

**DRAFT**

**Report of the Solution Gas Definition  
Subcommittee**

**September 2001**

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It is recommended that a producing gas oil ratio of 1800m<sup>3</sup>:1m<sup>3</sup> be used to define ownership of produced gas within designated Oil Sands Areas. The GOR would be measured during an initial production period of approximately 3 producing months and when the reservoir is still at initial conditions. If the initial GOR is <1800 all production (gas and bitumen) would go to the Oil Sands lessee. If the initial GOR is >1800 all gas produced would go to the PNG rights holder and all the bitumen produced would go to the Oil Sands lessee.

If, with continued production, an initial GOR of <1800 increases to >1800 and it can be established that a gas cap existed at initial conditions, then any equity concerns regarding the allocation of gas production between the different rights owners is to be resolved by negotiation between the affected parties.

No PNG leases would be continued based on production of wells with a GOR<1800. It would still be possible to obtain continuation of a PNG agreement based on data other than production data, such as drill stem tests, logs, mapping etc.

The initial production period of 3 producing months was chosen to approximate the time allowed by the EUB as a test period for new wells.

Initial reservoir conditions are conditions (pressure and temperature) that exist in the reservoir prior to human disturbance.

It may be that some discussions may be necessary with the EUB to ensure that the required production information is available so that the initial GORs can be calculated.

The attached page summarizes the different scenarios with respect to the existence of a gas cap and whether or not economic bitumen exists.

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## A. Gas Cap overlying economic bitumen

### 1. Bitumen production

#### i) initial GOR < 1800:1

- all gas to Oil Sands lessee
- all bitumen to Oil Sands lessee
- no gas to PNG lessee, no continuation based on production
- possible continuation based on dst, logs mapping etc.

#### ii) bitumen production with initial GOR < 1800, however, over time GOR increases to > 1800:1

- companies are to negotiate production allocation of gas cap which was proven to exist at initial reservoir conditions

#### iii) initial GOR > 1800:1

- all gas to PNG lessee
- all bitumen to Oil Sands lessee

## B. Gas Cap overlying uneconomic bitumen

Any bitumen production would be uneconomic therefore this should not be a problem

- in fact there would likely be no bitumen production
- all gas production to PNG lessee

## C. Gas Cap with no bitumen zone present.

No problem due to absence of bitumen.

- all gas to PNG lessee.

## D. Bitumen with no gas cap present.

Initial conditions should result in initial GOR < 1800 as no gas is present. Even if GOR > 1800 with time, initial conditions indicate no gas cap therefore all gas to Oil Sands lessee.

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