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# NEWSLETTER

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## The Freehold Owners Association (“FHOA”)

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November 4, 2006

## COAL BED METHANE OWNERSHIP-WHEN IS NATURAL GAS NOT NATURAL GAS?

The answer to the seemingly rhetorical question of “When is natural gas not natural gas?” is “When the Canadian Pacific Railway Company (the CPR) or its successor corporations don’t want it to be!”

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In our August 18, 2006 newsletter we advised that in response to the unsubstantiated claims to coal bed methane (CBM) ownership advanced by Encana Corp., as successor to the CPR and owner of coal on split title lands, the Alberta Energy and Utilities Board (the AEUB) had placed a moratorium on all drilling for CBM on lands where the entitlement to CBM is in dispute pending an AEUB hearing to determine the legal entitlement to CBM produced or intended to be produced from certain wells on split title lands. We also advised that FHOA had sought

and been granted leave to intervene in the AEUB hearing.

The AEUB hearing began on October 16, 2006. Initial submissions and the presentation of written and oral evidence have now been completed, written legal argument will be filed before year end, and an AEUB ruling is anticipated in the first quarter of 2007.

In this issue of your newsletter we discuss split title lands and the impact that Encana’s unsubstantiated claim to CBM is having on the property rights of individual freeholders - both those of us who own split title mineral rights and those of us whose title is to all mines and minerals and therefore includes both coal and natural gas. We also discuss the position advanced by Encana at the CBM entitlement hearing and the future impact on freeholders should the proposals of Encana be adopted by the AEUB.

For almost a century, the CPR and its successors have succeeded in convincing their friends in high places that gas is not gas. If the property rights of individual freeholders are to be protected from Encana’s attempts to continue this sorry tradition, FHOA needs the active support of all individual freehold owners.

The issues involved are technically and legally complex - if they were easily understood by ordinary freeholders,

what has happened to date wouldn’t have. That’s one of the reasons freehold owners need an organization with technical and legal expertise. We have tried to simplify these matters for our readership. If we have not succeeded, the ‘bottom line’ is that today individual freehold owners are at risk of losing their entitlement to billions of dollars worth of natural gas by virtue of Encana’s unsubstantiated assertion that coal bed methane is coal. Freeholders need to speak with a loud and common voice to protect our heritage.

### Split Title Lands

The splitting of title to subsurface mines and minerals on lands in the prairie provinces arose as a direct result of the land settlement policies of the CPR. In 1881, the Dominion Government granted the CPR 25 million acres of land in western Canada in return for the railway company’s commitment to build and operate a transcontinental rail line. The CPR’s land grant included subsurface mines and minerals. The railway company sold farm-sized portions of its grant to western Canadian settlers to raise funds for construction of its rail line and to encourage traffic on the line.

Initially, the CPR sold homestead land to settlers in the same form as the land had been received from the Government. The settlers thereby acquired title to the

surface and all subsurface mines and minerals (including coal, petroleum and natural gas). Sometime between 1902 and 1904, the CPR apparently realized that its locomotives ran on coal and that it might be financially advantageous to retain subsurface coal for its own account when selling land to settlers. Subsequently homesteaders purchasing lands from the railway company acquired title to the surface and all subsurface mines and minerals subject to the CPR's reservation of coal. In approximately 1906, the CPR added petroleum to its reservation and, at some later time, valuable stone was also added to the CPR reservation. It wasn't until approximately 1912 that the railway company began to reserve all mines and minerals for its own account.

As a consequence of the CPR's belated recognition of the potential value of subsurface coal, petroleum and then natural gas, the title to subsurface mines and minerals became split on homestead lands purchased from the CPR by western Canadian settlers during the period between approximately 1902 and 1912.

