ConocoPhillips

Surmont In Situ Oil Sands Project

Directive 054 Submissions & Annual *OSCA* Report

Commercial Scheme Approval No. 9426III
EPEA Approval No. 48263-01-01, as amended
Class Ib Disposal Approval No. 10044O

Reporting Period: January 1, 2025 to December 31, 2025

Submission Date: June 30, 2026

Scope

This submission is intended to provide information in compliance with:

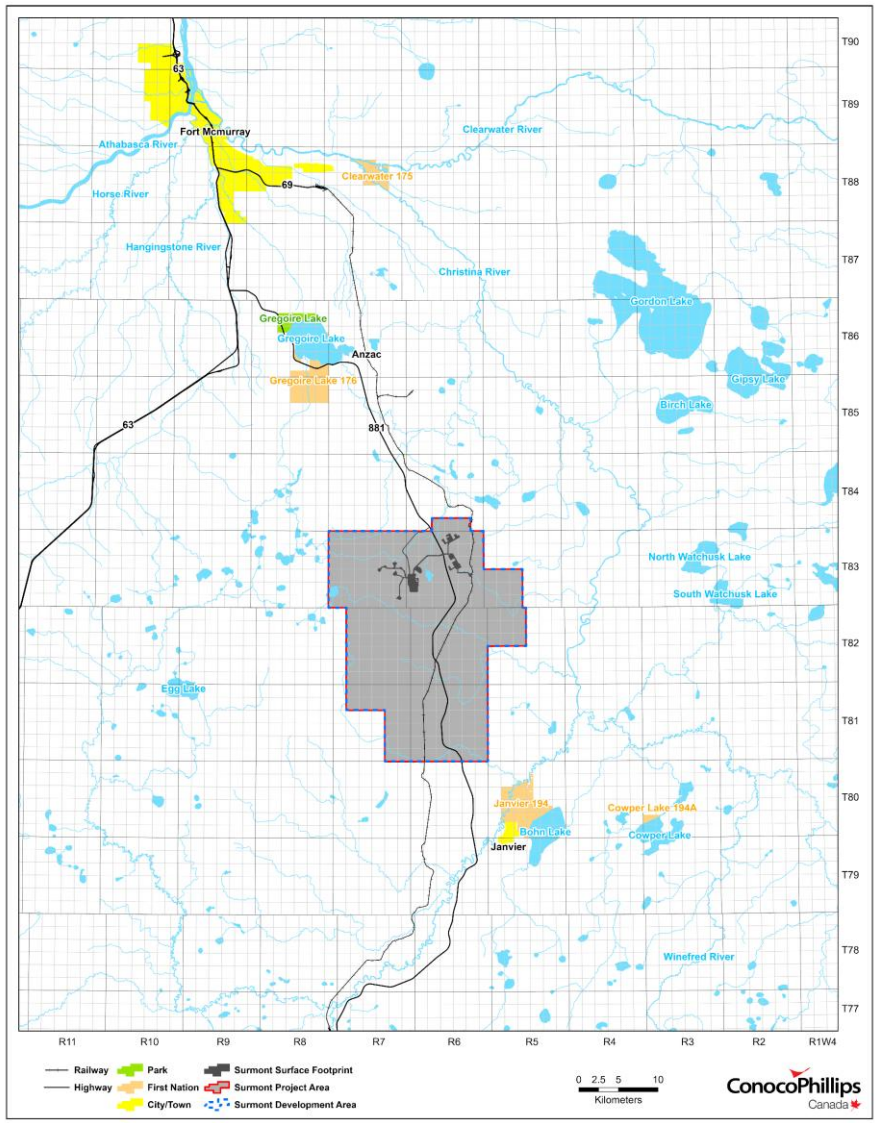
- *Directive 054: Performance Reporting and Surveillance of In Situ Oil Sands Schemes* (April 2020) for the operating period from January 1, 2025 to December 31, 2025
- Condition 28 of Commercial Scheme Approval No. 9426III for the submission of an annual *Oil Sands Conservation Act* Report (*OSCA* Report)
- Condition 3 (d) of Class Ib Disposal Approval No. 10044O for the summary of the Basal McMurray disposal monitoring results

ConocoPhillips

Introduction

Directive 054: Section 4.1

Surmont Overview



OWNERSHIP

Surmont is a steam-assisted gravity drainage (SAGD) bitumen recovery facility in the Athabasca oil sands area that is wholly owned and operated by ConocoPhillips Canada Resources Corp.

LOCATION

The project is approximately 63 km southeast of Fort McMurray, Alberta, encompassing 219 sections of land in Townships 80, 81, 82, 83, and 84, and Ranges 5, 6, and 7, west of the fourth meridian.

PROJECT HISTORY

Surmont currently features two phases:

- 2004 - construction start at Surmont Phase 1 (“S1”)
- 2007 - commercial production at S1
- 2010 - construction start at Surmont Phase 2 (“S2”)
- 2015 - commercial production at S2

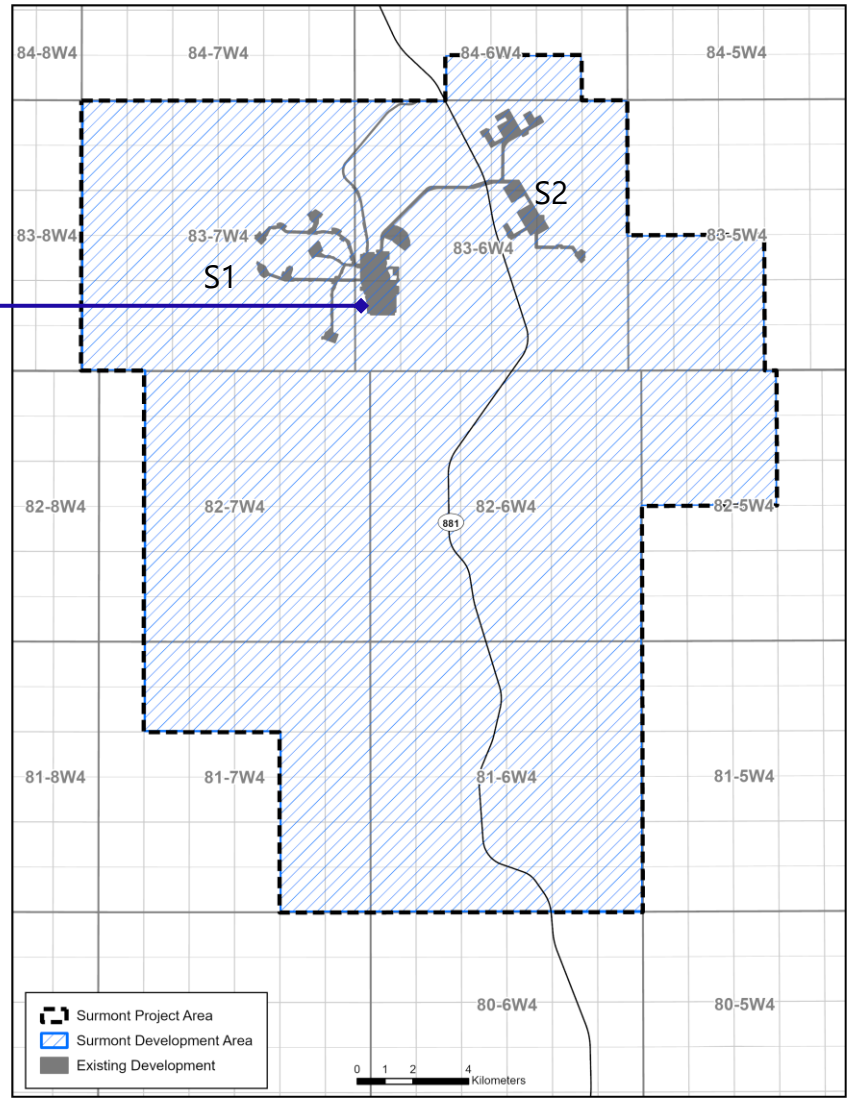
APPROVED BITUMEN PRODUCTION LIMIT

29,964 cubic metres per day (m^3/d) on an annual average basis or 188 thousand barrels of oil equivalent per day (MBOED)

Surmont Overview: Development Area



Approved Surmont Development Area



Approved Development Area: The development area for Surmont encompasses the entire project area

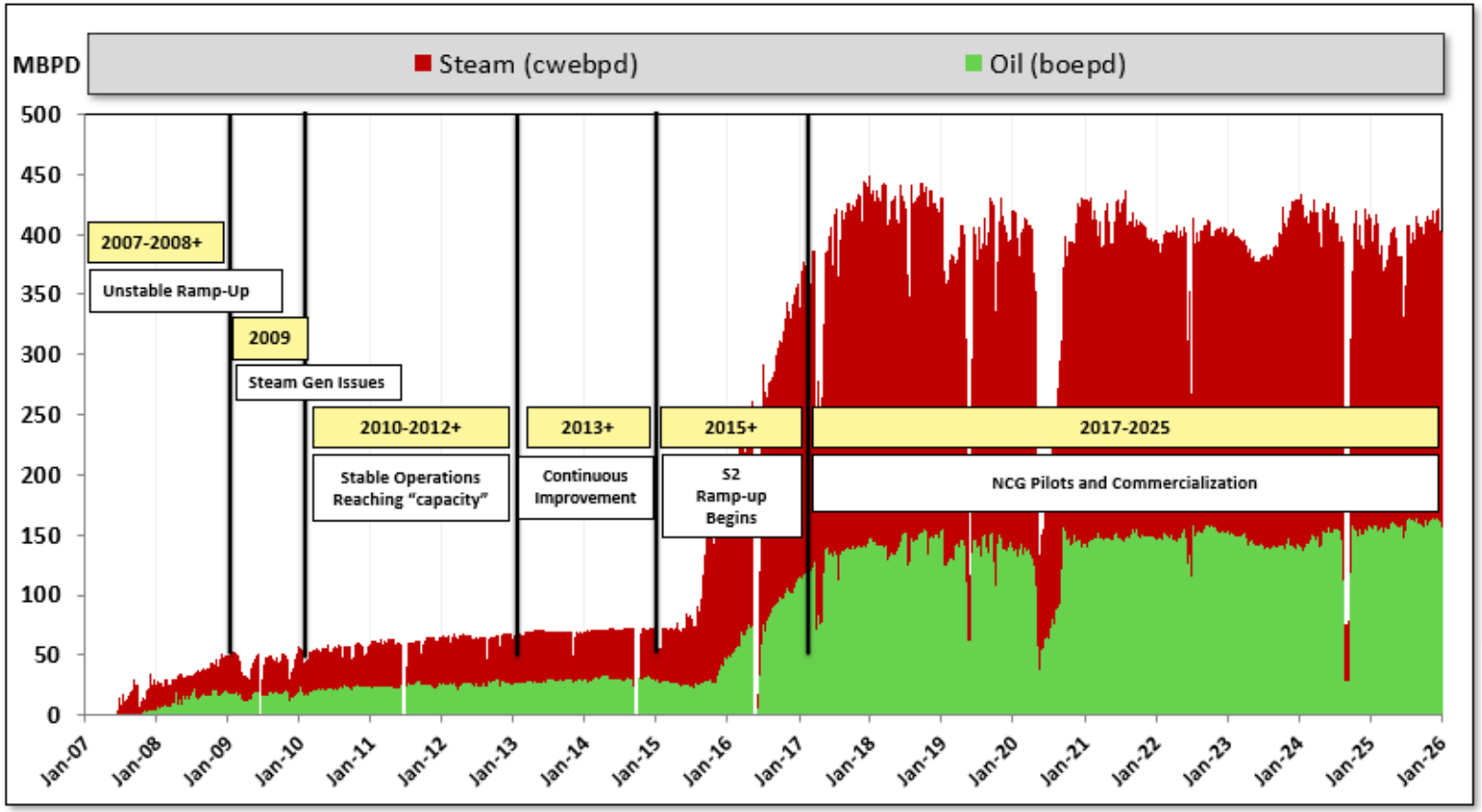
ConocoPhillips

Subsurface

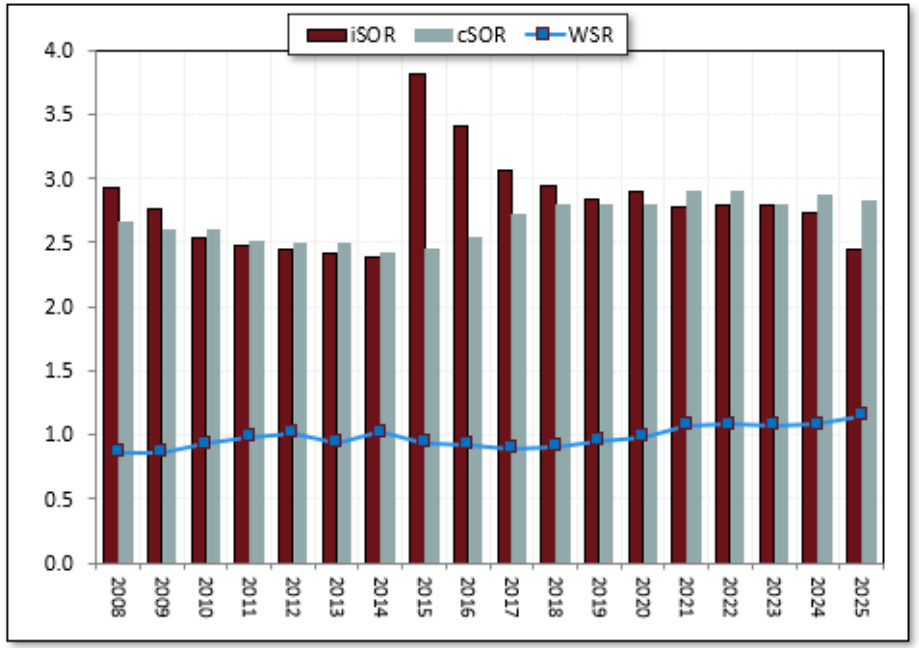
Directive 054: Section 4.2
OSCA Report: Table 1 (1)

