APPENDIX 2. ANNUAL RESOURCE MANAGEMENT REPORT

1. Reporting Requirement

For Petro-Canada, Newmont, EnCana, and Nexen to annually report on the management of the resources on their oil sands leases in the Chard-Leismer area, including an assessment of the effect that the pressure of the overlying gas zone has on the recovery of bitumen by SAGD.

2. Reporting Period and Filing Date

Initial reporting period: April 1 to December 31, 2003
Initial filing date: March 31, 2004 (2 copies)

Subsequent annual reporting period: January 1 to December 31
Subsequent annual filing date: March 31 (2 copies)

3. Report Content

The report will consist of the following three sections:

- Experimental Scheme – This section will include confidential data and information from any future experimental scheme. It will be held confidential until expiry of the confidentiality term for the scheme, after which it will be publicly available.
- Commercial Scheme – This section will include nonconfidential data and information from any future commercial scheme. It will be publicly available.
- Other Information and Data – This section will include nonconfidential data and information not specifically related to a commercial scheme. It will be publicly available.

Experimental Scheme and Commercial Scheme Sections

1. Drilling and Completions
   - Well layout/location map, including any new wells
   - For experimental scheme, well completions and workovers, including wellbore schematics. For commercial scheme, typical wellbore schematics for injection and production wells.
2. Facilities
   - Detailed site survey plan, including modifications
   - Plant schematic, including modifications
3. Instrumentation in Wells
   - For experimental scheme, thermocouples and piezometers installed in wells, including wellbore schematics. For commercial scheme, thermocouples and piezometers installed in wells, including typical wellbore schematics.
   - Lateral and vertical position of thermocouples and piezometers installed in observation wells relative to well pairs
   - Piezometer plots, including supporting data points in tabular form
   - Thermocouple plots, including supporting data points in tabular form
   - Temperature logs
   - Other well test data and analyses

4. Scheme Performance
   - Injection and production history
     - Plots on a composite and individual well-pair basis for steam injection rates, bitumen and water production rates, steam oil ratio, and other injected/produced fluid rates
     - Quality of steam injected, including the temperature and pressure
     - Composition of other injected/produced fluids
   - Comparison of predicted versus actual performance

5. Artificial Lift
   - Type of artificial lift used for each well pair
   - Artificial lift performance

6. 3-D/4-D Seismic
   - Seismic lines location map
   - Interpreted results from seismic surveys

7. Geology
   - Composite well logs over Wabiskaw-McMurray interval
   - Identify cored wells and any special core analyses conducted
   - Petrographic analyses
   - For experimental scheme, structural cross-section for each well pair. For commercial scheme, representative structural cross-section for scheme area.
   - Surface and subsurface geomechanical data and analyses

8. Interpretations and Conclusions
   Interpretations and conclusions on the basis of the collected data, including
     - extent of steam chamber development for each well pair
     - effect that the pressure of the overlying gas zone has on bitumen recovery
     - ability to lift fluids at low operating pressures
     - overall success of the scheme

Other Information and Data Section

1. Drilling and Completions
   - Evaluation and infill wells, including a location map

2. Instrumentation in Wells
   - Piezometers installed in wells, including wellbore schematics
   - Piezometer plots, including supporting data points in tabular form
   - Other well test data and analyses

3. Geology
   - Composite well logs over Wabiskaw-McMurray interval from evaluation and infill wells
   - Identify cored wells and any special core analyses conducted
   - Petrographic analyses

4. Interpretations and Conclusions
   Interpretations and conclusions on the basis of the collected data, including updated resource and region of influence maps for the oil sands leases