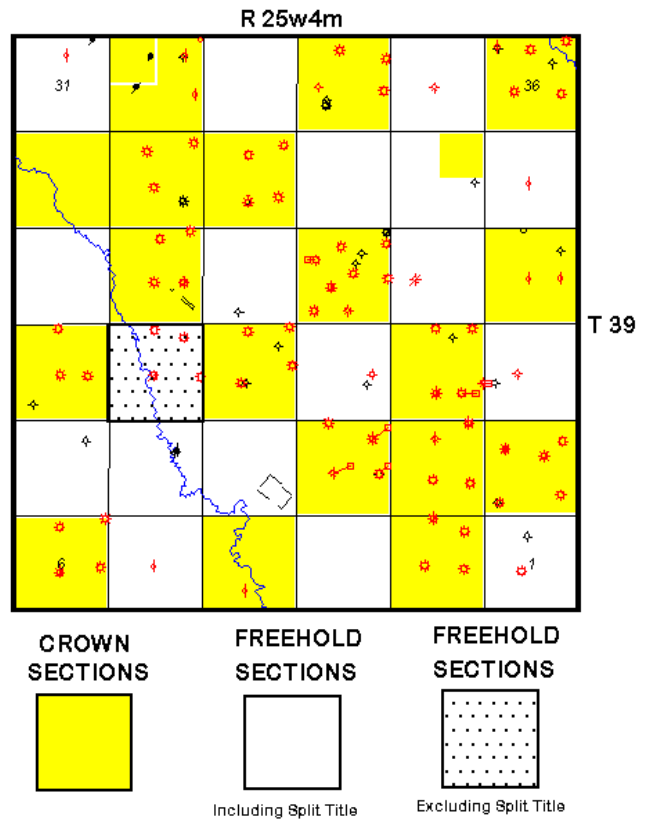
Most of Alberta was settled after 1889 - the year that the Dominion Government stopped including subsurface minerals in land sales and grants. Consequently, very few of the homesteaders who settled in Alberta on lands acquired from the Dominion Government received rights to subsurface mines and minerals. The vast majority of individually-owned freehold mineral rights in Alberta were initially purchased from the CPR or from the Hudson's Bay Company (the HBC). So far as FHOA is aware, the split title problem does not apply to homestead lands acquired from the HBC (sections 8 and parts of sections 26 within the 'fertile belt'). A homesteader who acquired land from the HBC prior to approximately 1908 acquired title to the surface and all subsurface mines and minerals; thereafter the HBC retained all subsurface mines and minerals for its

own account.

There are approximately 1,000,000 acres of land in southern Alberta and a further 500,000 acres of land in southern Saskatchewan where individual freeholders hold title to all mines and minerals except coal and petroleum or coal, petroleum and valuable stone. Encana Corp., as successor to the CPR, holds title to coal and petroleum or coal, petroleum and valuable stone on these split title lands. FHOA has not physically counted the number of acres of land in southern Alberta where individual freeholders hold title to all mines and minerals except coal and Encana Corp. or the Carbon Development Partnership (CDP), as successors to the CPR, hold title to coal. However, FHOA estimates that the CBM ownership dispute impacts more than half of the approximately 6,000,000 acres of individually-owned freehold in Alberta.

**The Impact of Encana's Unsubstantiated Claim to CBM**

Individually-owned freehold mineral rights are checker-boarded with mineral rights owned by the Province of Alberta (Crown rights) throughout the area of southern Alberta deemed most prospective for coal bed methane development (the CBM fairway). Readers are referred to our October, 2005 newsletter for maps showing both the distribution of prospective subsurface coals within southern Alberta and the checker-boarding of



Crown and freehold mineral rights throughout this area. Due to the concentration of freehold within the CBM fairway, freehold comprises at least 25% of available mineral rights in most areas prospective for CBM development and in many areas within the CBM fairway the percentage of freehold exceeds 50%.

