation Requirements  
Athabasca Wabiskaw-McMurray, Phase 3 Interim Proceeding  
Adjournment Request**

In response to the Board's letter of January 26, 2004, requesting comment on the adjournment requests by the parties referred to therein, the Staff Submission Group (SSG) notes that the collective request from the four gas producers dated January 19, 2004, appears to be in the nature of an adjournment sine die. The SSG submits that any adjournment request be denied and that the current schedule be maintained.

The Staff Submission Group submits that the urgency of curtailing gas production which poses a risk to potentially recoverable bitumen, requires that the existing schedule be upheld. Submissions on the risk and urgency issues are set forth in the SSG's Recommendations for Production Status of Gas Well, Athabasca Wabiskaw-McMurray (Recommendations) filed on January 26, 2004.

On December 17, 2003 the Board directed that an interim not a final hearing be held at this time. There will necessarily be a more limited scope in terms of issues and time because of the urgency of the matter and the interim nature of the proceeding. The SSG submits that the availability of additional evidence which may materialize in the future is not a justification for abandoning the existing schedule given the immediate risk that ongoing gas production poses to the bitumen resource. New evidence may be incorporated and assessed in the final hearing.

Parties have had the opportunity to review the Regional Geological Study since January 2, 2004. Objections to the SSG's Recommendations are due on February 9, 2004 with the evidentiary submission to be filed on February 23, 2004. The SSG also notes that in Phase 1, parties who exempted gas wells from Interim Shut-in Order No. 03-001 presumably possessed evidence which demonstrated that exempted wells were not in

communication with underlying bitumen, or they would not have exempted those wells. The SSG submits that adequate time has been provided to interested parties to properly prepare and participate in the interim proceeding.

The SSG further submits that the Regional Geological Study and the SSG's Recommendations provide sufficient evidence for the Board to make interim decisions on the production status of the subject gas pools. Parties will have an opportunity to submit their own evidence and test the recommendations of the SSG at this interim proceeding.

The SSG observes that since January 2, 2004, exemptions for a number of intervals in close to two dozen wells identified as associated by the Regional Geological Study and which have been recommended for shut-in by the SSG, have been exempted. This exacerbates the urgency of the matter before the Board.

The SSG submits that no deviation from the current schedule be permitted, taking into consideration the immediacy of the conservation issue, the interim nature of the upcoming proceeding and the sufficiency of the available evidence.

Yours truly,

A handwritten signature in cursive script, appearing to read "Douglas A. Larder".

Douglas A. Larder  
Counsel  
Staff Submission Group

DAL/caa  
cc: Interested Parties List  
Attachment