

January 13, 2016

BY E-MAIL ONLY

MacPherson Leslie & Tyerman LLP

Torys LLP

Attention: John Gruber**Attention: David Wood and Lou
Cusano****RE: PREHEARING MEETING – 9:00 AM ON JANUARY 12, 2016
PROCEEDING ID 336
BEARSPAW PETROLEUM LTD. (BEARSPAW)
POOL DELINEATION, CROSSFIELD BASAL QUARTZ C & V POOLS**

Dear Sirs:

The Alberta Energy Regulator (AER) held a prehearing meeting in Calgary, Alberta, on January 12, 2016, before hearing commissioners C.A. Low, B.Sc., LL.M., LL.B (presiding), H.Kennedy P. Eng, and J. Lawson B.A., MPA.

The *Responsible Energy Development Act* (REDA) requires that the AER provide for the “efficient, safe, orderly and environmentally responsible development of energy resources in Alberta.”

When a matter is referred to hearing commissioners for a hearing, a panel is appointed to establish a process for a hearing of the application. The panel is responsible to establish an efficient and effective procedure for the hearing.

The prehearing meeting was convened to consider scheduling and other procedural matters as well as to identify the specific issues to be heard. The meeting was attended by Bearspaw and Harvest Operations Corp. (Harvest) on behalf of itself and Nexen Crossfield Partnership, by its Managing Partner Nexen Energy ULC, and ExxonMobil Canada Energy.

With efficiency in mind, the panel canvassed counsel for the parties, Bearspaw and Harvest, for their views on whether or not there were any additional applications in relation to production from the well that is the subject of the redesignation application that we ought to entertain in conjunction with that application. Counsel for both Bearspaw and Harvest clearly expressed the view that hearing the application as filed,

without the addition of a common carrier or other application, would be the most efficient and effective way to proceed for their clients' purposes. That being the case, this matter will proceed as currently filed – a single application under section 33 of the *Oil and Gas Conservation Act* to include well 102/11-24-24-28W4/0 in the Crossfield Basal Quartz C Pool.

inquiries 1-855-297-8311
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The following were also considered at the prehearing meeting:

1. timing and duration of the hearing, including estimates of witness numbers;
2. formal information request process; and
3. hearing schedule.

1 TIMING AND DURATION OF THE HEARING

Section 19.1 of the *AER Rules of Practice* (Rules) requires hearing panels to establish time limits for the presentation of evidence, questioning of witnesses, argument and possibly other procedural matters. Section 9.1(1) of the Rules requires the panel to specify the nature and scope of participants' permitted participation.

When time limits are set one of the things the panel will take into account is the practice of pre-filing written evidence, in particular pre-filing written expert evidence, as a means of ensuring that oral evidence in chief need not be lengthy.

The parties raised some concerns about the setting of time limits since not all of the evidence had been filed in this proceeding. Bears paw anticipated that it would need three hours or a half day to provide its opening statement and technical evidence. Harvest did not oppose the setting of time limits. Harvest advised that the entire hearing should be completed within two days.

In this case, given the amount of evidence to be filed, the panel will establish time limits closer to the hearing date. The panel confirms that the hearing will be scheduled for two days.

2 FORMAL INFORMATION REQUEST PROCESS

The parties agreed that a formal information request (IR) process was unnecessary. Instead the parties supported a process where the parties could exchange IRs informally. Bears paw and Harvest stated that they would endeavor to provide sufficiently reasonable responses; however a final date for responses to the IRs would help avoid potential delays of the hearing date. The parties suggested March 14 as the date for IR responses and

confirmed that IRs would be sent to each other within a sufficient time prior to the March 14 deadline.

The panel confirms that a formal IR process will not be scheduled but it will include in the prehearing schedule a date of March 14, 2016 by which any outstanding IRs must be addressed.

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3 HEARING SCHEDULE

After a short break to allow for the parties to discuss scheduling, the parties provided the panel with the dates set out below. The panel confirms that these will be the dates for the hearing schedule.

The hearing schedule is as follows:

Table 1. Hearing schedule

Date	Action
February 19	Harvest files its submission
March 14	Final date for responses to IRs
April 1	Date for Bearspaw rebuttal submission, if any
April 20	Hearing commences

A Notice of Hearing scheduling the hearing will be issued in due course.

If you have any questions with respect to this matter, please contact Greg McLean by phone at 403-297-3232 or email to Greg.McLean@aer.ca.

C.A. Low, on behalf of the panel

cc: Paul Wright, Jirka Kaplan and Shelley Ginther, Bearspaw Petroleum Ltd.
Mark Tysowski, Randy Irvine, Howard Gietz and Jeff Glen, Harvest Operations Corp.
Marianne (Chuck) Davies and Derek Glowa Nexen Energy ULC
Ian Clarke, ExxonMobil Canada Energy
Barbara Kapel Holden, David Burns, Greg McLean, AER