AMMONITE SHELL INFORMATION BULLETIN 2004-02

Subject: Ammonite Shell Leasing

Further to the information provided in Information Letter 2004-18 the Alberta Department of Energy will accept applications for new ammonite shell agreements for a three-day period from September 15 to 17, 2004.

Applications will be accepted at either the Calgary or Edmonton office of the Alberta Department of Energy and must include the fee of $625.00, the annual rental of $3.50 per hectare and GST, if applicable. Applications may be sent in vial mail or courier, or delivered in person during office hours to:

Department Reception  
Alberta Department of Energy  
7th Floor, North Petroleum Plaza  
9945 – 108 Street Edmonton, AB T5K 2G6

Information Centre  
Alberta Department of Energy  
Suite 300, 801 - 6th Avenue SW  
Monencio Place Calgary, AB T2P 3W2

All applications must be received by the Department prior to 4:30 on Friday, September 17, 2004.

Applications will be accepted only on lands where the Crown owns the minerals. In order to determine Crown lands and what lands are available for application, interested individuals should consult the ammonite shell activity map produced by the Department. Updated versions of the map may be viewed at www.energy.gov.ab.ca. Instructions for printing the map are provided on the website. Note that paper versions of the ammonite shell map are no longer being produced.

The Department wants to avoid a rush on its offices and to provide equal opportunity to all interested parties. Therefore, all applications received from September 15 until September 17 will be given equal status and assigned the same time of receipt. The applications received during those three days will be reviewed for overlaps in the lands requested. If there are no overlaps then the applications will be accepted and processing will proceed.

When overlapping applications occur, the successful applicant will be decided on the basis of the highest non-refundable bonus bid. The affected applicants will be contacted and advised that another party has applied on the same lands, but the identity of the other applicants will be kept confidential. To ensure the Department can promptly contact
applicants in the event of overlaps, applicants are required to provide contact information, including telephone numbers, fax number or email address (or an alternate contact and information) with each application.

Applicants will be contacted by the Department during the week of September 20, 2004, and advised of the deadline to submit their bonus bids. A separate bonus bid must be made for each overlapping application and a separate cheque for each parcel must accompany the offer. Unsuccessful bidders will have their application fees, rental payments and bonus returned.

Following this initial application period, the Department will once again accept ammonite shell applications on a first-come, first-served basis starting October 4, 2004.

Questions about this process should be directed to:

Brian Hudson Business Unit Leader Hazel Henson Senior Minerals Administrator
Coal and Mineral Development Coal and Mineral Development
(780) 427-9077 (780) 427-9075

Sincerely,

[original signed]

Susan Carlisle
Acting Business Unit Leader
Coal and Mineral Development Unit
Mineral Development and Strategic Resources