Surmont Lifespan Production

Historical Steam Injection and Bitumen Production



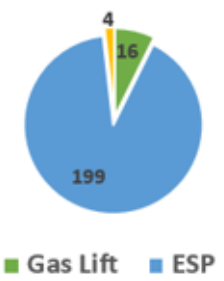
Historical iSOR, cSOR and WSR

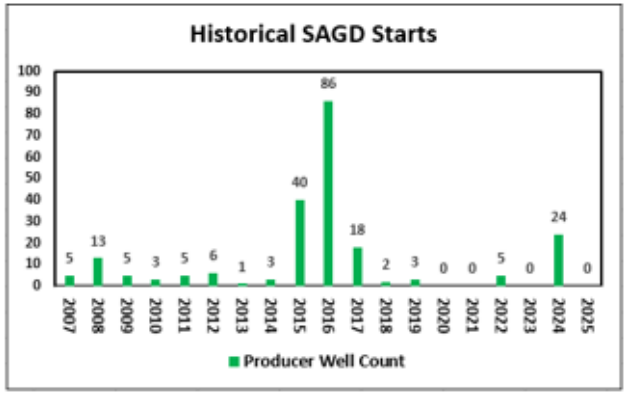


2025 Highlights

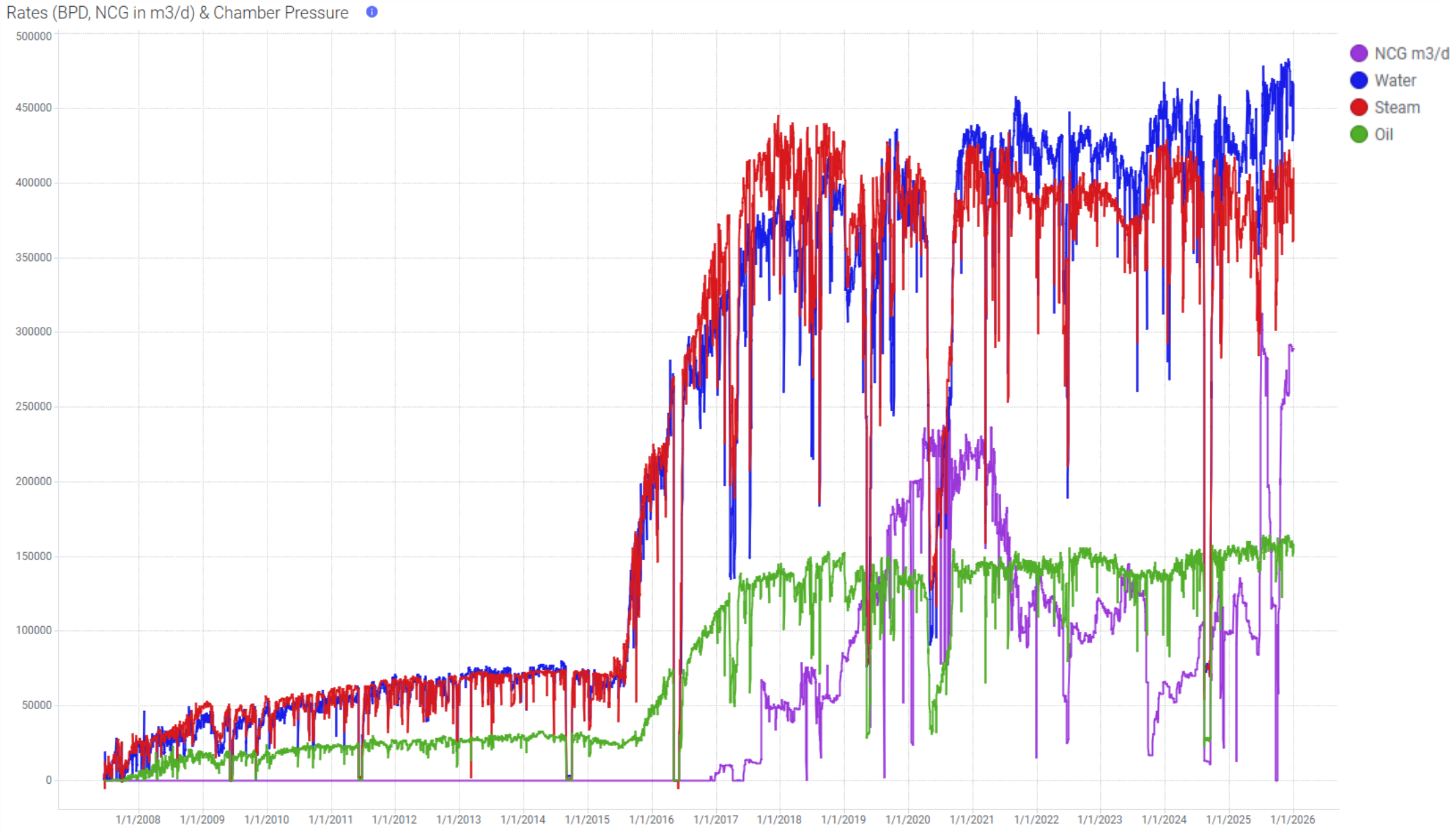
- Expanded NCG co-injection capabilities to more wells in Surmont to optimize SOR and redeploy steam
- Executed 2025 redrill campaign to replace failed wells and capture bypassed pay
- Commenced first steam on 104WA
- Executed a successful chelant stimulation program

OneSurmont well count
As of December 31, 2025

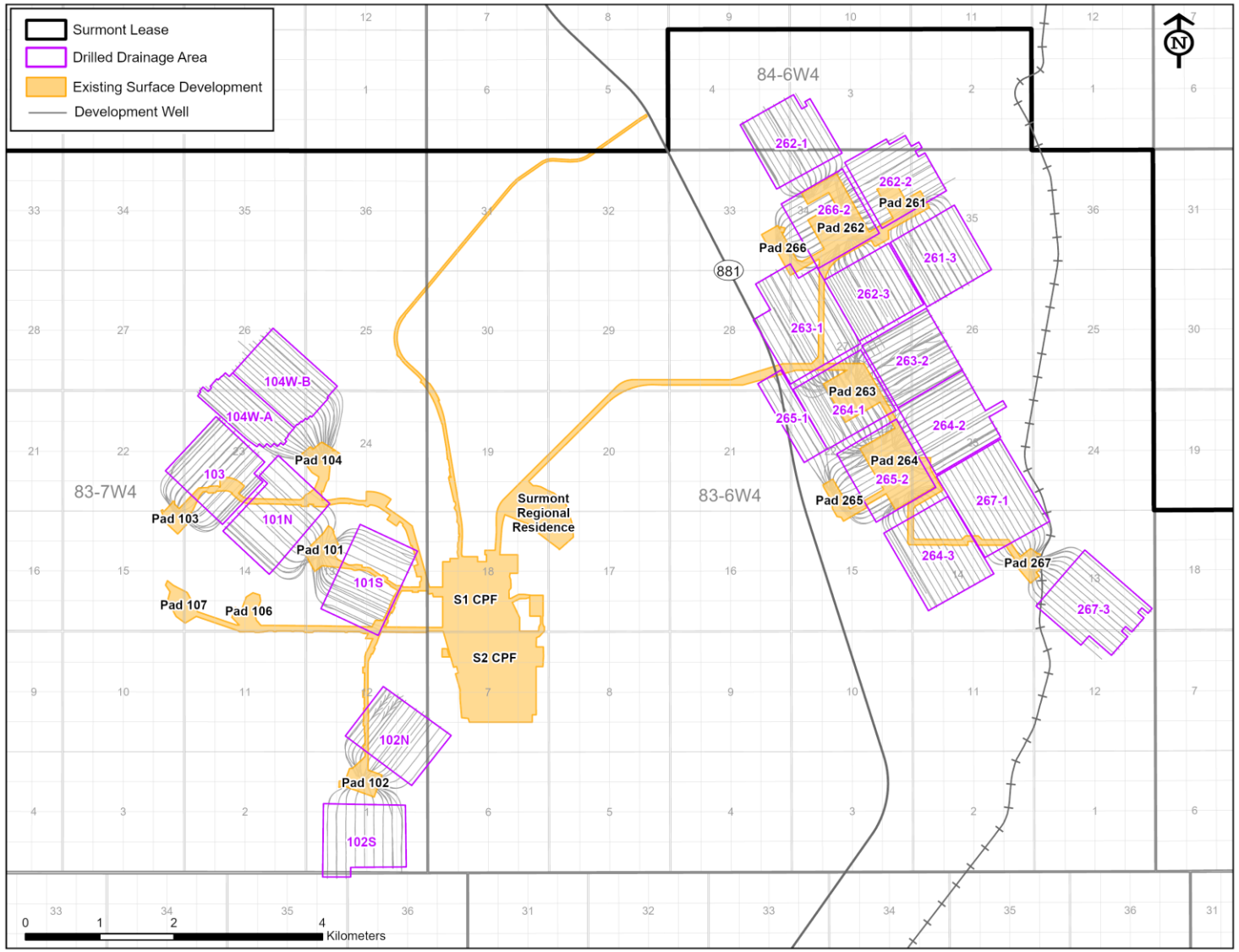




Surmont Lifespan Production



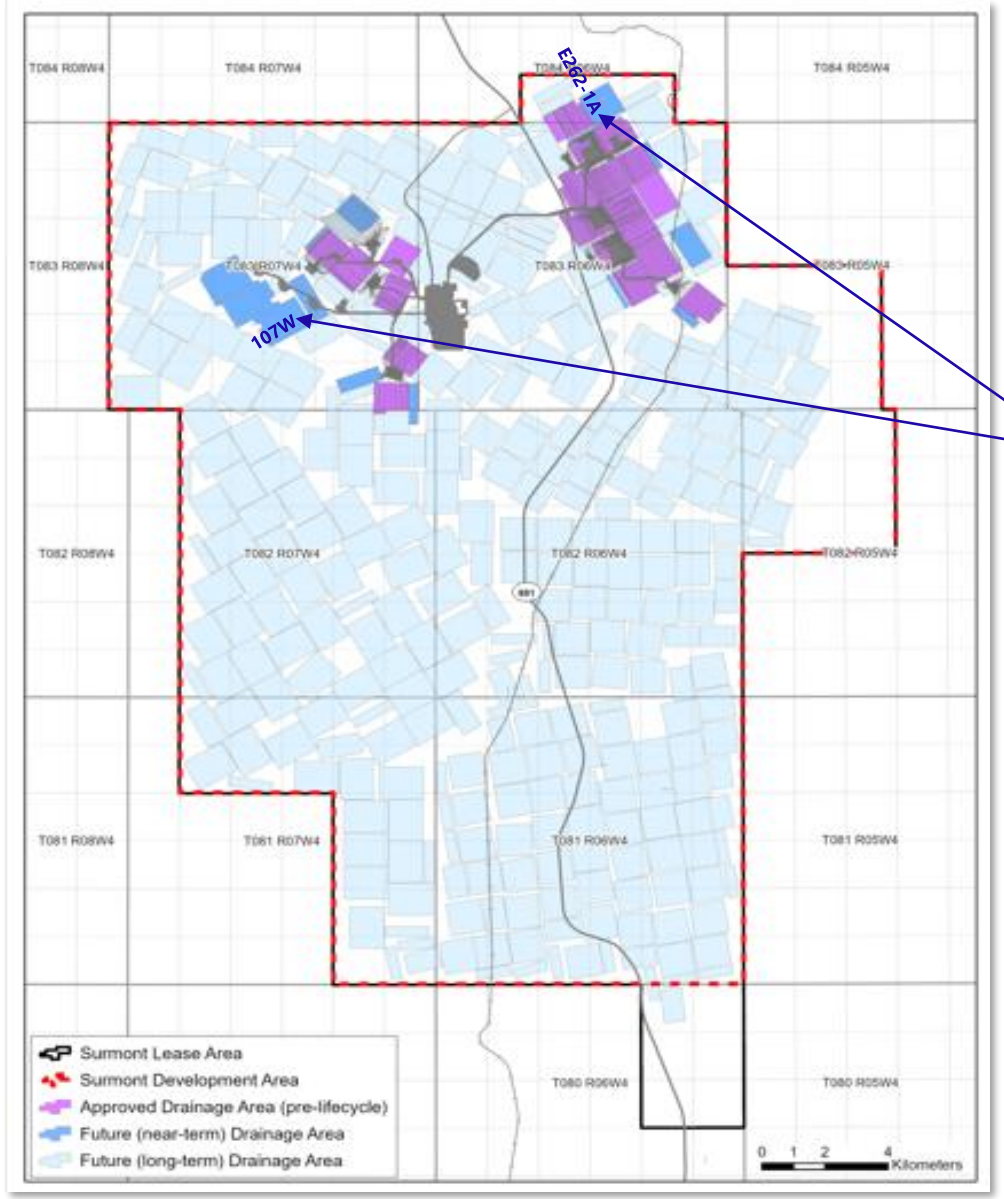
Development Area Maps: Drilled Drainage Areas