CBM wells, at least those drilled to date in the Horseshoe Canyon play between Edmonton and Calgary on either side of the 5<sup>th</sup> meridian, are generally not as prolific as conventional gas wells. CBM developers need large blocks of contiguous acreage to economically develop the CBM resource and minimize the surface imprint of their operations. Given the checkerboarding of Crown and freehold throughout the CBM fairway, it is self-evident that any committee struck by the Alberta Government to ensure the responsible development of the CBM resource "in a fashion that optimizes the economic benefit to Albertans" with "input from industry and other stakeholders" should address the CBM

ownership dispute. Such a committee was struck by the Alberta Government in early 2003. Our October, 2005 newsletter details FHOA's participation in the Coal Bed Methane/Natural Gas in Coal Multi-Stakeholder Advisory Committee (the MAC), and our unsuccessful efforts to have the MAC address the CBM ownership dispute.

The consequences of the MAC's failure to address this dispute are readily apparent from the map on the preceding page. This map of Township 39, Range 25 West of the Fourth Meridian formed part of FHOA's direct evidence during the CBM entitlement hearing. In this township there are 18 sections of Crown mineral rights and an identical number of sections of freehold mineral rights. Only one section of freehold contains no split title rights. The other 17 freehold sections are either entirely split title or contain a combination of split title rights and lands where the freeholder owns all mines and minerals. Sixty-five wells producing from shallow sands and/or coals have been drilled on the Crown lands. Four wells producing from the same zones have been drilled on the section of freehold that does not include any split title freehold. In comparison, on the 17 sections of freehold which include some split title lands, a total of only 4 wells produce from the shallow sands or coals. All of these wells were drilled before the May 30, 2006 AEUB moratorium.

The township displayed is representative of what has been happening throughout the CBM fairway in recent years - Crown mineral rights are being developed for shallow gas and CBM in preference to freehold mineral rights primarily due to the unsubstantiated claims advanced by Encana and CDP to ownership of CBM by virtue of their ownership of coal on split title lands.

Of particular concern is the location of the wells on Crown lands. As evidenced by the map on page 2, many

wells have been drilled under holding approvals issued by the AEUB on the north or east fence lines of Crown lands immediately adjacent to freehold mineral rights. Some of these wells are obviously draining gas reserves from lands owned by the offsetting individual freeholders.

The AEUB's May 30, 2006 moratorium on all approvals (including well licenses) in situations where the legal entitlement to CBM is in issue and the current AEUB hearing on CBM entitlement on split title lands arose as a direct result of objections raised by Encana and CDP to CBM well license and other approvals issued by the AEUB in 2005. These approvals had been granted to industry operators who had leased natural gas from freeholders whose title was to all mines and minerals except coal or all mines and minerals except coal and petroleum on split title lands.

By virtue of the AEUB moratorium, individual freehold owners whose title excludes coal are being prevented from drilling wells on their lands or having their lessees do so. Only if the freeholder or his lessee enters into some form of agreement with Encana or CDP, can a freeholder protect himself from drainage. The moratorium has the same effect on freeholders who hold title to all mines and minerals but whose mineral rights happen to be located in a section of land which includes split title mineral rights.

During the MAC deliberations, FHOA raised a number of issues having to do with the proper, orderly and fair development of

the CBM resource. These issues were discussed but generally considered to be "out of scope" by the MAC. One of FHOA's specific recommendations was that the Crown, as owner of more split title natural gas rights than any other party in Alberta, immediately initiate litigation to determine CBM ownership on split title lands (see Final MAC Report) [http://www.energy.gov.ab.ca/docs/naturalgas/pdfs/cbm/THE\\_FINAL\\_REPO\\_RT.pdf](http://www.energy.gov.ab.ca/docs/naturalgas/pdfs/cbm/THE_FINAL_REPO_RT.pdf)). The Government of Alberta has not responded to FHOA's recommendation. Obviously, the Government's failure to do so is now impacting the proper, orderly and fair development of the CBM resource.

