

## **Artificial Lift**

### **Bench Scale Testing of Lift Systems**

Gear pump is next in the loop.

### **Low Pressure SAGD Wellbore Architecture**

Still waiting on C-Fer to call final meeting.

### **Suncor Low Pressure Artificial Lift Proposal**

Suncor met with interested parties on November 19, 2004. Parties included CNRL, Suncor, Jacos, Devon, ConocoPhillips, Total, Husky, Nexen, and Petro-Canada. Interested parties are to indicate a cost for the data sale that they can live with by November 26, 2004.

Suncor will request a sample of Firebag bitumen to be tested in the de-methanization lab study. This work will be important for determining solution gas production during its field test.

## **Fluid Injection Technology**

### **Paramount GRIPE Pilot**

EUB approval and conditions have been received. D2000-22 shut-in order variance has been approved. G51 application has been submitted. G56 is being prepared.

Skid fabrication is underway. Workover programs are prepared. Costs have increased by 10% and will likely end near \$6 million. Project start up is scheduled for Q1 2005. ConocoPhillips observation well locations have been submitted to the EUB.

Paramount Energy Trust is considering a similar field test at Hangingstone.

### **EnCana Flue Gas Re-pressuring Pilot**

Construction is complete. Startup expected with air injection at 11-16 in the next couple of weeks.

## **Lateral and Vertical Pressure Communication**

### **Surmont Shut-in Data Analysis**

All issues have been identified and reviewed with ETI. A draft addendum will be prepared for review by December 15, 2004. The scope of the addendum has been agreed to by all funding parties. Final addendum is expected in the new year.

January 1, 2005 will be deemed the study completion date.

## **Low Pressure SAGD Performance**

### **Deer Creek LP SAGD Field Testing**

The following are quotes taken directly from Deer Creek's third quarter report.

“The average field production during the month of October was approximately 125 barrels of bitumen per day...” “The steam-oil-ratio in the first six weeks of production has consistently declined over the period to reach 3.5 at the end of October and averaged 3.7 for the month.”

### **ConocoPhillips LP SAGD E-Lift Field Testing Proposal**

The task group made a very interesting presentation on November 15, 2004, regarding the **draft** results of simulations. The task group will meet again to draw final conclusions and discuss any future steps to wrap up their work.

### **Reservoir Lab Testing**

Nothing new to report.

## **Executive Steering Committee**

### **Natural Gas Royalty Changes**

After consultation with 6 industry representatives, a royalty adjustment has been announced and natural gas royalty regulations were changed October 5, 2004 by OC 476/2004.

Royalty Adjustments to the parties affected (excluding Surmont wells) are initiated through a monthly Ministerial order, are retroactive to the date of shut-in.

Repayment of royalty Adjustments provided are through an escalating GORR when the pool is back on production to a maximum of the benefits received. Capex to return the well to production are recovered before the GORR kicks in.

Temporary assistance ceases and is deducted from the retroactive payment.

### **ITRP**

Steering Committee members agreed that the GOB projects will be reviewed by the technical subcommittees. Successful projects will be presented to the Steering Committee for approval. All projects will be reviewed using the ITRP application criteria and will be ranked and prioritized before going to the Executive Steering Committee and the ITRP review. A December IL will indicate the need for GOB projects to go through this Technical Solutions Steering Committee.

The application package is ready for release in December. A workshop will be held to review the application process and IP issues and objectives in January 2005. There is one application date per year.

The Executive Steering Committee may meet in the new year if new or revised projects require review.