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January 27, 2010

Ontario Energy Board
P.O. Box 2319, 26th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Attn: Kirsten Walli
Board Secretary

Dear Ms. Walli:

Re: Tribute Resources Inc. (the "Applicant") – Huron Bayfield Storage Project
File Numbers EB-2009-0338/0339/0340

And Re: Letter of Intervention of McKinley Farms Limited ("McKinley Farms")
and 2195002 Ontario Inc. ("Ontario") (collectively the "Intervenors")
dated January 15, 2010

DELIVERED BY:

E-mail: boardsec@oeb.gov.on.ca

Fax: 1-416-440-7656

Regular mail

We are in receipt of the letter of intervention and request for eligibility for an award of costs dated January 15, 2010 (the "Letter of Intervention") from the Intervenors' solicitor, Jed M. Chinneck, and we wish to respond to the same as follows.

The Applicants have no objection to the Intervenors seeking intervenor status. The Applicants do, however, object to the Intervenors proposed nature and scope of participation as contained in subparagraphs (b) (iv) (a) and (b) (v) of the Letter of Intervention.

It is the Applicants' position, based upon their pre-filed evidence, that the Applicants have oil and gas rights and gas storage rights over 54% of the Stanley Pool (subject to possible increase based upon the decision of the Ontario Court of Appeal, which decision is under reserve after the hearing of the Applicant's appeal on January 26, 2010) and that the Intervenors have oil and gas rights and gas storage rights over 46% of the Stanley Pool. The Applicants' interpretation in this regard is based upon geological and geophysical evidence acquired since the unitization of the Stanley Pool on January 1, 1985. The Ministry of Natural Resources has reviewed and agrees with the Applicants' interpretation of the Stanley Pool. The Applicants hold a majority of the oil and gas rights and the gas storage rights in the Stanley Pool.

The Applicants object to the Intervenor's grounds for intervention as set forth in subparagraphs (b) (iv) (a) and (b) (v) of the Letter of Intervention. These grounds essentially challenge the Applicants' right to apply for authority to inject, store and withdraw gas from the Stanley Pool and the Applicants' right to request that the Board determine just and equitable compensation payable to Ontario. The Applicants' rights to apply for and request this relief are statutory rights clearly set forth in Section 38 of *Ontario Energy Board Act*, 1998. The Applicants intend to bring a motion at the appropriate time seeking an order from the Board confirming the Applicants' rights to apply for relief and for an order prohibiting the Intervenor from making these issues at the hearing.

It is the Applicants' position that (subject to the Ontario Court of Appeal's decision which is under reserve) McKinley Farms and Ontario should be considered by the Board as a single landowner entity that has certain petroleum and natural gas rights and gas storage rights. Based upon affidavits filed in the Superior Court of Justice and based upon corporate profile reports recently obtained from the Ministry of Government Services it is clear that Ontario was incorporated on January 1, 2009 and its registered office address is 74370 Goshen Line, RR#1, Zurich, Ontario, N0M 2T0, which is Dale Ratcliffe's mailing address. It is also clear that Catherine McKinley, who is Dale Ratcliffe's sister-in-law, is the President and a director of McKinley Farms and is also the President and a director of Ontario. The purported Oil and Gas Lease and Gas Storage Lease Agreement in favour Ontario were both granted to Ontario by McKinley Farms on or about March 3, 2009 and Catherine McKinley is the signatory of each of these documents on behalf of both **McKinley Farms and Ontario**. It is the Applicants' position that the creation of Ontario as a separate entity is somewhat of a "sham" as the controlling minds and alter egos behind McKinley Farms and Ontario are members of the McKinley family.

The position taken by Ontario in its Letter of Intervention is that it is a competitive corporate energy related entity which has an interest in developing its own storage facility and proposes to use an open access pipeline proposed to be constructed by the Applicants to transport its own gas storage volumes to market. Ontario has asked the Board for eligibility for an award of costs but as a purported energy competitor with the Applicants it is submitted that Ontario should not be eligible pursuant to Article 3.05 of the Board's Practice Direction on Cost Awards (November 16, 2007 Edition) and the associated cost eligibility guidelines.

The Applicants therefore object to Ontario's request for eligibility for a cost award.

Yours truly,

GIFFEN & PARTNERS^{LLP}

Per:  Christopher A. Lewis
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cc: Chinneck Law (by fax: 519-432-4811 & e-mail: info@chinneck.ca)
cc: Tribute Resources Inc. (Attn: Bill Blake, Peter Budd and Jane Lowrie) (by e-mail)