DRILLED DRAINAGE AREAS

- 101N
- 101S
- 102N
- 102S
- 103
- 104W-A
- 104W-B
- 261-3
- 262-1
- 262-2
- 262-3
- 263-1
- 263-2
- 264-1
- 264-2
- 264-3
- 265-1
- 265-2
- 266-2
- 267-1
- 267-3

Development Area Maps: Drilled and Approved Drainage Areas



LIFECYCLE APPROACH (APPLICATION NO. 1942644)

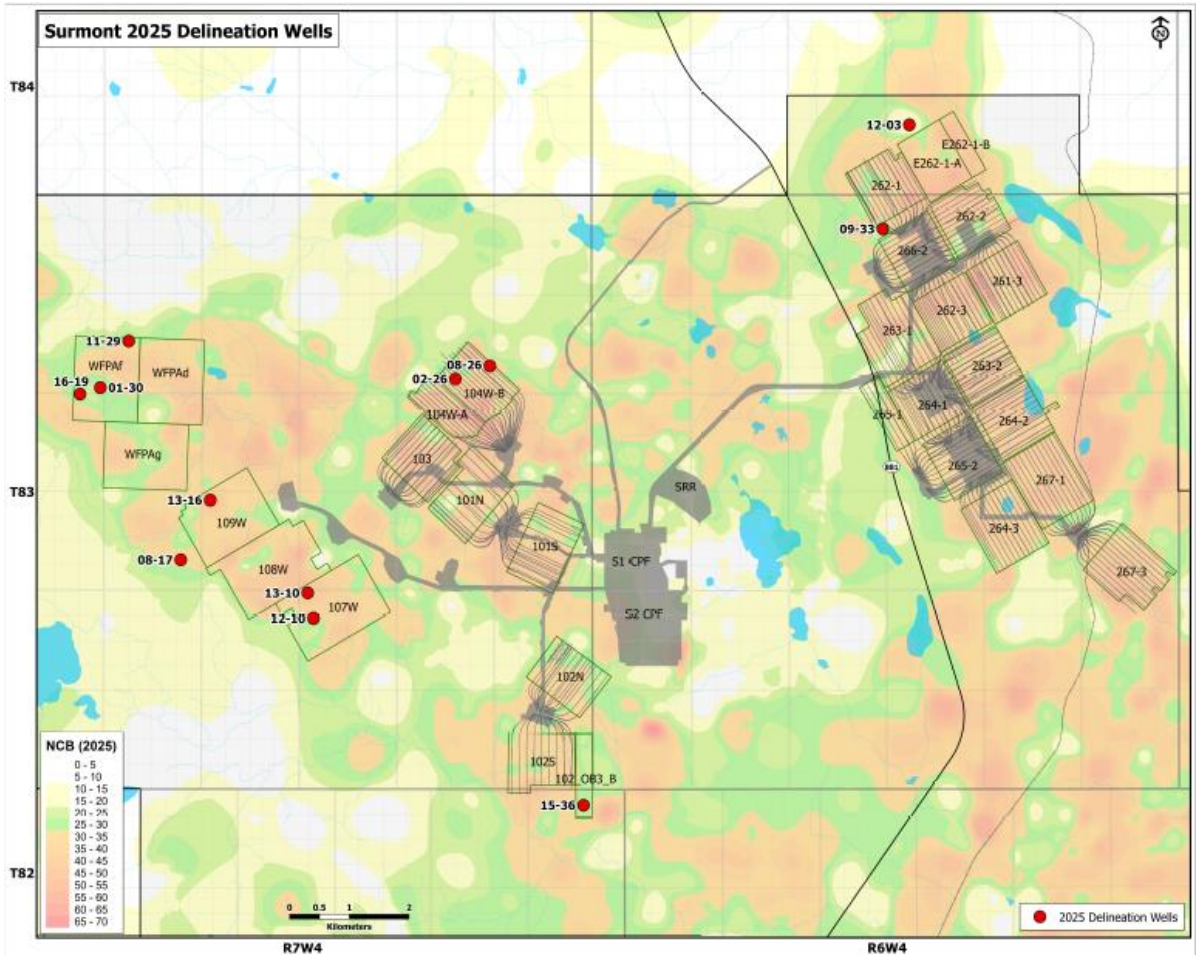
The conceptual locations of future subsurface drainage pattern areas are identified based on current sequencing scenarios as follows:

- Future near-term drainage areas: ≤ 10 years
- Future long-term drainage areas: > 10 years

NEW SUBSURFACE INFORMATION

Attached is ConocoPhillips' *OSCA* Annual Report for upcoming subsurface drainage area E262-1A and additional information for drainage area 107W (previously reported in 2025).

New Geological, Geomechanical & Reservoir Data



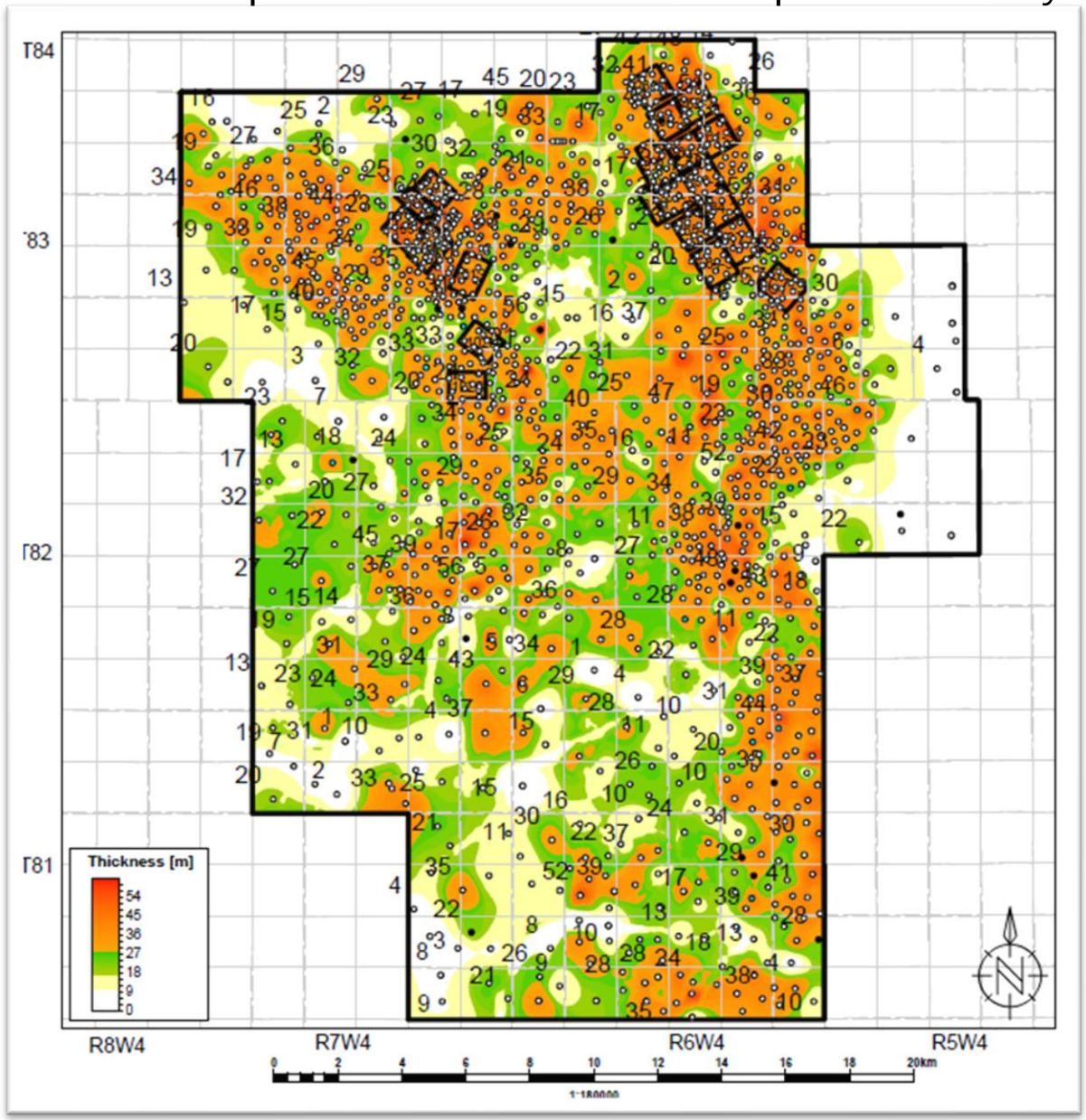
2025 Wells Drilled

Wells Drilled in 2025	Drainage Area	Type
102022608307W400	104WB	OBS
102082608307W400	104WB	OBS
100131008307W400	107W	OBS
100121008307W400	107W	OBS
1AA081708307W400	109W	OSE
1AA131608307W400	109W	OSE
100093308306W400	266-2_P13	OBS
100153608207W400	102_OB3	OBS
1AB112908307W400	WFPAf	OSE
1AA161908307W400	WFPAf	OSE
1AA120308406W400	E262-1A	OSE
1AA013008307W400	WFPAf	OSE

2025 Data Acquisition

Data Types Acquired	Quantity
Basic Logs (Triple Combo, Density – Neutron, Spectral Gamma)	All wells
Sonic Logs	12
Micro Image Logs	12
Wireline Pressure	34 Pressure Tests
Magnetic Resonance	3
Cores (4 MCMR, 3 MCMR + Caprock)	7
Core: Porosity	1,160 Samples
Core: Grain Density	1,160 Samples
Core: Dean Stark	1,145 Samples
Core: XRD	2 Samples
Core : MICP	15 Samples
Core : PSA	84 Samples
Core : GCMS	26 Samples
Core: Rock Mechanics (Triaxial Tests)	30 Samples

