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VIA RESS, Courier, E-mail

Our File No. 948-22-0011

May 30, 2012

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

**RE: Enbridge Gas Distribution Inc. ("Enbridge")
Application for Licences to Drill Four Wells within the Kimball-Colinville
Designated Natural Gas Storage Area
OEB File No.: EB-2012-0060**

Dear Ms. Walli,

Pursuant to s. 40 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, the Ministry of Natural Resources ("Ministry") has referred to the Board the applications dated February 14, 2012 regarding licences to drill four wells in the Kimball-Colinville Designated Storage Area:

TKC #63, Moore 6-18-VIII
TKC #64, Moore 1-20-VI
TKC #65, Moore 1-14-IV
TKC #66, Moore 1-16-VIII

On March 28, 2012 the Ministry requested and, on April 18, 2012, along with Union Gas Limited, was granted Intervenor status on this matter.

Most recently, the Ministry received and reviewed Board Staff's interrogatories dated May 11, 2012 and the interrogatory responses of Enbridge dated May 22, 2012.

After reviewing Board Staff's interrogatories, the Ministry chose not to file any interrogatories.

Ministry Staff's Submissions

Ministry Staff supports the approval of this application. Ministry Staff have no outstanding concerns that would call for non-approval of the application. Ministry Staff are of the opinion that it would be in the public interest for the application to be approved.

However, Ministry Staff request that Enbridge provide greater clarification in response to Board Staff Interrogatory #1(f): *Please provide rationale and reasons for drilling the proposed wells.*

Enbridge's response was: *The rationale and reasoning for drilling the proposed observation wells is to confirm the outline and extent of the pressurized A-1 Carbonate reservoir as described in Parts a) to e) above.*

Ministry Staff requests that Enbridge clarify its response by responding to the following question:

Is there a natural gas inventory or an operational issue related to the request for additional observation wells? If yes, please explain.

Yours truly,



Demetrius Kappos
Counsel
Legal Services Branch
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Copied to: Mr. Mark Murray, Manager, Regulatory Projects & Lands Acquisition, Union Gas Limited (via e-mail: mmurray@spectraenergy.com);
Mr. Scott Stoll, Counsel, Enbridge Gas Distribution Inc. (via e-mail: sstoll@airdberlis.com);
Mr. Joe Van Overberghe and Mr. Jug Manocha, Petroleum Resources Centre, MNR (via e-mail: joe.vanoverberghe@ontario.ca and jug.manocha@ontario.ca)