

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

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## **Artificial Lift**

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

Bench scale testing agreements have been circulated for comment. A meeting to finalize the work scope will be called in the near future. Potential participants are; AERI, CNRL, Conoco, Deer Creek, Devon, EnCana, Husky, Nexen, Petro-Canada, and Total. The test is expected to commence January 2004.

### **Facility Capital and Operating Cost Study**

Petro-Canada, Suncor, and IMV are advancing an evaluation of the impact on capital and operating costs with different lift scenarios against a base case of gas lift. Each party is providing expertise and information at their own cost. The group plans to make a presentation to the technical sub committee for review and comment by Jan 31, 2004. The results will then be presented to the CHOA for broader discussion.

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

Nothing new to report this month.

## **Fluid Injection Technology**

### **Flue Gas Injection**

Three candidate pools have been identified in the Surmont area for potential flue gas injection, methane displacement, and re-pressuring pilot. APA is conducting reservoir modeling that will assist in final pool selection. Cost estimating and development of business terms are being advanced. Expect to file EUB application Q1 2003 with start up during summer 2004.

## **Lateral and Vertical Pressure Communication**

See next section

## **Shut-in Data Gathering and Interpretation**

### **Interpretation**

This area is essentially complete now that the ETI contract is awarded and proceeding. This is a great piece of work and is an important step towards advancing the understanding of the vertical and lateral interconnection between the top gas, top water, and oil sands in the Surmont area. Thanks to Deepa Thomas, Gary Bunio, David Monroe, Steve Hogan, Bill McFarlane, John Pearce, and Doug Komery for advancing this important project.

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Nexen, Paramount, Petro-Canada, Conoco, Devon, and AERI are participating. The JV agreement and the AFE are out for final signatures. The agreement includes a confidentiality period that is not longer than two years. The parties can agree to release data and/or results earlier.

## **Low Pressure SAGD Performance**

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

Deer Creek has offered to fix the costs to participate in its LP SAGD data sharing project at \$300,000 per participant. AERI, Conoco and Petro-Canada are working on the letter of intent wording. Nexen and Devon are reconsidering now that the costs are fixed.

The well pair drilling commenced this month.

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

Conoco made a proposal to conduct a conceptual engineering and scope study for its LP SAGD pilot, at its own cost. This will include; down hole, lift, and surface design, PFD's, cost estimate (+/- 40%), and schedule. The study will consider three options; tie into existing pilot, stand alone pilot, and integration into its commercial project. It will also consider two other layers; ES SAGD and re-pressuring. Conoco will present the findings to the group by February 28, 2004. The parties accepted this proposal.

Conoco is advancing a draft agreement that is based on the Dovap model.