General Comments

As directed by the Steering Committee on October 24, 2006, the Artificial Lift and Low Pressure SAGD sub committees met three times with good attendance. Good progress was made in a number of the high priority areas.

Preparations for three workshops are progressing. The first will be held on March 15, 2007, to discuss ways to advance down hole instrumentation. The second will be held on May 17, 2007 to discuss re-pressuring fluid injection types. The third will be held on September 20, 2007 to discuss advancing solvent/co-injection recovery applications.

In addition to the workshops, the scope of five potential Joint Industry Projects are advancing: down hole instrumentation; impact of non condensable gas; understanding solvent compositions, availability, and supply; development of guidelines for choosing injection fluids for the purpose of re-pressuring a gas over bitumen zone; and history matching of SAGD field data.

Artificial Lift

Bench Scale Testing of Lift Systems

Nothing new to report.

Fluid Injection Technology

Paramount GRIPE Pilot

Nothing new to report.

EnCana Air Re-pressuring Pilots

Christina Lake re-pressuring pressure has increased from 1600 kPa to 2500 kPa. An application to re-pressure the large gas pool to the east has been filed with AEUB and will be made public once the application is deemed to be complete.

EnCAID project is maintaining balanced injection and production conditions, combustion is ongoing, and the front is close to an observation well.

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

Program is expected to be complete by the end of January and the report issued in early February.

Potential Base Research Program

The scope of the potential base research program will be defined once the technical sub committees develop the scope of a sufficient number of research areas.