

Monthly Progress Report – October 2004
Gas Over Bitumen Technical Solution
Industry & Government Collaboration

Artificial Lift

Bench Scale Testing of Lift Systems

Currently testing progressive cavity pump. Oil and gas test is complete.

Low Pressure SAGD Wellbore Architecture

Final report is being prepared and will be reviewed prior to the end of October.

Fluid Injection Technology

Paramount GRIPE Pilot

Responding to EUB questions.

Parties to D2000-22 received notice from EUB to vary shut-in order to exclude the GRIPE wells. Project approval will be signed.

EnCana Flue Gas Re-pressuring Pilot

Nothing new to report.

Lateral and Vertical Pressure Communication

Surmont Shut-in Data Analysis

Nothing new to report.

Low Pressure SAGD Performance

Deer Creek LP SAGD Field Testing

Continuous injection and production continues with steam chamber pressures between 1250 and 1300 kPag. Production response is near expectations.

ConocoPhillips LP SAGD E-Lift Field Testing Proposal

2D and 3D simulations are being conducted to develop a matrix of issues to address. Other members are investigating ways to share field data that may allow advancing the understanding of LP SAGD.

Suncor has proposed a JIP to develop artificial lift for low pressure SAGD on two well pairs. The test will operate for up to 2 years with a step down pressure profile of 3500, 2000, 1500, and 1200 to 1000 kPa. The production well performance data will be shared. The cost is estimated at \$8 to \$9 million. Suncor has proposed to cover 50% of the costs and JIP participants covering the remaining to a maximum of \$1 million per participant. Expression of interest is due October 31, 2004. A meeting to refine the scope and test details will be held during the first week of November.

Reservoir Lab Testing

Nexen is now participating. AERI will likely now participate. ConocoPhillips is reconsidering its participation.