Development Area Maps: Net Pay Isopach

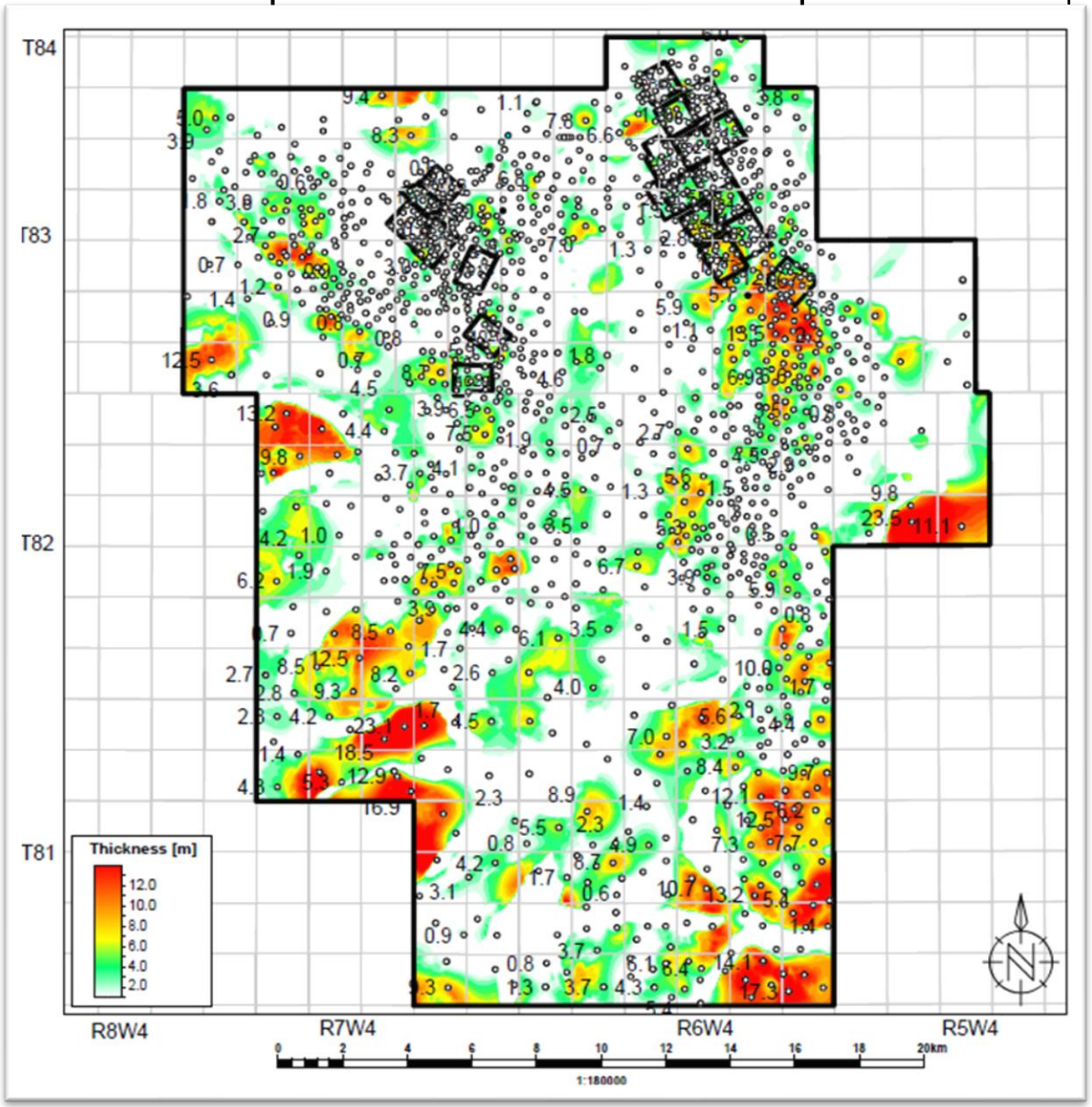


Net Pay Isopach

- Net Continuous Bitumen Thickness (NCB) = Sands Having:
  - Deep Resistivity >= 10
  - Ohm-m and Vsh < 33%
- OBIP = Thickness x Phie x So x Area

Properties	Project Area
NCB Thickness Range	0 to Greater than 30 m
NCB Thickness	13.70 m
Phie in NCB	31.82%
So in NCB	77.08%
OBIP in NCB > 18m	17,871.04 MMbbls Deterministic

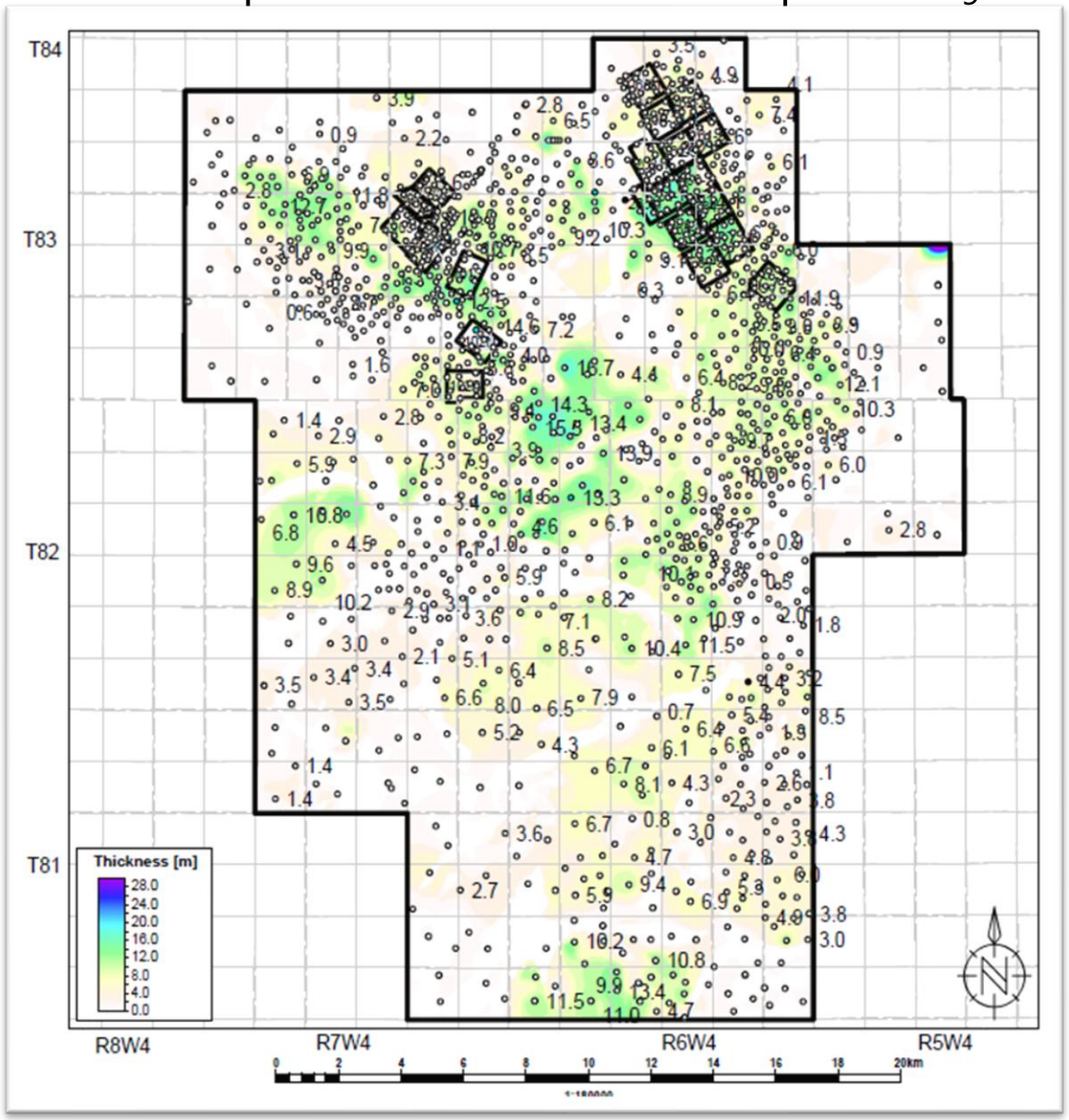
Development Area Maps: Net Top Gas Interval



Net Top Gas Isopach

- Net Top Gas Thickness = Sands Having:
  - Deep Resistivity ≥ 10
  - Ohm-m and Vsh < 65%

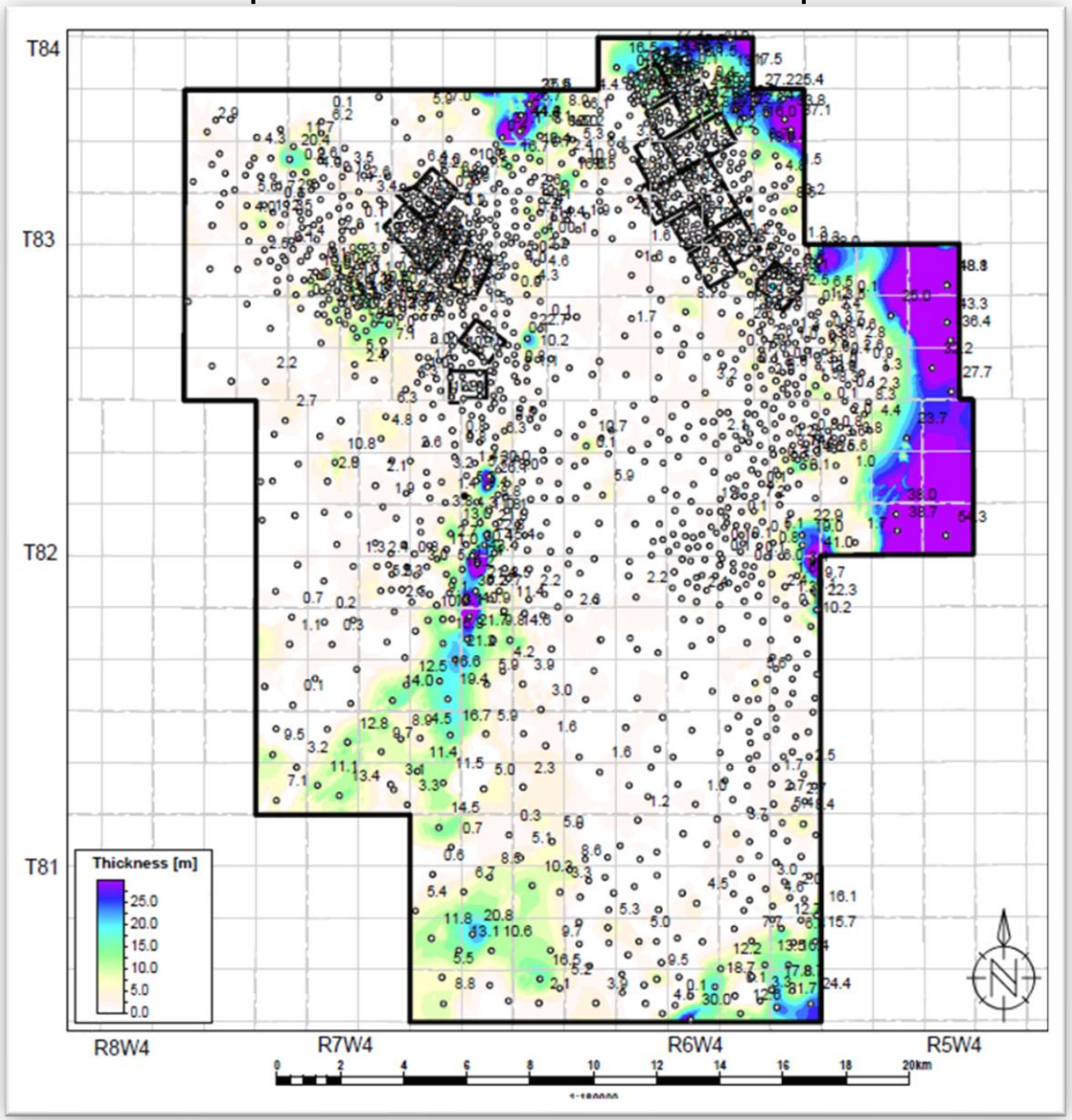
Development Area Maps: Major Water Intervals (Net Top Water)



Net Top Water Isopach

- Net Top Water Thickness = Sands Having:
  - Deep Resistivity < 10 Ω-m
  - Vsh < 45%

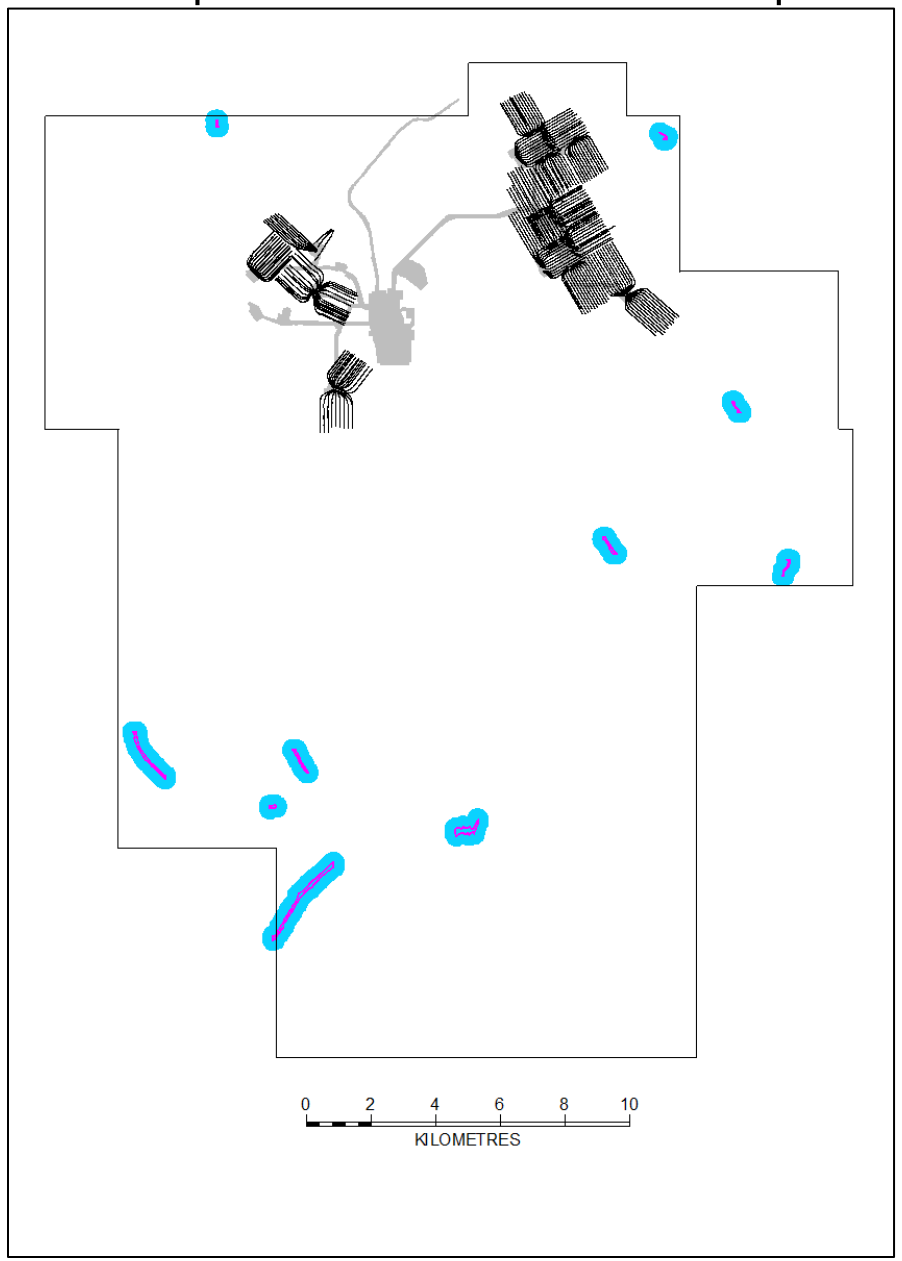
Development Area Maps: Major Water Intervals (Net Bottom Water)



