

Artificial Lift

E-Lift

Conoco has proposed a field test of E-lift in conjunction with its proposal to test LP SAGD at Surmont. Parties are advancing a potential JIP.

Bench Scale Testing of Lift Systems

EnCana is sponsoring a potential JIP to bench scale test six artificial lift systems; a twin screw pump, two gear pumps, an ESP, a progressive cavity pump, and a hydraulic gas pump. AERI, Nexen, Conoco, Paramount, Devon, Deer Creek, Suncor, CNRL, and Total plan to meet to advance this potential JIP.

The group is working with C-FER to provide testing facilities, lead the project, and to work with equipment manufactures to provide pumps for testing. C-FER is currently preparing the work scope, activities list, and JIP agreements for review by the parties with the expectation that this project can commence in November 2003.

Low Pressure SAGD Wellbore Architecture

The Phase A wrap-up meeting was held on September 10, 2003. The participants are now ranking potential wellbore architectures to take to a potential Phase B. The group will meet on later in October to discuss future actions.

Fluid Injection Technology

Flue Gas Injection Project

Flue gas injection averages 1 MMscf/d. Surface facilities continue to have mechanical problems.

Lateral and Vertical Pressure Communication

Piezometer data

Nothing new to report.

Injection Projects

Nothing new to report.

Shut-in Data Gathering and Interpretation

Interpretation

Exploitation Technologies Inc. will be awarded the contract to conduct a study of the Surmont shut in data to improve the understanding of the nature of Wabiskaw-McMurray gas pools with respect to inter-pool communication while producing or potentially re-pressuring. Contracts and an AFE are being prepared for signatures with the expectation that the project will be awarded during the 3rd week of October. The project is expected to take 5 months. Paramount will manage this project and steward the costs. Participants to date are; Petro-Canada, Paramount, ConocoPhillips, Devon, and ADOE. CNRL yet to make a commitment.

Low Pressure SAGD Performance

Performance

Nothing new to report.

Field Testing

Conoco offered a proposal to conduct a LP SAGD field test with E-Lift incorporated. Interested parties met to advance project definition. A technical workshop was held to define the potential scope. A business planning meeting will be held in October to discuss business arrangements and next steps.

Regarding the Deer Creek LP SAGD proposal; Conoco, Paramount, Petro-Canada, Nexen, Devon, Suncor, and CNRL are scheduled to meet on October 8, 2003 to further discuss the potential for a JIP, the potential scope, business arrangement, and next steps.