

Progress Report – October 2006
Gas Over Bitumen Technical Solution
Industry & Government Collaboration

General Comments

The Steering Committee meet on October 24, 2006 to deal with the lack of resources to advance initiatives targeted to a technical solution and charged the joint meetings of the Artificial Lift and Low Pressure SAGD technical sub committees to focus on 2 or 3 of the most important potential work items at a time, to define the scope, deliverables, timelines, and potential costs. These workshop discussions will be held over the next few months going through the list of work items until a potential base research program is defined. Alberta Research Council will attend with the intent of having enough understanding and framework to make a proposal to the Steering Committee to manage the base research program.

As a result of these activities, the Steering Committee will next meet in January 2007, and once a quarter thereafter.

Artificial Lift

Thermal Wellbore Simulator

Simulator has been demonstrated to JIP members. A training session and distribution of the software will be held in November.

Bench Scale Testing of Lift Systems

Nothing new to report.

Fluid Injection Technology

Paramount GRIPE Pilot

Flue gas injection has been down since August repairing corroded steel pipe between the wellhead shack and wellhead. Injection is expected to commence November 7.

EnCana Air Re-pressuring Pilots

Nothing new to report.

Low Pressure SAGD Performance

Total LP SAGD Field Testing

Steam injection is currently shut down due to apparent plugging along the well. This impairs steam chamber conformance along the well pair decreasing production rates.

Reservoir Lab Testing

Christina Lake sample is complete and the Surmont sample is being tested.

The final report is expected by year end.

Potential Research Funding

Survey results indicate the potential for a base program of approximately \$1 million. The base program is expected to be identified over the next few months.

Confidentiality will be dealt with after the base program is defined.