Net Bottom Water Isopach

- Net Bottom Water Thickness = Sands Having:
  - Deep Resistivity < 10 Ω-m
  - Vsh < 45%

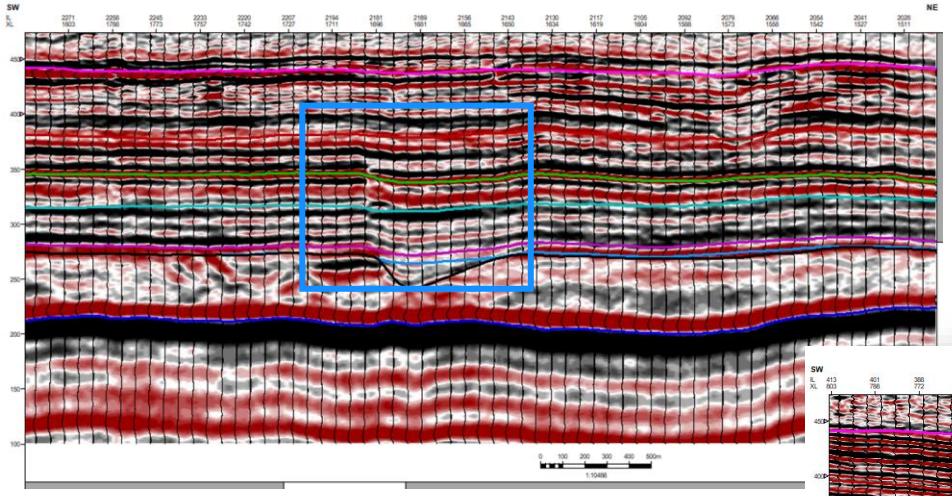
Development Area Maps: Seismic Discontinuities

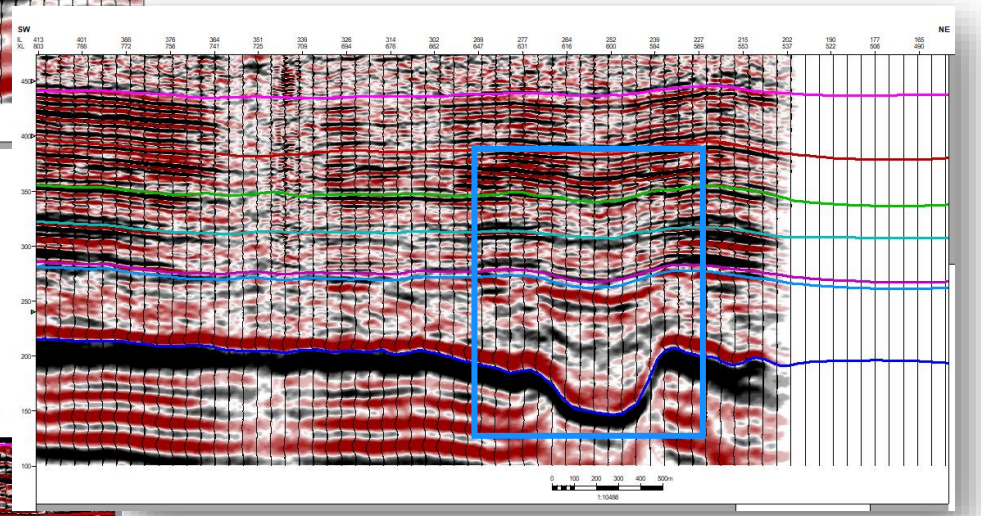


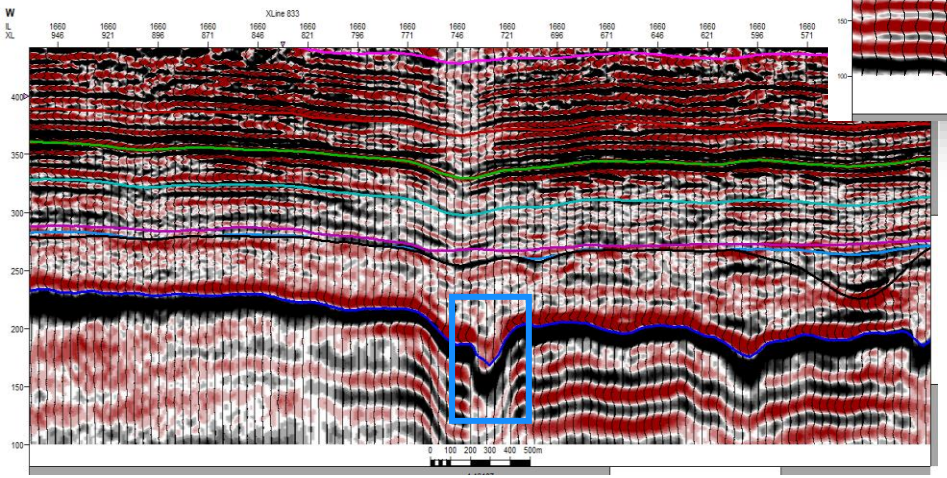
CAPROCK GEOTECHNICAL HAZARD ANALYSIS

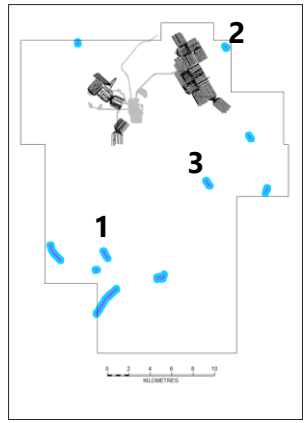
- No new seismic discontinuities have been identified within the Surmont development area since the submission of Lifecycle Application No. 1942644.
- The three highest risk structural mechanisms for caprock integrity are:
  1) Caprock faulting or fracturing
  2) Post-caprock dissolution of the Prairie Evaporite
  3) Post-caprock karsting of underlaying Devonian carbonates
- None of these features are present within the near-term development area. Discontinuities will be investigated prior to pad development activities in those areas.
- ConocoPhillips considers the risk level of each mapped seismic discontinuity individually.
  - Initially a 300 m operations buffer is generated around the feature (i.e., approx. twice the mapped distance bitumen mobilization occurs from a well pair at Surmont from 4D seismic interpretation).
  - The discontinuities are evaluated, and a workplan is formulated to verify cap rock integrity risk, which may include new delineation or observation wells, offset well studies, and additional seismic processing.
  - Areas with proven compromised cap rock are avoided for development.
  - Monitoring wells and 4D seismic strategies are planned prior to developing areas near possible containment risks.

Development Area Maps: Potential Geomechanical Anomalies



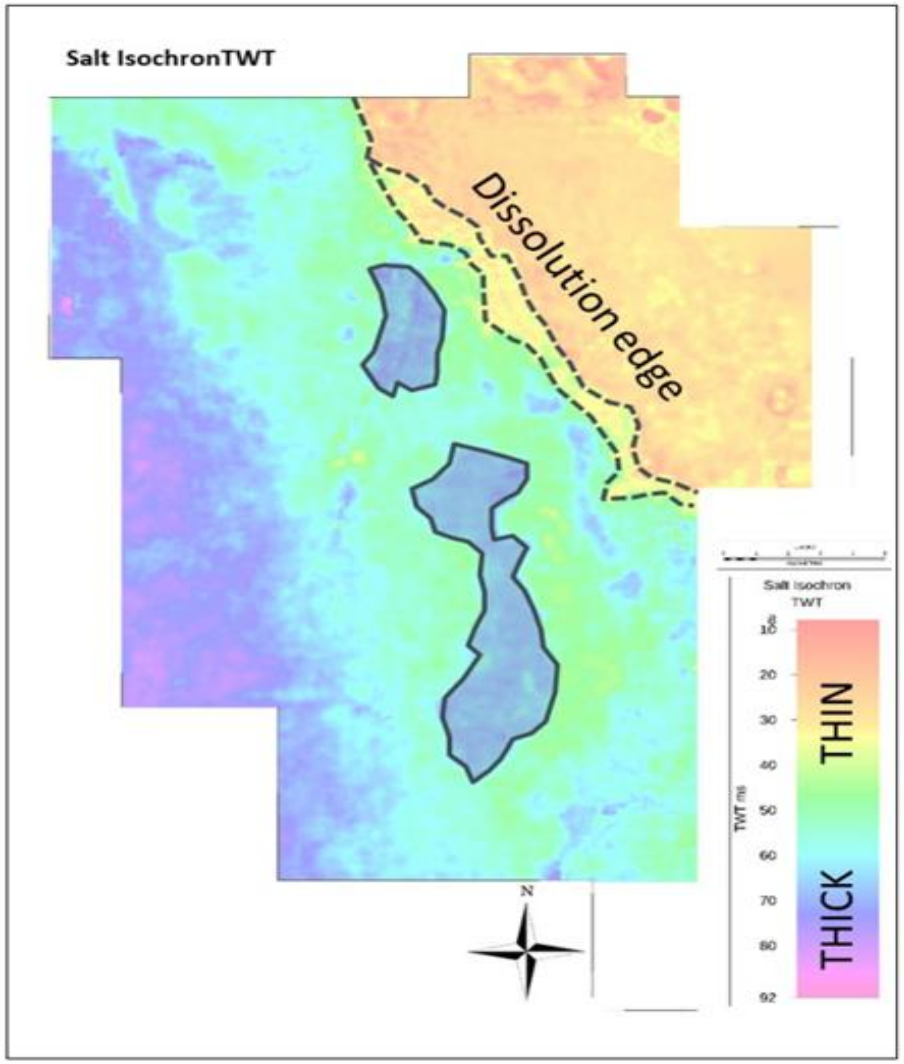






- 1) Caprock seismic discontinuities due to d*ifferential compaction* of McMurray mud abandoned channels
- 2) Post caprock *dissolution* of the Prairie Evaporite, Cold Lake, or Lotsberg Salts
- 3) Post caprock *karsting* of underlying Devonian carbonates (no interpreted caprock impact to date)

