

September 14, 2004

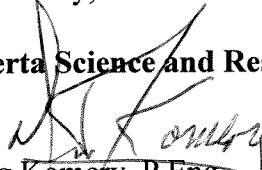
Gary Perkins, Board Counsel
14 Floor, Law Branch
Alberta Energy and Utilities Board
640 - 5 Avenue, SW
Calgary, AB T2P 3G4

Re: Proceeding No. 1347905: Phase 3 Proceedings
Under Bitumen Conservation Requirements
Athabasca Wabiskaw-McMurray Area


This letter is in response to the SSG's request that "the EUB hold a proceeding in which the authors of the Surmont shut-in study make a presentation and answer questions to gain insight into assessing the reliability of such work in the RGS area, and the methods, time and effort needed to analyze the remaining pressure and production data". Members of the Vertical and Lateral Pressure Communication Committee, a sub-committee of the Technical Solutions Committee, that commissioned the study "An Assessment of Vertical & Lateral Pressure Communication at Surmont in the Wabiskaw-McMurray Formations" do not wish to release the report at this time. After review of the first release of the report, the participants consider the report to be unsuitable for review. Some of the critical processes in the study's methodology are under question. The participants will review questions and concerns and determine critical next steps with the company that performed the study by the end of September. The next phase of the study will then be determined.

Yours truly,


Alberta Science and Research Authority


Doug Komery, P.Eng.
Senior Research Manager


ConocoPhillips Canada


Deepa Thomas, B.Sc.
Reservoir Analyst

Devon Canada Corporation

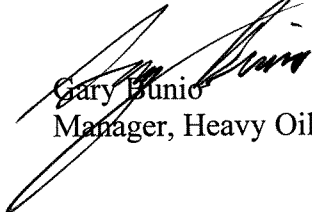

Allison Aherne, P.Eng.
Reservoir Engineer

Nexen Petroleum Canada


Lori Skulski, P.Geol
Senior Geologist


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Paramount Resources



Gary Bunio
Manager, Heavy Oil

Petro-Canada



Paul Morris
Reservoir Characterization Engineer