Although it is apparent from the map on the previous page that the Alberta Government is benefitting from its failure to address the split title ownership issue by virtue of Crown drainage of individually owned freehold mineral rights, FHOA does not view this as some kind of nefarious Government plot to take advantage of individual freeholders. In fact, the Alberta Government has also ignored the majority recommendations of the Canadian Association of Petroleum Producers (CAPP), an organization which represents 150 companies who explore for, develop and produce more than 95% of Canada's conventional and unconventional oil and gas. The document below, produced at the AEUB

*Ownership*

**CAPP**

<p><b>CONSENSUS RECOMMENDATIONS:</b></p> <ul style="list-style-type: none"> <li>• Industry and Government should adopt the phrase "natural gas from coal" instead of "coalbed methane."</li> <li>• Bill 18 / Regulations should be amended to include the phrase "natural gas from coal" and a definition should be added to Bill 18</li> <li>• Bill 18 should be amended to declare that NGC is natural gas and should explicitly state that it is retroactive</li> </ul>	<p><b>MAJORITY RECOMMENDATION:</b></p> <ul style="list-style-type: none"> <li>• Declaratory, retroactive legislation should be enacted in Alberta, applicable to freehold mineral rights, stating that NGC is natural gas</li> </ul> <p><b>MINORITY RECOMMENDATION:</b></p> <ul style="list-style-type: none"> <li>• Legislation affecting rights to NGC on freehold lands should not be enacted; CAPP should encourage the owners of coal and natural gas rights, as well as other interested parties, to enter into agreements that will support development of NGC on freehold split title lands</li> </ul>
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CBM entitlement hearing and dated July, 2003, evidences CAPP's majority recommendation which calls for the Alberta Government to legislate a resolution of the split title ownership dispute in favour of the natural gas owner.

By failing to act on either CAPP's majority recommendation or FHOA's recommendation, the Alberta Government has effectively adopted CAPP's minority recommendation which, not surprisingly, was supported by Encana. The 'do nothing' position adopted by the Alberta Government clearly has the effect of allowing Encana to advance its business interests based on unsubstantiated claims at the expense of individual freehold owners and legitimate CBM developers. Does this indicate that Encana has too much influence over the Provincial Government? Perhaps, but in FHOA's view it is more indicative of the fact that "do nothing" has been the mantra of this Government in recent years. In FHOA's view, this Province faces many difficult issues going forward and desperately needs strong and enlightened leadership. That is one of the reasons why FHOA's directors have endorsed the candidacy of Mr. Jim Dinning for leader of the Conservative Party and why I have attached a personal letter seeking your support for Mr. Dinning.

### **The AEUB Hearing**

Encana's corporate position as set forth at the AEUB hearing is that:

- ▶ the AEUB does not have the jurisdiction to determine ownership of CBM;
- ▶ any AEUB ruling on entitlement to CBM produced from wells on split title land will not dispose of the ownership issue; and
- ▶ Bulletin 2006-19 should remain in place until the courts resolve the CBM ownership dispute.

During cross-examination, it was pointed out that it took more than 13

years for the courts to resolve the split title evolved gas ownership dispute. This did not concern Encana.

And why should it? If Bulletin 2006-19 remains in place until a final judicial decision on CBM ownership and individual freehold owners of split title natural gas rights or their lessees do not accede to the demands of Encana, the freeholders' shallow gas and CBM resources will have been drained away by offsetting wells in most cases. Encana is a \$50 billion corporation and can well afford to wait until individual freeholders realize that they have no real choice other than to capitulate to Encana's demands.

It is FHOA's position that Encana and CDP have no entitlement to CBM produced from wells on split title lands. FHOA has asked the AEUB to determine that for regulatory purposes the lessee of natural gas is entitled to CBM and, having done so, to rescind Bulletin 2006-19.

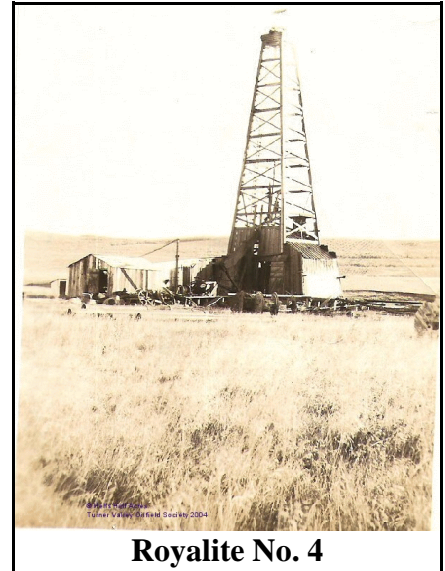
### **Natural Gas is not "Natural Gas"**

Natural gas was considered to be a dangerous nuisance in the early 1900's. Having foolishly sold what was subsequently recognized to be a valuable commodity to the early homesteaders, the CPR and its successors have spent the last century trying to get it back. The focus of their efforts has been on proving to the satisfaction of regulatory and judicial authorities that natural gas is not natural gas.