Development Area Maps: Geomechanical Anomalies

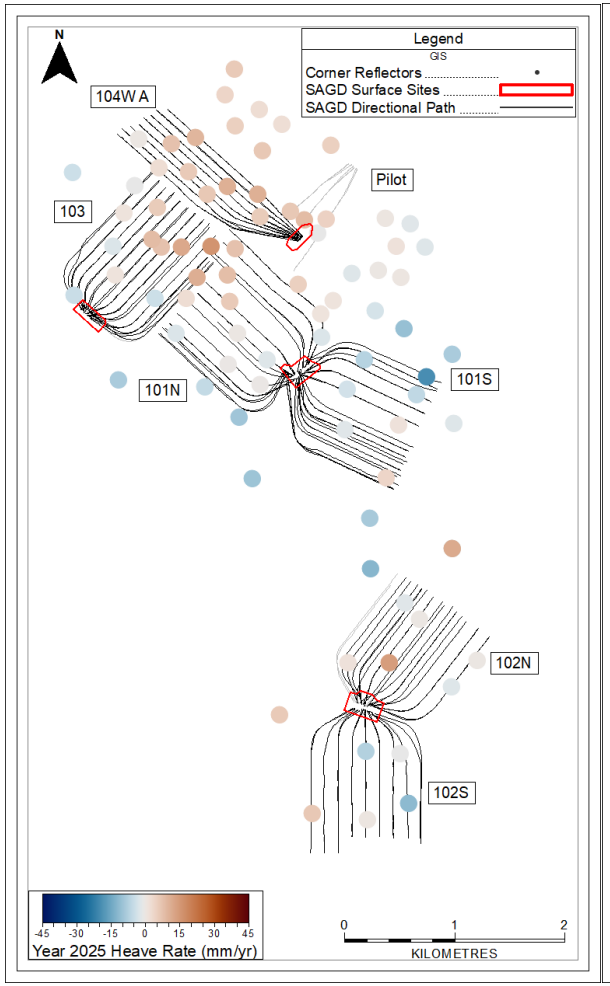


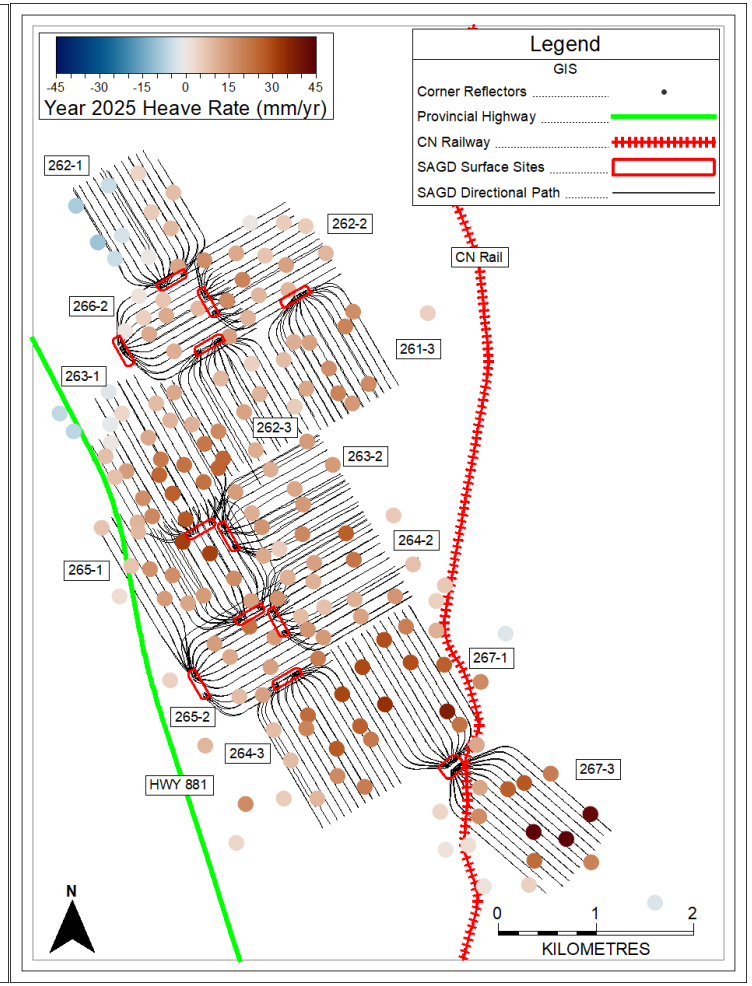
MAP OF MAJOR DISSOLUTION

- Seismically interpreted isochron of Prairie Evaporite at Surmont, illustrating areas of major dissolution

Development Area Maps: Heave Monitoring

- **Corner Reflector (CR):** Permanent monuments installed on the ground for monitoring surface deformation in the field due to the SAGD process in the subsurface



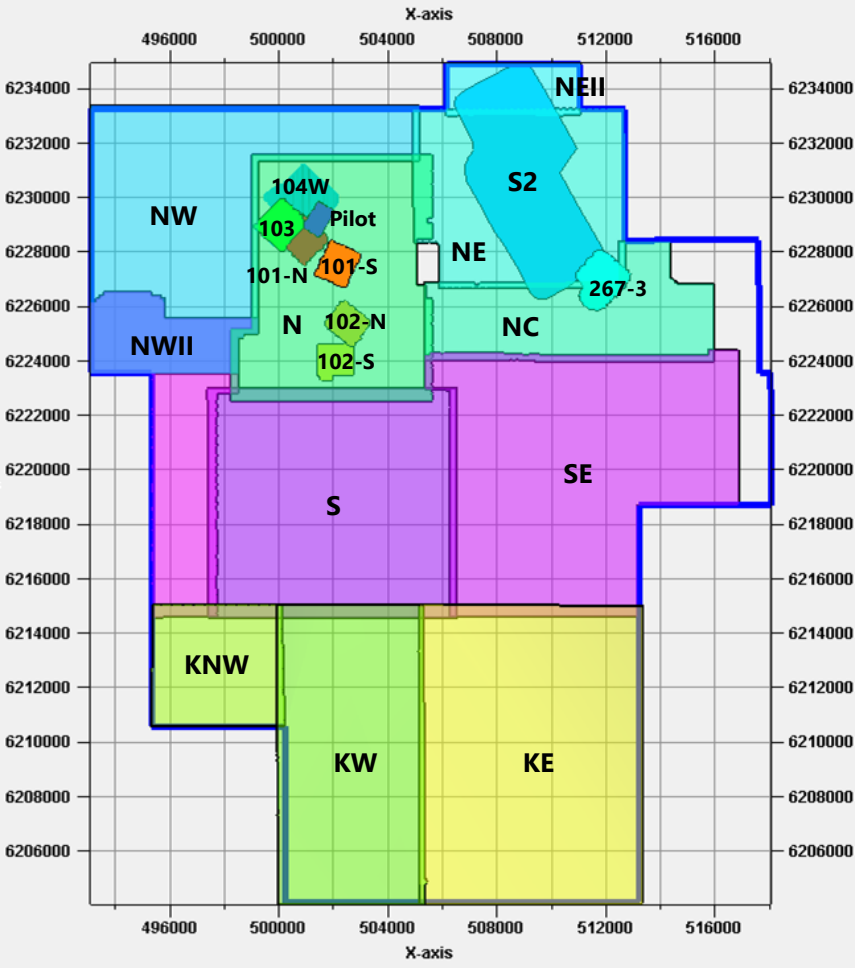


- **Coherent Target Monitor (CTM):** Measurements from reflectors (e.g., pad pipe rack) that can be taken consistently over time and used to monitor surface pad heave

Pad/DA		Average CR DA Heave Rate Since SAGD (mm/year)	Average CTM Pad Heave Rate Since SAGD (mm/year)**
101	101-N	12	39
	101-S	7	
102	102-N	9	18
	102-S	5	
103		11	35
104*	104W A	3	NA***
261-3*		15	48
262-1*		12	32
262-2*		13	49
262-3*		16	43
263-1*		15	82
263-2*		13	57
264-1*		22	52
264-2*		16	67
264-3*		16	43
265	265-1	5	85
	265-2	16	
266-2		19	93
267	267-1	18	144
	267-3	13	

*Surface pad is built on top of SAGD well pair from other drainage areas
**Normalized for DA heave rate
***Not enough deformation sampling

Development Area Maps: Existing Seismic Acquisition



3D SEISMIC AT SURMONT

Existing Seismic

3D	km²	Shots	S-R line	S-R
N	60	17 004	60	60 x 30
S	75	33 668	80 x 120	24 x 18
NE	50	24 512	120 x 80	24 x 18
NW	65	29 906	80(160) x 120	20 x 20
NC	33	24 009	60(120) x 80	20 x 20
NEII	9	3 598	120 x 80	24 x 18
NWII	14	4 394	160 x 120	20 x 20
SW	23	7 236	160 x 120	20 x 20
SE	86	54 801	80 x 100	20 x 20
KNW	22	9 543	120 x 80	20 x 20
KW	58	24 690	120 x 80	20 x 20
KE	85	55 808	80 x 80	20 x 20
	580	289 169		

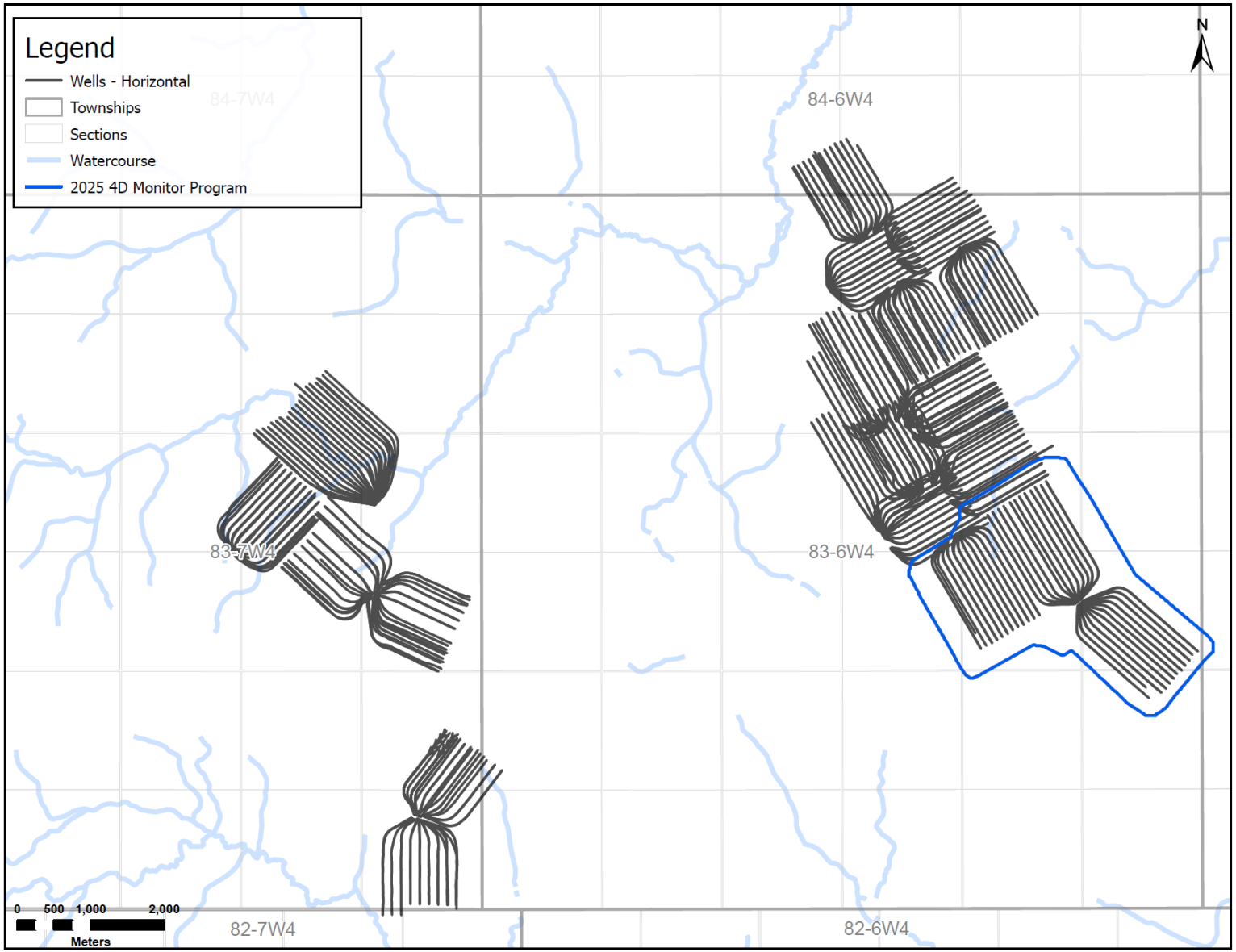
4D SEISMIC AT SURMONT

Existing Seismic

4D	km²	S-R	# Monitors
101N	1.8	10 x 10	10
101S	1.8	10 x 10	10
102N	1.6	20 x 20	10
102S	1.7	20 x 20	7
103	1.9	20 x 20	6
104W	3.7	20 x 20	0
S2	15.0	20 x 20	4*
267-3	2.0	20 x 20	1
	29.5		

*Average # Monitor per DA in S2

Development Area Maps: Seismic Acquisition (4D)

