

June 26, 2003

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

Attention: Terry Abel, P.Eng
Applications Branch

Dear Sir or Madam:

**RE: Proposed Conservation Policy Affecting Gas Production
In Athabasca Wabiskaw – McMurray Oil Sands Areas
(Further Consultation Steps)**

Canadian Forest Oil Ltd. operates a small aggregator netback pool which has contracted for sales of natural gas to export customers of production from dedicated reserves and lands as contracted with our pool producers. The vast majority of these reserves and lands are located in Alberta. The relevant Alberta Removal Permit in this regard is GR98-14.

In response to the Board's letter of June 3, 2003 we advise that we are an interested party with respect to general bulletin GB 2003-12 and we wish to make a submission in this regard.

We are concerned about the adverse impact of the potential shut-in of gas production from the Wabiskaw-McMurray Formation in the Chard/Leismer Area (EUB Decision 2003-023 dated March 18, 2003) with respect to the operation and maintenance of our pool. Specifically, such a shut-in order, similar to that in the Surmont Area (EUB Decision 2000-22 dated March 30, 2000) represents a legitimate Force Majeure conditions under the contracts with our producers. We must replace this lost production by purchasing supply at market prices, the cost of which is not recoverable from our export customers, and the price of which is far greater than our historical and forecasted pool contract price.

Further, our export customer's contracts require the maintenance of specified Reserves under Control (RUC) levels which will be adversely impacted by the potential shut-in of gas production in question. Replacement of any RUC deficiency, given our pool contract price performance as discussed above, is not realistically possible. Failure to address any RUC deficiency would constitute a breach of our obligation under our export contracts.

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Give the gravity of both the replacement cost and RUC deficiency situations as discussed, we urge the Board to consider our request for appropriate compensation or alternative relief in this regard. We acknowledge our opportunity to speak to this submission, respond to other submissions and to questions from the Board on July 3, 2003.

Yours truly,

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