

Monthly Progress Report – October and November 2005
Gas Over Bitumen Technical Solution
Industry & Government Collaboration

Artificial Lift

Thermal Wellbore Simulator

Agreements are now in place with project kickoff on November 1, 2005. Participants are ConocoPhillips, Husky, Nexen, Paramount Resources, Petro-Canada, Suncor, and Total. Participants are providing a generic well bore data set to the project.

Bench Scale Testing of Lift Systems

The interim report is being reviewed.

There is \$338,000 available for additional testing and/or upgrading the test unit to higher temperature testing, now that Chevron and Petrobras have joined and IETP funding is approved. Participants are considering next steps.

General operating conditions for a second screw pump have been prepared.

ConocoPhillips has declined the JIP participants request for ConocoPhillips sharing gear pump field test data, or having the pump tested at C-FER.

Suncor Low Pressure Artificial Lift Proposal

First well pair continues to operate with ESP.

Second well pair planned for Can-K completion January 2006.

Fluid Injection Technology

Paramount GRIPE Pilot

After trouble shooting corrosion and flue gas water removal issues, flue gas in being injected and methane is being produced.

Data reporting to the EUB is evolving as EUB systems are not currently designed for this type of project

EnCana Air Re-pressuring Pilots

The confidentiality with EUB has expired.

The down hole pressure of 1200 to 1500 kPa was too low to keep the burner operational.

Air injection ended September 2005. Reservoir pressure has dropped from 2400 kPa to 2200 kPa since shut-in. Suspect a leak along a wellbore rather than a geological leak. Will continue to monitor.

Expect to commence air injection in Section 15 in June 2006.

EnCana forecasts commercial application to cost \$1/Mscf including capex and opex.

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Low Pressure SAGD Performance

Deer Creek LP SAGD Field Testing

October technical committee meeting was held.

Mechanical issues are impacting reservoir performance. Suspect a sand plug. A work over is planned.

Currently operating steam chamber at 1000 kPa. Geoscout data for September 2005; CDOR of 220 bopd, ISOR of 4.1, and CSOR of 5.3

LP SAGD Field Testing Proposal

Nothing new to report.

Reservoir Lab Testing

All tests below 200 C are complete.

MacKay and Christina Lake testing above 200 C to be complete this month.

Final report to be issued in December.

Other Business

IETP

IL announced December 31, 2005 extension for second round of applications.

Paramount Energy Trust is expecting to apply for IETP funding for its simulation work entered at the GB2003-28 hearing. A presentation will be made to the technical sub committee on December 16.

Expanded Funding

The participants are committed to advancing technical solutions through the steering committee and technical sub committees. The contract extension continues to be advanced.