

**Union Gas Limited**

**Jacob Pool Development Project**

**Applications for  
Designation and Authorization to Operate Jacob Pool  
EB-2011-0013**

**Leave to Construct Natural Gas Pipelines  
EB-2011-0014**

**Well Drilling Licenses  
EB-2011-0015**

**Kent Federation of Agriculture Interrogatories**

Section 2 Need for Facilities

Issue 1 (1.4) Need for incremental storage capacity in Ontario

Paragraph 6

Prefiled evidence states that the sale of storage capacity and deliverability will be consistent with the sale of the rest of Unions ex-franchise storage.

Q - What is the volume of Union's current ex-franchise storage?

Q - How are ex-franchise profits allocated and distributed?

Issue 1 (1.4) Need for storage

Reference Section 2 Page 1

Q - Is the total storage capacity in Ontario sufficient to service the Ontario demand, if it is not utilized by parties outside Ontario?

Q - What is the total Ontario storage capacity?

Q - What percentage of the total demand originates outside Ontario?

Geology and Reservoir Engineering

Reference Prefiled Evidence

Section 3 Page 5

Issue 2(2.5) Is the applicant appropriately accountable for losses or damages caused by its activities?

Paragrah 15

Prefiled evidence states that several wells are actively producing oil and or gas from Black River Group.

- Q - Will Union or Liberty or successors be accountable to royalty owners for any losses or damages directly or indirectly resulting from storage operations. To be more specific, if reserves of oil or gas are not produced with current or future technology, and left in place due to storage operations being conducted, will Union be accountable to royalty owners for those losses or damages?
- Q - If Union is not responsible for any losses or damages from lost production, who would be accountable?
- Q - Please outline the anticipated procedure whereby losses or damages would be addressed.

Section 3 Page 8

Original Gas in Place

Paragraphs 26&27 + Schedule 13

- Q - Please provide the monthly or weekly production volumes for the 24 months prior to shut in.
- Q - Please provide well head pressure for 24 months prior to shut in.

Land Matters

Issue 1(1.3) Leases and Agreements

Reference Section 7 Page 1

Paragraph 1&2

According to prefiled evidence, Union holds all Petroleum and Natural Gas rights.

- Q - Please provide copies of any Unit Agreements applicable to the Jacob Pool
- Q - Please provide copies of any agreements or assignments of production with Liberty Oil & Gas or any other operators in the Jacob Pool

Q - Is Union responsible to provide payment of royalties due on any oil or gas produced within the proposed DSA? If not, who is?

Paragraph 5

Q - Does Unions current Landowner Compensation package contain any provision for landowner participation in ex-franchise storage operation profits?

Q - When is the expiry date of the current landowner agreement?

Jacob Pool

Issue2(2.5) Losses or damages

Section 7 Page 2

Paragraph 12 states "There are no recoverable reserves".

Q - Please explain how this conclusion was reached?

Q - Is technology and expertise available to produce from low pressure reservoirs?

Q - Is Union aware of any production operations in Ontario where natural gas is being or has been produced down to pressures below 50 psia? If yes, where?

Land Matters

Issue 1(1.3) Necessary Leases and Agreements

Section 7 Page 1 Paragraph 5

Q - Is Union aware of any other storage operators in Ontario which mirror or closely resemble Union's existing Landowner Compensation Program? If yes, then please name those operators.