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May 12, 2003

EUB Alberta Energy and Utilities Board
640 - 5 Avenue SW
Calgary, Alberta
T2P 3G4

Attention: Terry Abel, P.Eng

Dear Sir:

Re: General Bulletin GB 2003-12
Gas Production in Oil Sands Areas

Imperial Oil Resources supports the findings of EUB Decision 2003-023. The lengthy Surmont and Chard-Leismer hearings, have clearly delineated the conflicting interests and presented all known evidence and arguments for both sides of the gas over bitumen issue. Additional hearings over the next few years are not likely to bring forth any new significant evidence until conclusive field data becomes available.

As such, gas production should only continue in the Athabasca basin from zones within the Wabiskaw-McMurray formation, where it can be demonstrated by the gas producer to the satisfaction of the Board that the gas is isolated from exploitable bitumen deposits. Isolation should be assessed on the basis of the geological criteria outlined in Decision 2003-023 and ID 99-1. The owners of bitumen production rights should continue to receive copies of any applications to produce gas overlying bitumen, and be allowed to submit their perspectives.

The process around any future Gas over Bitumen hearings, should they be required, should be simplified. The remaining bitumen resource faces significant risk if further multi-year delays transpire before additional gas production is shut in. Until significant new technical data comes to light, we believe it appropriate for the EUB to discourage future hearings and focus on the implementation of the key findings of the Chard/Leismer hearing to the broader Athabasca in-situ region.

* an Alberta limited partnership

In an effort to expedite the gas shut-in process, regional models developed to date and confirmed by the Board at the Chard/Leismer hearing, could be expanded by the Board to include the remaining Athabasca in-situ areas where gas production is or may occur in the future. Areas identified as being at risk should have gas well/zone shut-in orders expeditiously issued by the Board. Gas well/zonal shut-ins should apply to all appropriate wells, be they grandfathered or approved post ID 99-1. One example of an area that should be subject to immediate review by the Board, based on both Nexen's and Imperial's regional mapping, are the Corner Leases (Lease 7282060006, 7282060007, 7402040001, 7400120004, 7499070004 and Permit 7000040083).

Should you require any additional information or wish to discuss the concepts outlined in this letter, please contact either myself or Doug Schulz (284-7466).

Sincerely,

C.F. (Charles) Ruigrok

DGS/drm

cc: D.G. Schulz