



Imperial Oil Limited

237 Fourth Avenue S.W.
Box 2480, Station M
Calgary, Alberta T2P 3M9

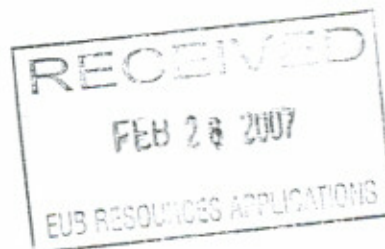
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VIA COURIER

February 23, 2007

Mr. Ernie Smith
Alberta Energy and Utilities Board
Applications Branch
8th Floor
640 - 5th Avenue S.W.
Calgary, Alberta, T2P 3G4



Dear Mr. Smith:

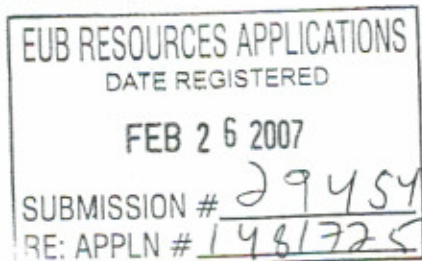
Re: Applications 1394112 and 1409180
Cold Lake Oil Sands Area - Clearwater Deposit

Please find attached Imperial Oil Resources' response to the undertaking requested on Wednesday, February 21, 2007.

Attachment 1 is a comparison of the performance of horizontal well and deviated well CSS in similar resource quality when no gas pool is present. These data were first supplied to the AEUB as part of our 2006 annual performance review for Cold Lake.

Attachment 2 is a comparison of the performance of horizontal well and deviated well CSS in similar quality resource located beneath the 'A' gas pool.

As per our response to Board Staff Information Requests (dated September 19, 2006) these data confirm that "no material changes in performance related to well type have been noted".



Yours truly,

Peter L. Miller

c: Don.G. Davies
McCarthy Tétrault
Suite 3300, 421 - 7th Avenue SW
Calgary, AB T2P 4K9

c:

Randall W. Block
Borden Ladner Gervais
1000 Canterra Tower
400 Third Avenue SW
Calgary, AB T2P 4H2

Patrick J. McGovern
Thackray Burgess
1900, 736 - 6th Avenue SW
Calgary, AB T2P 3T7

George Scott, 2304 FAP
Cheryl Trudell, 23057 FAP

Attachment 1

Comparison of horizontal well and deviated well CSS performance
in similar resource quality when no gas pool is present

Annual Cold Lake Performance Review

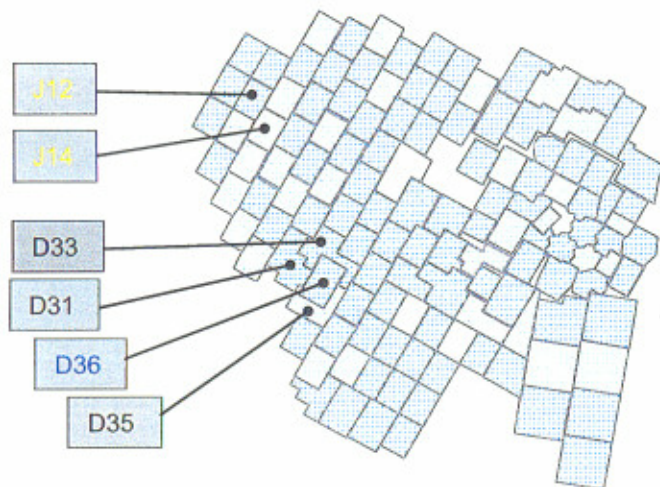
Scheme Performance

November 28, 2006

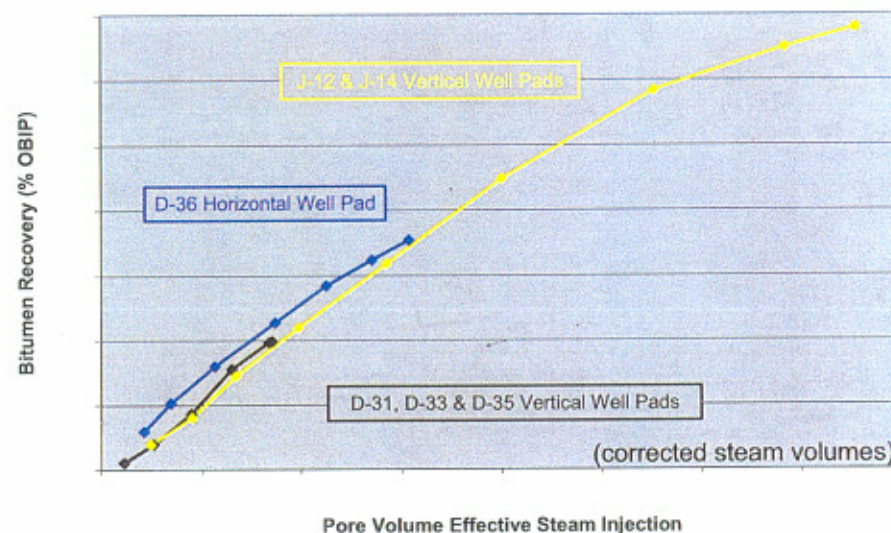
Dale Fair



- **History:**
 - Early horizontal CSS wells used to access areas with surface lease access issues
 - Horizontal wells required to lower development cost at recent pads with thinner net pay
- **Conclusions to date**
 - Horizontal well performance is similar to vertical wells in early cycles
- **Horizontal Well Development Challenges**
 - Effective steam distribution
 - Mechanical failure



Horizontal vs Vertical Well Performance Comparison



Attachment 2

Comparison of horizontal well and deviated well CSS performance
in similar resource quality beneath the 'A' gas pool

Comparison of Deviated and Horizontal Well Performance Under The 'A' Gas Pool

Well Type	Pad	Cum Steam k m3	Cum Bitumen k m3	Cum OSR	Cum PDOR m3/d
Deviated	M05	1,633	418	0.26	8.1
Deviated	M07	1,297	258	0.20	5.4
Deviated	P03	1,850	377	0.20	6.3
Deviated	Average	1,594	351	0.22	6.6
Horizontal	P02	1,310	292	0.22	7.0

Notes:

1. Pads selected based on comparable geology and operating history.
2. Data Source: Accumap
3. P02 steam volume excludes current steam injection cycle (in progress)
4. P02 PDOR scaled to a deviated well equivalent by dividing by 5.
(ie. Based on drainage area as well as installed lift capacity, 1 HW is equivalent to 5 deviated wells)
(PDOR = Producing day oil (bitumen) rate = cum bitumen/cum producing days)
5. Pad locations are identified on the 'A' Pool Map included in the response to Question 1 of the AEUB Board Staff SIRs (Dated Sept 19, 2006)