The first records of this linguistic charade can be found in the Glenbow Museum's CPR files from the 1920's. The most recent is in Encana's submission to the AEUB CBM entitlement hearing - a portion of this submission is captioned "Not all Natural Gas is 'Natural Gas'".

### **Turner Valley**

Royalite Oil (then a subsidiary of Imperial Oil Limited) drilled the discovery well for the giant Turner Valley field in 1924 on split title lands 25 miles southwest of Calgary. The discovery well, Royalite No. 4, blew in at 20 million cubic feet of gas per day.



**Royalite No. 4**

The gas contained large volumes of condensate or naphtha. Initially, the gas was flared and only the 'oil' was conserved and sold. The flaring led to the area being referred to as Hell's Half Acre.



**Hell's Half Acre**

Royalite had purchased the lands on which the discovery well was drilled, subject to the CPR's reservation of petroleum, and had leased the CPR's petroleum rights. The CPR petroleum lease required Imperial to pay the CPR a royalty of 5% on natural gas and 10% on petroleum. As a result of the different royalty rates for gas and petroleum in the CPR petroleum lease, what CPR's Calgary management described as a "little dispute" arose between Imperial and the CPR as to the difference between petroleum and natural gas.

Glenbow Museum files contain correspondence between CPR management and independent linguists in which the railway company attempted to find support for the proposition that natural gas was petroleum. The CPR files also contain a legal memo from the CPR's solicitor in Montreal clearly stating that the CPR's petroleum reservation did not include natural gas and a more detailed unsigned memorandum of law, apparently provided by Imperial, to the same effect. From correspondence between Imperial Oil's President and CPR management in these files it is obvious that in the mid 1920's both the CPR and Imperial Oil Limited considered natural gas to be a separate substance from petroleum to be distinguished based on the phase condition (gas v. liquid) of the substances at surface.

#### Leduc:

Twenty years later, on February 13, 1947, Imperial Leduc No. 1 blew in.

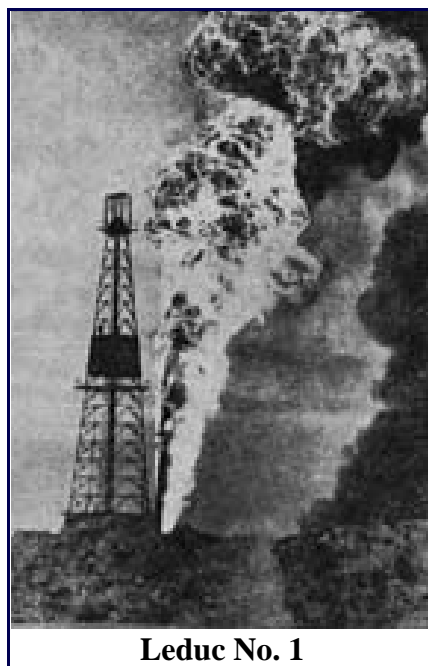
Unlike Royalite No. 4 which was classified by regulatory authorities as a gas well, Imperial Leduc No. 1 was classified as an oil well. However both wells produced a combination of gaseous and liquid hydrocarbons at surface.

Would anyone - landowners, businessmen or engineers have referred to the gaseous hydrocarbons which were flared at Hell's Half Acre or at Leduc No. 1 as petroleum? Not likely!

What about corporations like Imperial and the CPR?

