



*Office of the Minister
MLA, Grande Prairie - Smoky*

January 4, 2008

14873-124 NGD

Ms. Cindy Rutherford, P. Land
President, Canadian Association of Petroleum Landmen
Suite 350, 500 – 5 Avenue SW
Calgary, Alberta T2P 3L5

Dear Ms. Rutherford:

Premier Stelmach has asked that I respond on his behalf to your recent letter regarding the implementation of shallow rights reversion under Alberta's New Royalty Framework.

As you are no doubt aware, a team led by Alberta Energy, and including the Canadian Association of Petroleum Producers, the Small Explorers and Producers Association of Canada and the Independent Oil and Gas Association of Canada, is currently engaged in discussions regarding implementation details for the Framework.

With regard to shallow rights reversion in particular, I understand that an initial discussion of the issue took place on December 19, 2007, at a session of the Tenure Industry Advisory Committee. I encourage you to continue to work with the Committee and Energy Department staff to ensure that CAPL's views are fully considered as we develop the parameters for shallow rights reversion.

I would also like to congratulate CAPL members for receiving the Gold Premier's Award of Excellence. Their commitment and cooperation helped produce a more effective method for administering mineral tenure in our province, and I am confident that a similar spirit will prevail in our discussions of issues related to the New Royalty Framework.

Thank you once again for taking the time to write.

Sincerely yours,

Mel R. Knight
Minister

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cc: Honourable Ed Stelmach
Premier

Honourable Ted Morton
Minister of Sustainable Resource Development

Pierre Alvarez
Canadian Association of Petroleum Producers

Gary Leach
Small Explorers and Producers Association of Canada

Kin Chow
Canadian Society for Unconventional Gas