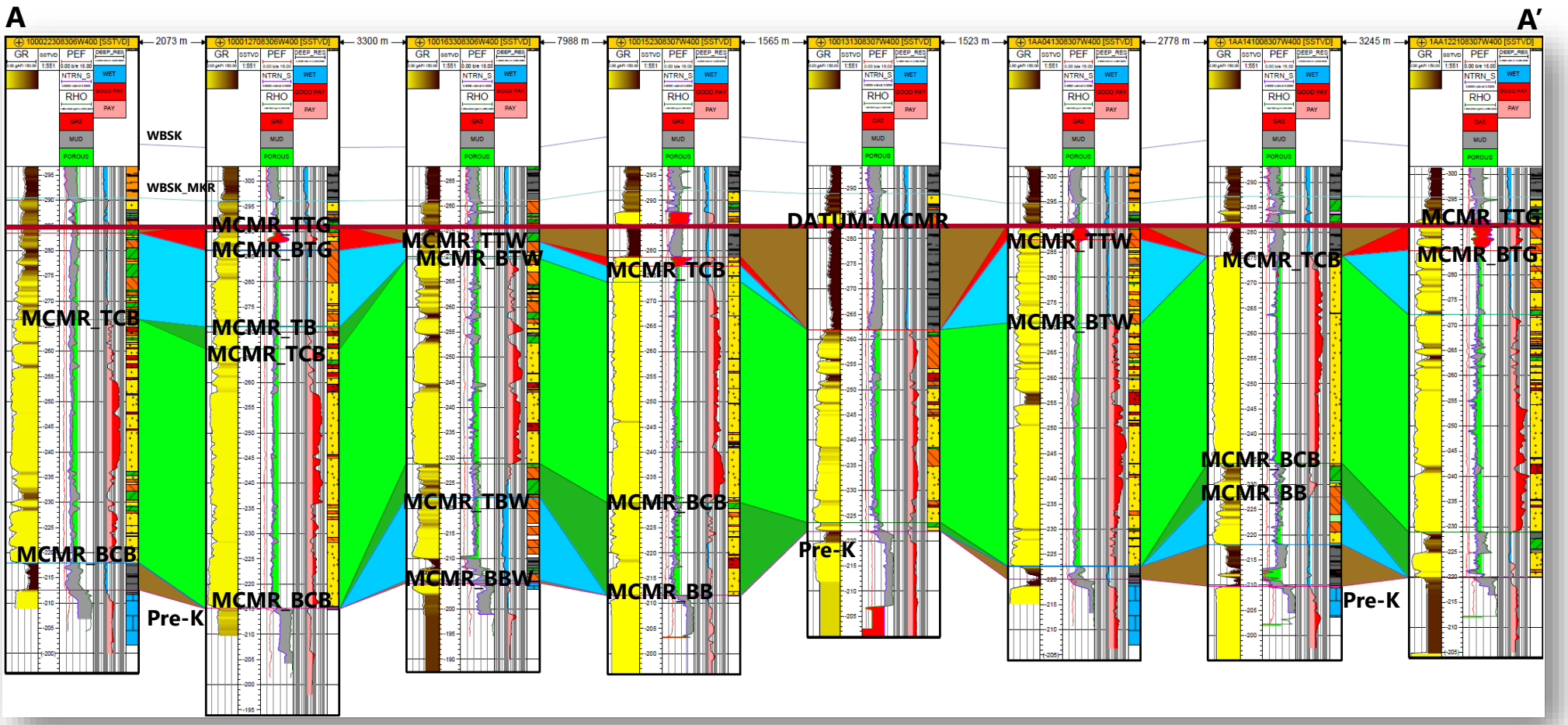


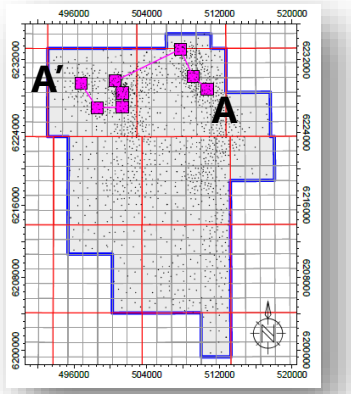
4D SEISMIC AT SURMONT

4D Monitors 2025

4D	S-R	# Monitors
S2 / 264-3	20 x 20	5th
S2 / 267-1	20 x 20	1st
S2 / 267-3	20 x 20	1st

Representative Well Cross-Section A - A`



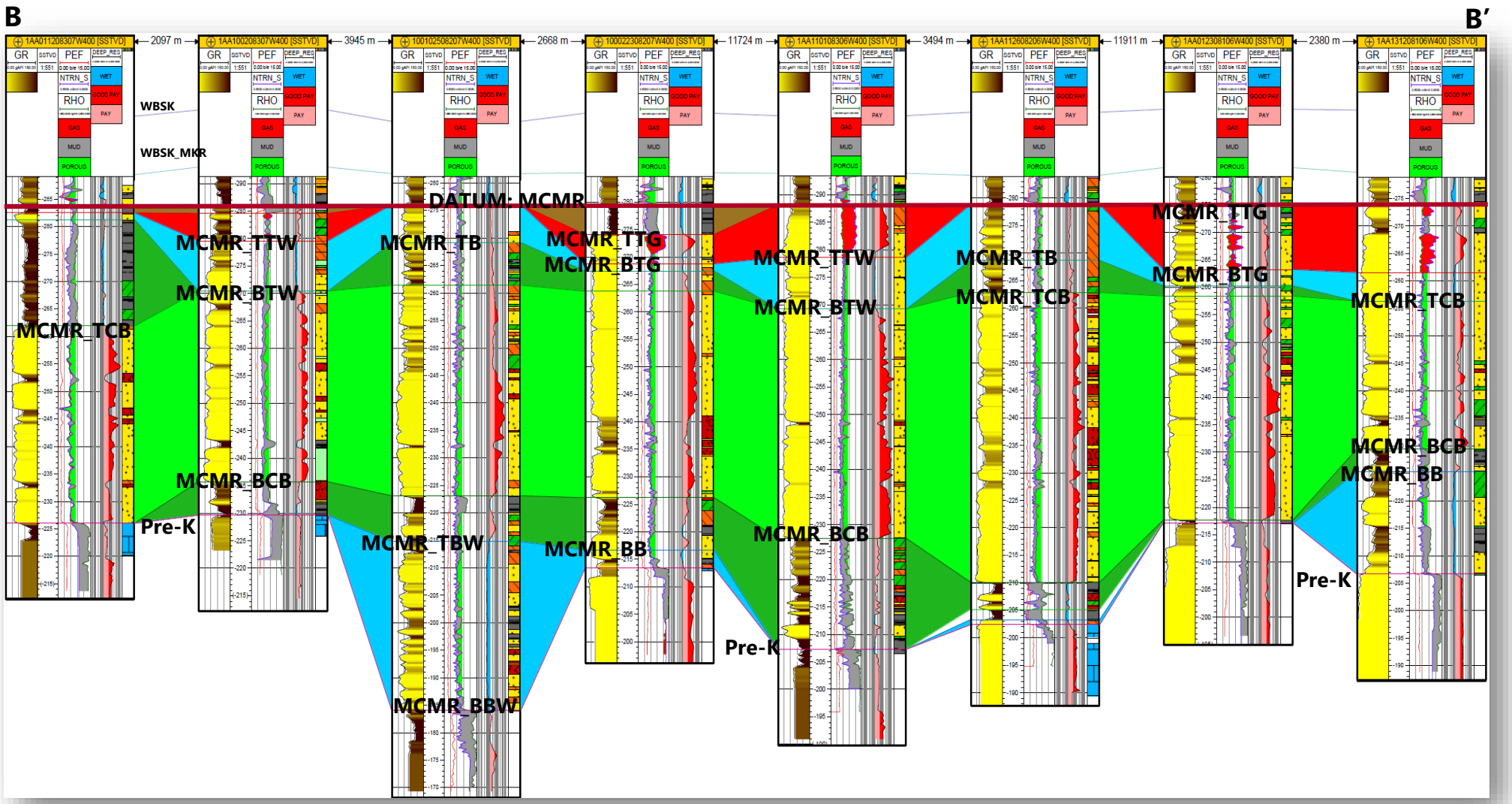


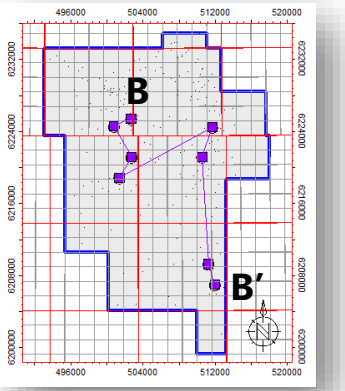
Well Section A-A' Tops

WBSK	Wabiskaw Formation
WBSK_MKR	Wabiskaw Marker
MCMR	McMurray Formation
MCMR_TTG	McMurray Top Gas
MCMR_BTG	McMurray Base Top Gas
MCMR_TTW	McMurray Top Water
MCMR_BTW	McMurray Base Top Water
MCMR_TB	McMurray Top Bitumen
MCMR_TCB	McMurray Top Continuous Bitumen
MCMR_BCB	McMurray Base Continuous Bitumen
MCMR_BB	McMurray Base Bitumen
MCMR_TBW	McMurray Top Bottom Water
MCMR_BBW	McMurray Base Bottom Water
Pre_K	Devonian Unconformity

Gross Continuous Bitumen | Bitumen | Top Gas | Water | Muds / Muddy IHS

Representative Well Cross-Section B - B`



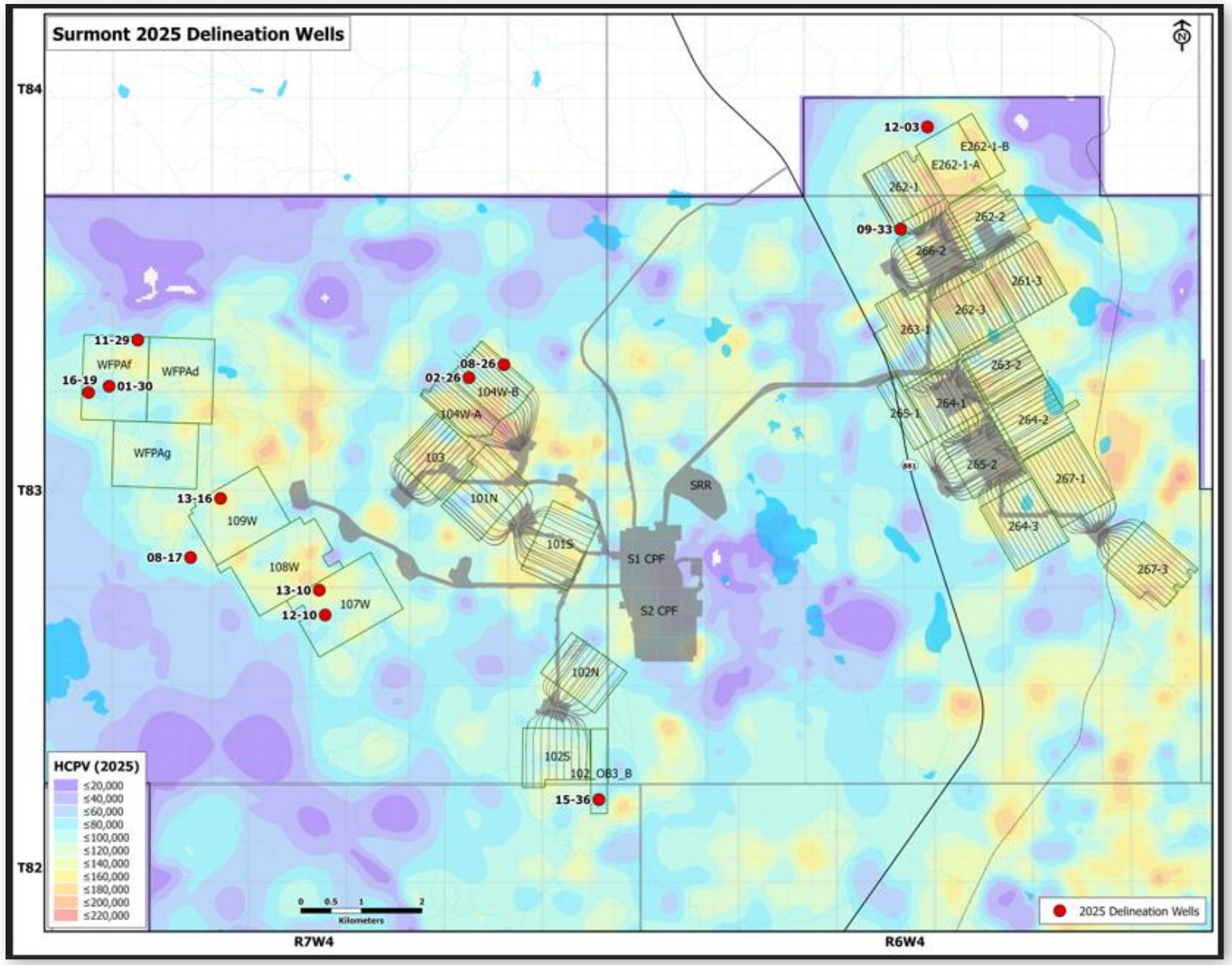


Well Section A-A' Tops

WBSK	Wabiskaw Formation
WBSK_MKR	Wabiskaw Marker
MCMR	McMurray Formation
MCMR_TTG	McMurray Top Gas
MCMR_BTG	McMurray Base Top Gas
MCMR_TTW	McMurray Top Water
MCMR_BTW	McMurray Base Top Water
MCMR_TB	McMurray Top Bitumen
MCMR_TCB	McMurray Top Continuous Bitumen
MCMR_BCB	McMurray Base Continuous Bitumen
MCMR_BB	McMurray Base Bitumen
MCMR_TBW	McMurray Top Bottom Water
MCMR_BBW	McMurray Base Bottom Water
Pre_K	Devonian Unconformity

