

Monthly Status Letter

Industry Support for EUB Regional Geological Study

I am very pleased to update you on the progress of the Alberta Energy and Utilities Board's Regional Geological Study, as outlined in EUB General Bulletin GB 2003-28 Appendix 1.

A total of 11 companies, with balanced representation from gas producers and oil sands leaseholders, have contributed staff to the study. As a result, we have a geological team participation ratio of 40% from industry and 60% from the EUB.

Work on the Study with industry participants was officially launched on Wednesday September 3, 2003. The geological team has moved into their new facilities at the EUB main office in Calgary at 640 - 5th Avenue SW. The entire team will be co-located on the 2nd floor for the duration of the Study.

In addition to geological skills, the EUB has identified the need for some engineering and GIS/database assistance for the project. While we are able to commence the study without this assistance up front, those skills will be needed in the near future. We continue to invite offers of assistance from industry personnel, or the names of individuals who would have the skills needed and are available to participate.

The project team has a complex and demanding challenge ahead of them, and I am pleased to report that all team members are enthusiastic and have accepted the challenge. I am very confident that we will deliver a product that will greatly assist in providing a better understanding of the bitumen conservation issue. The EUB appreciates the support all of you have offered to the project and looks forward to further industry support to cover engineering and GIS/database requirements.

I have attached a copy of an EUB press release that was issued on September 10, 2003. The press release is an update on the Bitumen Conservation issue.

I will be providing you a status report on a monthly basis.

Once again, thank you for your cooperation.

Neil McCrank
Chairman

Bitumen Conservation Requirements Activity Summary					
Exemptions Filed	Objections	Gas production exempted	Wells shut in	Gas production shut in	Percentage of gas shut in
600	0	137 MMcfd	338	95 MMcfd	41%

Gas volumes based upon 2002 production data. All numbers subject to revision.

MMcfd: Million cubic feet per day

News Release

FOR IMMEDIATE RELEASE

EUB ISSUES STATISTICAL UPDATE ON BITUMEN CONSERVATION REQUIREMENTS *41% of Daily Natural Gas Production in Area of Concern Shut-In*

Calgary, Alberta (September 10, 2003) The Alberta Energy and Utilities Board (EUB) has issued its first weekly statistical update regarding *General Bulletin GB 2003-28*, which set out Bitumen Conservation Requirements to address the risk of natural gas production on bitumen recovery in an area of concern in the geological strata known as the Wabiskaw-McMurray of the Athabasca Oil Sands Area.

Highlights include:

- **338 wells have been shut-in within the area of concern**
- **95 million cubic feet per day of natural gas production has been shut-in, this represents about 41 per cent of the area's daily production**
- **600 gas wells in the area have temporary exemptions**

Temporary exemptions are provided for wells where operators have evidence that natural gas extraction does not affect the potential extraction of bitumen. If the EUB or affected parties wish to challenge any of the exempted wells, the matter will be addressed on an interim basis through an expedited EUB process.

Work continues on the EUB's regional geological study and eleven energy companies have contributed fifteen geologists to the project. The study is to conclude by December 31, 2003.

A list of the wells affected by the shut-in order, exemptions filed, objections filed, and other related information are available on the EUB Web site. The attached summary will be updated every Tuesday until the process is concluded.

The EUB ensures that the discovery, development, and delivery of Alberta's resources take place in a manner that is fair, responsible, and in the public interest.

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Note to editors: This news release, the weekly statistical update and General Bulletin *GB 2003-28* are available on the EUB Web site at <http://www.eub.gov.ab.ca>

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