The answer became apparent 18 months later. In the fall of 1949, Imperial Oil Limited applied to the regulatory authority for a license to drill a well on a quarter section of split title lands owned by Michael Borys within the Leduc field. Imperial had leased petroleum rights from the CPR. Mr. Borys objected to the issuance of this well license claiming that he was the owner of the gas which would be produced from the well.

The situation was analogous to the current CBM ownership dispute before the AEUB. Imperial had a lease from the petroleum owner which established its *prima facie* right to produce just like the lessees in the current CBM entitlement dispute have leases from the natural gas owners. Imperial did not have a lease of natural gas from Mr. Borys just as the lessees in the current CBM entitlement dispute do not have



Leduc No. 1

leases of coal from Encana or CDP. At the time, there was no Canadian case law on the ownership of petroleum in split title situations just as there is now no Canadian law on the ownership of CBM.

The regulatory authority issued Imperial's well license and Imperial began to drill its well. Mr. Borys then sought and was granted a court injunction preventing Imperial from completing the well. He also initiated a law suit to establish his title to natural gas. This led to the landmark 1953 decision of the Judicial Committee of the Privy Council's decision in *Borys v. CPR and Imperial Oil*.

In the current CBM ownership dispute, Encana takes the position that the AEUB must refuse to issue CBM well licenses in split title situations until title is quieted by commercial agreement or court order. In FHOA's view, the AEUB should not afford different and better treatment to Encana in respect of split title ownership issues than an individual freeholder. For the AEUB to do so would allow Encana to use the regulatory process to further its own business interests at the expense of individual freeholders and legitimate CBM developers. What was good for the goose in 1949 should be good for the gander in 2006.

It is interesting to note that although Imperial had raised the issue of the distinction between petroleum and natural gas with the CPR at Turner Valley, and the CPR had sought and received legal opinions confirming that petroleum and natural gas were separate substances, in *Borys v. CPR and Imperial Oil*, Imperial and the CPR argued through three levels of court that petroleum and natural gas were not separate substances and that natural gas was, in fact, petroleum.

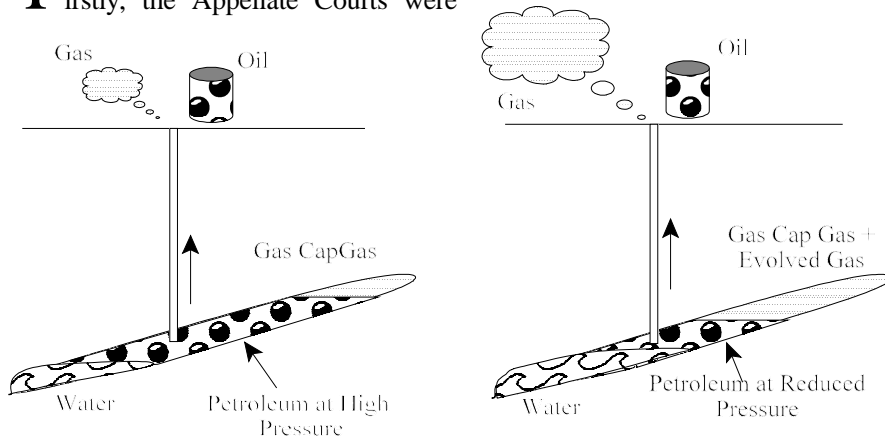
The *Borys* courts did not agree and ruled that petroleum and natural gas were separate substances.

Interested readers are referred to FHOA's web site for a detailed

discussion of the *Borys* decisions. For these purposes it is sufficient to know that all liquid petroleum in the ground contains gas in solution and when petroleum is lifted to surface in the production process the confining pressure declines and gas breaks out of solution causing both gaseous and liquid hydrocarbons to be produced at surface. As in the schematic below, the Leduc D-3 pool beneath Mr. Borys lands was what the courts refer to as a 'mixed pool' - free gas in a gas cap overlay the liquid petroleum.

Two points respecting the *Borys* rulings are particularly relevant to the CBM ownership dispute.

