

Gas Production in Oil Sands Areas in N.E. Alberta

Today, the Energy and Utilities Board is receiving numerous Submissions from a wide variety of interested parties relating to General Bulletin 2003-16. The Energy and Utilities Board is faced with a massive and complex task. During the past six years, the issues and potential conflict has been addressed in several different forums. Given varying levels of costs, threat and opportunity in our competitive Alberta petroleum and natural gas industry, a significant amount of the input to the Board has been, and is, adversarial and positional in nature. Through written communications and meetings, both of you have been clear as to the short term steps that you encourage the industry to respect. You will determine the next steps once input has been received from interested and affected parties.

As you know, I am Chair of the Company vs. Company Dispute Resolution Task Force. The objective of this 52 volunteer member industry "C2C" initiative is to identify regulatory, contractual, process, skills and communication improvements to the approaches industry uses to deal with the identification of, response to, management and resolution of conflicts between companies on a broad spectrum of issues. Thank you, Mr. Chairman for your continued encouragement of the Task Force and allowing three team leaders of the C2C and I to provide the Board with an update on June 16, 2003.

A great deal of the work of the Task Force focuses on finding ways to bring together senior representatives of the affected parties who have knowledge of the issues, a willingness to meet, the authority to deal and who are ready to consider all the potential options to successfully resolve the dispute. The EUB ADR Program refers to this as a PADR. The Task Force also uses the term Situation Assessment Meeting ("S.A.M.").

In the spirit of the C2C Task Force, the EUB ADR Program and the encouragement from representatives of a number of companies and industry associations, TriQuest Energy (signed by Bruce McIntyre, President and I, Vice President, Business Development) is adding a Collaborative Solution Proposal to the TriQuest Submission to the Board (Attention: Terry Abel). Here is a quote from that Submission;

"While each company, the Board and the Province will continue to pursue all available means to protect and serve their interests, the significance of the matters of General Bulletin 2003-16 demands the parties meet and seek better solutions for all. More than six years of debate, hearings, technical reviews and other processes have failed to identify a solution that can be widely endorsed. The current deadlines and potential negative impacts to our industry, our governing authorities and the people of Alberta motivate us towards a more collaborative and timely process. To ensure the timing concerns of the EUB are met, we recommend the S.A.M. meeting be arranged within 10 days."

Attached is a copy of the Collaborative Solution Proposal for your consideration. Within the Collaborative Solution Proposal, the objectives, participation, conditions and requirements for this high level investigation of issues and opportunities to resolve them are addressed. The final decisions remain yours.

The communications and submissions related to General Bulletin 2003-16 are expected to be numerous, diverse and complex. With this letter, I wanted to provide this document for your early consideration. Should the Energy and Utilities Board decide to consider a S.A.M. with a select group of key representatives from industry, I (and others) would be pleased to discuss the possibilities in the design of that meeting. Given the right representatives and the proper objectives, this meeting will improve understanding and communication and may lead to a successful resolution of a number of key issues.

Yours Truly,

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