

September 9, 2004

Chris Fordham

Suncor Energy Inc.
112 – 4th Avenue SW
Calgary, AB
T2P 2V5



Dear Mr. Fordham:

**LOW PRESSURE SAGD PILOT PROJECT
FIREBAG – FT. MCMURRAY AREA**

The Alberta Energy and Utilities Board (EUB) has considered your letter submitted on August 12, 2004, notifying the Board of your upcoming test of low pressure SAGD with sub surface artificial lift at the Firebag site.

The Board notes that the test will encompass two wells on pad 2 with other wells selected for the gas lift test over an 18-month period. The tests are expected to help Suncor determine optimal pump and motor selection for maximum LP-SAGD production.

The Board also notes that there is a potential for flaring of gas unable to return to the main plant, unless compressed. Suncor states it is uneconomic to compress the gas from the 2 well pilot (approx. 1600 m³/day), therefore the Board would expect should additional wells be added, it would become economical to install a compressor and eliminate the need for flaring.

The Board expects that Suncor will report all results from the pilot project at their regular annual presentation to the Board. The report would include all results relating to the objectives set out in your letter of August 12, 2004.

If there are any changes in operating plans, including the addition of wells or extension of the testing period, the Board would expect notice of changes in advance.

If you have any questions please contact the undersigned at 297-4173.

Yours truly,

Kris Geekie
Application Coordinator
Resources Applications Group