Firstly, the Appellate Courts were



concerned that because all oil wells produce gas which was in solution in petroleum in the ground, if Borys was found to own this gas he (and other owners of split title natural gas) would hold the petroleum owner "at his mercy" - precisely what will result if the AEUB agrees to Encana's proposal and keeps Bulletin 2006-19 in place pending a judicial determination of CBM ownership.

Secondly, the appellate courts overturned the trial judge's ruling that Mr. Borys was the owner of gas in solution in petroleum because the trial judge had relied upon scientific evidence rather than the vernacular usage of the word petroleum in

reaching his decision. According to the highest court of appeal in the Commonwealth, what the CPR had reserved was petroleum in the ground and, in the early 1900's, neither the CPR, Mr. Borys, landowners, businessmen nor engineers would have distinguished between gas in solution in petroleum in the ground and the liquid itself. The Privy Council ruled that the word 'petroleum' included gas in solution in the ground. The Court also stated that Mr. Borys owned "the substance which was found in the form of gas *in situ*", including gas cap gas, and that "the condition of the substance as it emerges from time to time from the reservoir" determined ownership.

Not so, pleaded the defendant companies - the gas produced was 'evolved gas'. As per the schematic of the same mixed pool at a later time shown to the right below, evolved gas is gas which evolves from petroleum in the ground as a result of production-induced reservoir pressure decline. The evolution of gas in the ground results in the ratio of gas to oil produced at surface increasing over time. Some of the evolved gas remains in the ground and, in the case of mixed pools, percolates upwards, merges with, and becomes indistinguishable from pre-existing gas cap gas.

In 1997, the Court of Queen's Bench stayed the freeholders' legal actions pending a trial of preliminary issues which essentially became a trial to determine the ownership of evolved gas. The Supreme Court of Canada ruled in 2004 that evolved gas belongs to Encana, as successor to the CPR. FHOA's February, 2005 newsletter contains a detailed discussion of this Supreme Court decision. One could say that the *Anderson* decision effectively represents the second successful step in the CPR's (now Encana's) gas reclamation project.

### Natural Gas is Coal

According to the expert witness called by Encana's at the CBM entitlement hearing:

"CBM occurs within coal not as a gas, nor a compressed gas, but in a condensed liquid-like state, through a physical-chemical relationship termed 'sorption'. Sorbed methane does not have the properties of a gas, but exchanges between sorbed state and gas state."

FHOA understands that Encana's expert used the term 'sorption' to include both absorption (ie. solution of the methane in the solid coal matrix) and adsorption (methane adhering to the inner surfaces of the coal pores).

The *Borys* courts clearly stated that the

Having convinced the courts that gas in solution in petroleum in the ground was petroleum, one could say that the CPR had successfully completed the first step in reclaiming the gas it had sold to the settlers.

### *Anderson v. Amoco*

Almost forty years after the *Borys* decision, a group of freeholders who owned split title natural gas rights initiated law suits alleging that certain oil companies had produced gas cap gas from their lands and paid all royalties on this gas to the CPR and its successors.

substance which is found in the form of gas *in situ* is owned by the owner of split title natural gas not the petroleum owner or the coal owner. The Supreme Court of Canada confirmed this in *Anderson*.

If the hypothesis of Encana's expert is accepted and if the modern scientific understanding of CBM is deemed to be the appropriate method of determining ownership of CBM in split title situations, then the ownership of CBM would presumably cycle back and forth each nano-second between the coal owner, the petroleum owner and the natural gas owner as the CBM "exchanges between sorbed state(s) and gas state".

FHOA finds it difficult to rationalize the hypothesis of Encana's expert with the known physical properties of methane. Methane has a critical temperature of minus 82 degrees Celsius - ie. it is a gas under the temperature and pressure conditions prevailing in underground coal seams in Alberta and could only exist as a liquid if the temperature in the subsurface were several hundred degrees colder than it is known to be. FHOA also notes that Encana's expert provided technical evidence on behalf of the Southern Ute Tribe in *Amoco Production Co. v. Southern Ute Indian Tribe et al.* - a legal action decided by the United States Supreme Court in 1999 in which the Court ruled that the Southern Ute Tribe, as owners of coal reserved in a 1909 federal statute, did not own CBM.

