

**By Fax and Subsequently Mailed**

September 19, 2005

Bernard Ominayak  
Chief, Lubicon Lake Indian Nation  
P. O. Box 6731  
Peace River, AB  
T8S 1S5  
Fax: (780) 629-3939

Dear Chief Ominayak

**RE: APPLICATION NO. 1411327  
SURGE GLOBAL ENERGY (CANADA), LTD.  
APPLICATION FOR APPROVAL TO DRILL A WELL  
LOCATION: 01-36-091-13W5M  
SAWN LAKE**

At a meeting on September 19, 2005 the Alberta Energy and Utilities Board (the Board/EUB) considered your objection contained in letters of July 18 and August 30, 2005. Furthermore, the Board also considered Surge Global's application, related correspondence and supporting documentation. The Board noted that the application is for a single oil sands evaluation well and is made pursuant to section 2.030 of the *Oil and Gas Conservation Regulations*, and the proposed well will be located on provincial Crown land. Also, the well lease site in question is an existing one with an abandoned well on site. In addition, the Board has satisfied itself that Surge Global's application meets EUB requirements.

Pursuant to Section 26 (2) of the *Energy Resources Conservation Act* (ERCA), the Board will hear an application if it appears to the Board that its decision on an application may directly and adversely affect the rights of a person. The Board makes its decision on a case-by-case basis, taking into account the facts of each application.

The Board was of the view that your concerns were of a general nature relating to health safety, environment and property rights of the Lubicon people arising from a major oil sands exploitation activity rather than the specific application before the Board for a single oil sands evaluation well. The Board noted that no specific details or information were provided regarding the potential direct and adverse impacts of the proposed well on the Lubicon Lake Indian Nation, or its members, although such information was requested by the Board. Furthermore, the Board considered that the proposed well will be drilled from an existing well site and will not result in additional land surface disturbance. Having regard for the above, the Board finds that the Lubicon Lake Indian Nation has not demonstrated that it or any of its individual members may be directly and

adversely affected by the Board's decision on the above-mentioned application. As a result, the Board has dismissed your objection and will issue the licence to the applicant in due course.

With respect your comments about an agreement with the ERCB in 1986, the Board is of the view that no agreement existed rather the Board informed applicants that they were expected to notify the Lubicon Lake Indian Nation of any energy proposal requiring ERCB approval within an area of approximately 2300 square kilometres (25 townships) around the community of Little Buffalo having some regard for a potential reserve area and the traditional activities still carried on by the Band members. However, in 1995, the Board made it clear in EUB Decision D95-04, that it no longer expected applicants to notify the Lubicon Lake Indian Nation of activity within the large area because the potential reserve area was better defined as a result of the Grimshaw Accord and that the boundaries were agreed to in principle by the Alberta Government and the Lubicon Lake Indian Nation.

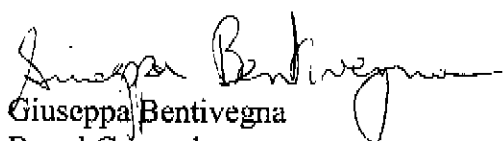
For your information, attached please find an information page listing the appeal and review options of the EUB. If you wish to file a review request, please note the attached rules as to the contents of a review request.

To be considered, your review request must contain new or different information than that which has already been considered by the Board. If you submit that the Board made an error of law or jurisdiction, you must explain the facts on which you base this statement. Otherwise your review request may be dismissed without further process.

In addition, if your review request does not contain the information as required by Rule 46, your review request may be returned.

If you have any questions, please contact the undersigned at (403) 297-8332, or fax (403) 297-7031 or Susan MacDonald at (403) 297-8853, or fax (403) 297-4117.

Yours truly,

  
Giuseppa Bentivegna  
Board Counsel

Enclosure

cc: John Brown, Surge Global Energy (Canada) Ltd., Fax: (403) 440-1114  
Jacob Handel, St. Albert EUB Field Centre, Fax: (780) 460-3802  
Fiona LeBlanc, Grande Prairie EUB Field Centre, Fax: (780)-538-5582

## APPEAL AND REVIEW OF EUB DECISIONS

Decisions of the Alberta Energy and Utilities Board may be appealed or reviewed. What follows is a brief description of the appeal and review process, but in no way is meant to be an exhaustive explanation of either process.

### APPEAL

In certain situations a party may appeal a Board decision to the Alberta Court of Appeal. In order to proceed with such an appeal you must first obtain permission from the Alberta Court of Appeal and an application requesting leave must be filed within 30 days from the date the Board's decision is issued.

### REVIEW

1. The Board itself has the power to review, rescind, change, alter or vary any order or direction that it makes. In order to seek such a review, a person must provide the following to the Board in writing:
  - a) a clear and concise statement of facts relevant to your application;
  - b) the grounds on which your application is made;
  - c) a brief explanation as to the nature of the prejudice or damage that has resulted or will result from the order, decision or direction;
  - d) a brief description of the remedy sought; and
  - e) your name, address, telephone number, fax number and an available email address;

The information set out above must also be sent to all other persons who are involved in the original application that resulted in the order, decision, or direction was made.

Upon receiving this application and after requesting submissions from all other interested parties, the Board will first review the application to determine whether it raises a substantial doubt as to the correctness of the original decision or that new facts or circumstances exist since the original decision was made. To be successful a person will have to show that the Board has either erred and that that error has impacted the decision or that the new facts or changes in circumstances could lead the Board to change the decision.

2. In addition to the above, where a Board decision was made without a hearing a person may apply to the Board for a review. Such a request must be made to the Board in writing within 30 days after the decision was made. An application for a review must contain the same information as above, in #1.

To be successful a person must show the Board how the subject of the decision (i.e. the well or pipeline) potentially directly and adversely affects him or her.