

Monthly Progress Report – December 2003
Gas Over Bitumen Technical Solution
Industry & Government Collaboration

Artificial Lift

Bench Scale Testing of Lift Systems

Bench scale testing agreements continue to be advanced. Paramount, Husky and Total have signed the contract. Devon and Suncor have signed a letter of intent. Petro-Canada, AERI, and EnCana have given verbal approval. A kick off meeting was held December 18, 2003. CFER is proceeding with flow loop construction. EnCana has distributed an invitation to vendors to supply the systems for testing.

Facility Capital and Operating Cost Study

Petro-Canada, Suncor, and IMV continue to advance the evaluation of different lift scenarios against gas lift. The well bore operating conditions have been established for all scenarios. IMV is now making the first pass at surface facility sizing and cost estimating.

Low Pressure SAGD Wellbore Architecture

Conoco and Husky have signed the contract for Phase 2. Waiting on other participants.

Fluid Injection Technology

Christina Lake

Flue gas injection continues. Surface facilities continue to be problematic. Devon is preparing a report on progress to date that will be reviewed by EnCana prior to distribution to the EUB and the Technical Steering Committee.

Flue Gas Injection

Conoco and Paramount have agreed on two locations for flue gas injection pilots. The EUB application will be prepared and submitted in Q1 2004. Project start-up is expected in Q1 2005.

Lateral and Vertical Pressure Communication

Paramount has signed the ETI contract on behalf of participants. AERI, Conoco, Paramount, Petro-Canada, and Devon have signed the AFE. Nexen has sent a letter indicating its participation. The Joint Operating Agreement is being advanced.

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Low Pressure SAGD Performance

Deer Creek LP SAGD Field Testing

Deer Creek has drilled its well pair for the LP SAGD project. AERI, Conoco, Nexen, and Petro-Canada are participating and are finalizing agreements. Devon, Husky, and Paramount continue to consider participating.

Conoco LP SAGD E-Lift Field Testing Proposal

Conoco continues to advance the conceptual engineering and scope for its LP SAGD pilot, at its own cost.

Reservoir Lab Testing

The sub committee is reviewing 3 lab proposals from ARC. The scope and costs for de-methanization proposal are being refined. MacKay and Surmont oil will be used for this lab work.

Executive Steering Committee

The Executive Steering Committee has reviewed the “Technology Road Map” and find it useful for decision making. They are interested in the project priorities and are pleased with the work progressed to date. The Technical Steering Committee will remain focused on technical solutions.

A list of technology projects and priorities has been prepared. Capital and operating cost estimates and timing are being prepared. This package will be presented to the Executive Steering Committee in January 2004.