The U.S. Supreme Court adopted the same approach in *Southern Ute* as did the Privy Council in *Borys* - in determining ownership both Courts rejected the modern scientific understanding of the hydrocarbons in issue in favour of the vernacular or common meaning of the words in the reservation at the time it was made.

On this basis, the CBM ownership issue is reduced to whether, paraphrasing the Privy Council, "land

owners, business men or engineers, or, indeed, the staff of the C.P.R. ... would at any time have differentiated between the coal and the CBM.

On the evening of May 22, 1902, an underground explosion in a coal mine in the Crowsnest Pass took the lives of at least 128 miners in what was then the worst mining disaster in Canadian history. Two days later, a telegram arrived from Montreal from one T. G. Shaughnessy advising that three thousand dollars had been donated to the relief fund established for the dead

transfers which gave rise to split title land and was considered to be dangerous. Encana argues that the CPR, who drafted the transfer agreements giving rise to split title land, would have retained CBM for its own account because of this danger. Yes, and pigs really do fly.

Encana is to be commended for making a public issue in recent years of the importance of ethical conduct in Canada by individuals, businesses and politicians and for leading by example in putting in place a corporate constitution



Removing the Dead, Coal Creek, 1902

miners wives and children. Mr. Shaughnessy was president of the CPR.

It was in 1902 that the CPR first began to reserve coal for its own account in land sales to settlers. In FHOA's view, there can be no doubt whatsoever that landowners, business men, engineers and the staff of the CPR differentiated between coal and CBM in the 1902 to 1912 period. Coal was a rock and coal damp (the explosive mixture of CBM and air which took so many miners lives) was a gas.

Encana acknowledges in its written submission to the AEUB that CBM had no commercial value at the time of the

which, amongst other things demands ethical business conduct from its staff and those retained by the corporation.

But in the words of the famous German philosopher Johann Wolfgang Goethe:

Behaviour is the mirror in which everyone shows their image.

In FHOA's opinion, it would be appropriate for Encana to take a long hard look in the mirror with respect to its position vis a vis CBM ownership.

The coal bed methane in dispute in the AEUB hearing has a potential value

measured in the billions of dollars. Whatever the outcome of the AEUB hearing, CBM ownership will ultimately be decided by the courts. It is clearly difficult for a group of volunteers to take on a \$50 billion corporation in a court of law in this Province. If we are to succeed we will need your support and the support of the many other freehold owners who are unaware that their property rights are threatened. We urge you to support our membership drive.

### **Membership Drive**

**T**hanks to those of you who shared the FHOA story with family, friends and associates. We are mailing this newsletter to approximately 300 additional freehold owners on a complimentary basis as a result of your efforts. Hopefully these individuals will find the information useful and join FHOA's quest for greater fairness for all freeholders. We encourage all members to continue to spread the word and thereby help FHOA to raise the common voice of freeholders and protect our heritage.

### **Consent Forms**

**W**e have again enclosed blank consent forms for those members who haven't yet executed these forms. The purpose of these forms is to make freehold owner contact information available to energy companies in a cost effective manner. We urge you to complete a consent form and return it to our offices. If you have questions concerning these forms don't hesitate to call our offices.

### **Upcoming FHOA Seminar**

**F**HOA's next seminar for freehold mineral owners will be held at Festival Place, 100 Festival Way, Sherwood Park, Alberta from 7:00 to 10:00 pm on November 14, 2006. Topics to be discussed include CBM, protecting your property rights, and current and planned FHOA initiatives. For further

information, please call our offices or visit our web site. We hope to see you there.

**R**aising the common voice of freeholders is one thing; having someone listen is another. Please take the time to read my attached letter and consider putting your personal political views aside to help elect someone who will listen as the next Premier of Alberta.

On behalf of the board of directors.

Else Pedersen,  
President

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