Gross Continuous Bitumen | Bitumen | Top Gas | Water | Muds / Muddy IHS

Original Bitumen in Place



Hydrocarbon Pore Volume (HCPV) Map 2025

Region	Original Bitumen in Place (MMBBLS)
Surmont Lease	20,679
Project Area	20,441
101N	63.95
101S	66.68
102N	47.69
102S	50.03
103	69.92
261-3	70.16
262-1	60.13
262-2	60.31
262-3	67.22
263-1	75.68
263-2	64.96
264-1	64.04
264-2	68.39
264-3	69.05
265-1	21.76
265-2	56
266-2	66.99
267-1	88.65
267-3	79.37
Active Pad Total	1210.98

Well Patterns, Bitumen Recovery & Reservoir Parameters

Properties	Depth (masl)	Area (m2)	Thickness NCB (m)	Phie in NCB %	So in NCB %	KH in NCB (mD)	KV in NCB (mD)	Initial Pressure (KPa)	Original Bitumen in Place (MMBBLS)	Producible Oil in Place (MMBBLS)	Expected RF	Current RF
Surmont Lease	276.03 - 215.29	577,445,953	23.21	31.82%	77.08%	4,120	3,427	-	20,679	16,497	50%	2.9%
Project Area	276.33 - 215.89	561,632,105	23.59	31.82%	77.08%	4,160	3,459	-	20,441	16,344	50%	2.9%
101N	282.14 - 212.062	1,090,775	36.46	31.77%	80.47%	4,385	3,643	1,690	63.95	54.16	70%	65%
101S	284.05 - 219.8	1,064,692	37.77	33.18%	79.45%	5,422	4,549	1,684	66.68	58	90%	83%
102N	284.64 - 225.92	975,251	30.99	32.25%	79.87%	4,641	3,906	1,735	47.69	41.61	80%	70%
102S	285.44 - 225.31	1,019,252	34.64	31.25%	74.24%	4,042	3,330	1,800	50.03	44.21	90%	86%
103	282.27 - 213.09	1,022,239	42.38	31.65%	81.09%	4,429	3,686	1,691	69.92	62.46	90%	76%
261-3	275.83 - 204.43	1,000,542	44.7	31.96%	78.02%	4,365	3,582	1,328	70.16	55.55	70%	51%
262-1	275.15 - 200.63	996,252	39.27	31.62%	79.83%	4,173	3,458	1,307	60.13	49.95	80%	68%
262-2	276.92 - 212.39	974,291	38.37	33.19%	78.74%	5,256	4,434	1,296	60.31	50.63	70%	60%
262-3	280.13 - 212.46	943,213	43.99	32.86%	78.37%	4,876	4,060	1,368	67.22	60.04	50%	19%
263-1	282.27 - 214.48	1,271,315	36.15	32.98%	79.37%	5,092	4,283	1,404	75.68	58.21	80%	69%
263-2	285.8 - 216.13	998,219	40.83	32.44%	78.12%	4,717	3,930	1,397	64.96	55.67	60%	46%
264-1	289.19 - 215.81	1,033,834	39.18	32.90%	79.94%	5,099	4,298	1,444	64.04	56.36	50%	34%
264-2	288.07 - 217.12	1,011,337	42.22	32.66%	77.96%	4,784	3,985	1,437	68.39	60.1	50%	33%
264-3	288.8 - 215.66	1,209,485	37.59	31.97%	75.54%	4,455	3,694	1,564	69.05	62.42	60%	51%
265-1	287.05 - 218.83	331,352	28.12	33.44%	83.12%	4,727	3,933	1,600	21.76	16.55	50%	22%
265-2	289.73 - 220.38	917,433	38.95	32.52%	76.62%	5,117	4,271	1,496	56	43.64	90%	81%
266-2	280.98 - 210.81	949,974	42.66	32.83%	80.06%	4,888	4,084	1,337	66.99	56.31	80%	66%
267-1	286.61 - 212.18	1,276,072	41.98	33.18%	79.29%	5,096	4,234	1,764	88.65	74.81	50%	10%
267-3	287.15 - 210.22	1,114,573	42.37	32.79%	81.50%	4,833	3,999	1,311	79.37	64.95	50%	11%
Active Pad Total									1210.98	1025.63		

Wellbore Integrity

Casing Integrity

- Continued to monitor wells for changes in casing deformation. Issue remains more pronounced in the Surmont 1 development area
- Performed caliper logging on all redrill wells and where intervention activities allowed
- Performed fluid suppression testing in areas of elevated risk for casing deformation as a well screening technique

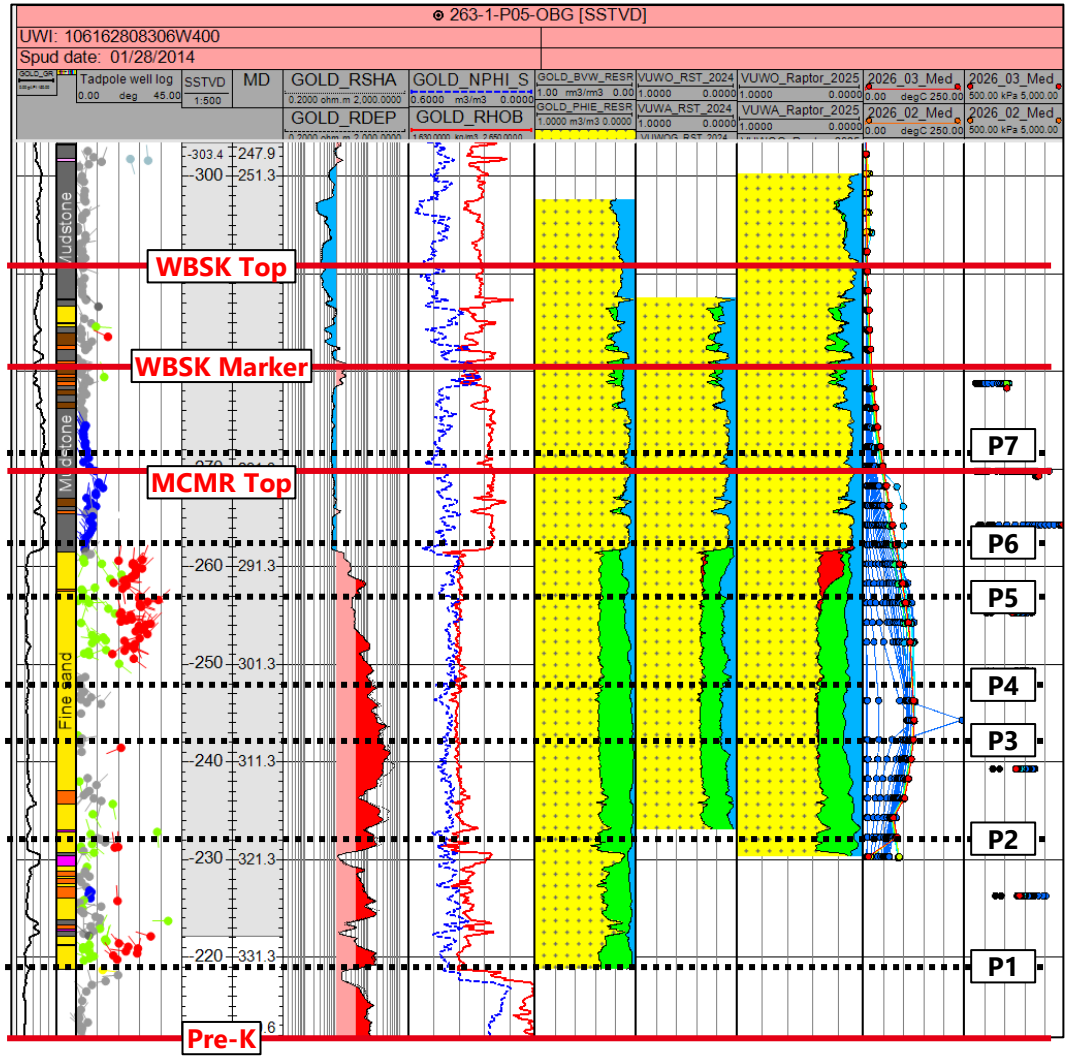
Surface Casing Vent Flow/Gas Migration

- Performed regular surface casing vent flow (SCVF) testing as per ConocoPhillips' Well Integrity Program and *Directive 087* requirements
- Where surface casing vent flow/gas migration was identified, source intervals were identified through carbon isotope analysis and comparison with ConocoPhillips' extensive internal database of known samples

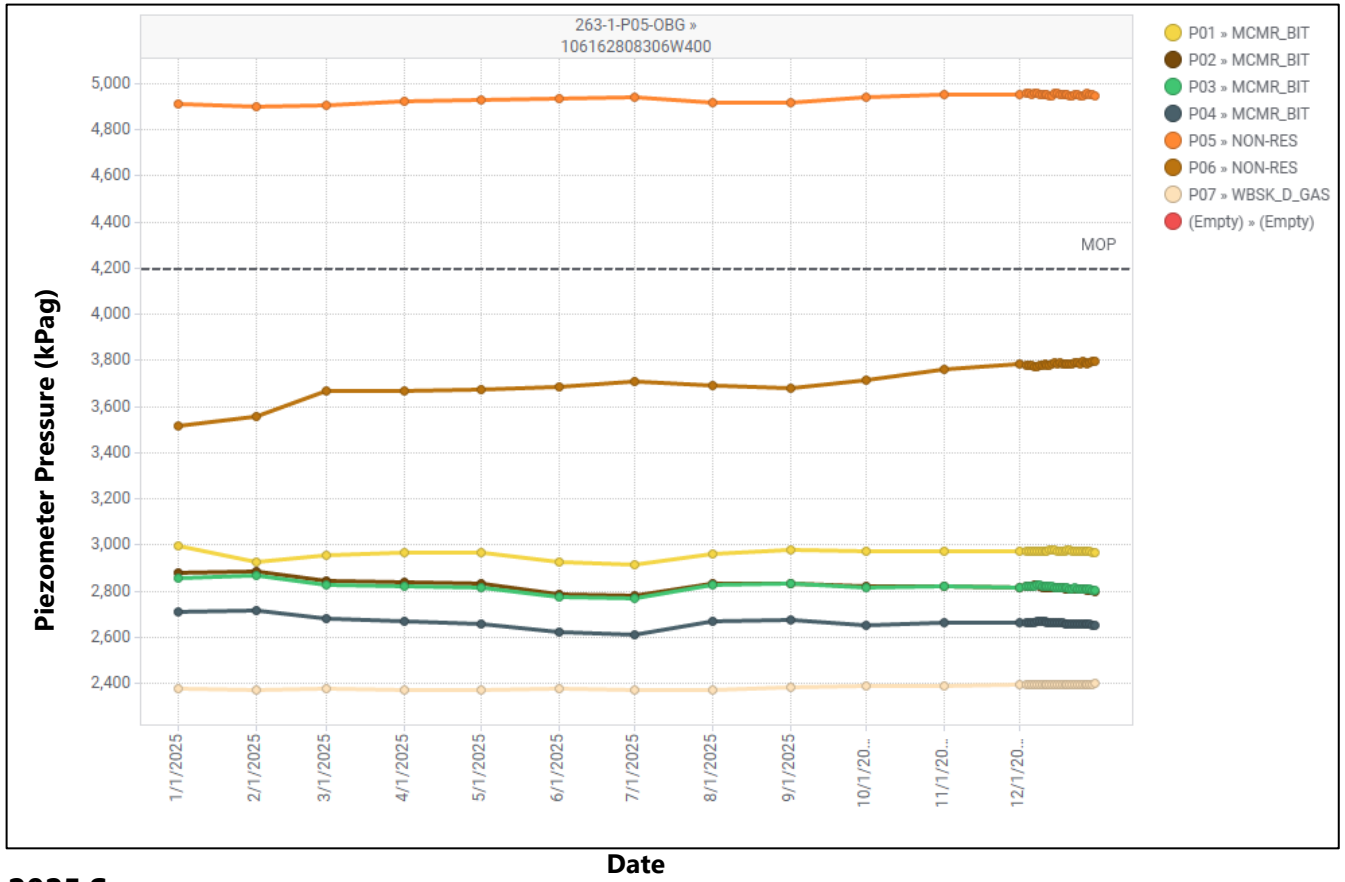
Wellhead Integrity

- Performed regularly scheduled inspection and maintenance as per ConocoPhillips' Wellhead and Christmas Tree Inspection, Testing, and Maintenance Program
- No issues were identified during the 2025 wellhead maintenance campaign

263-1 P05 OBG Update



263-1-P05-OBG Piezometer Pressure (2025)



2025 Summary:

- Minimal incremental conductive heating in upper McMurray Formation (MCMR) non-reservoir mud
- P1-P4 in MCMR reservoir reported stable pressures
- P5 reported stable pressures; likely equilibrium reached with conductive heating
- P6 showed slight increase in pressure; likely lagged conductive heating effect
- P7 in Lower Wabiskaw reported stable, lower pressure, in line with background

Conductive heating in upper MCMR non-reservoir muds has stabilized along with piezometers reading elevated pressures

Workovers & Recompletions

Redrills

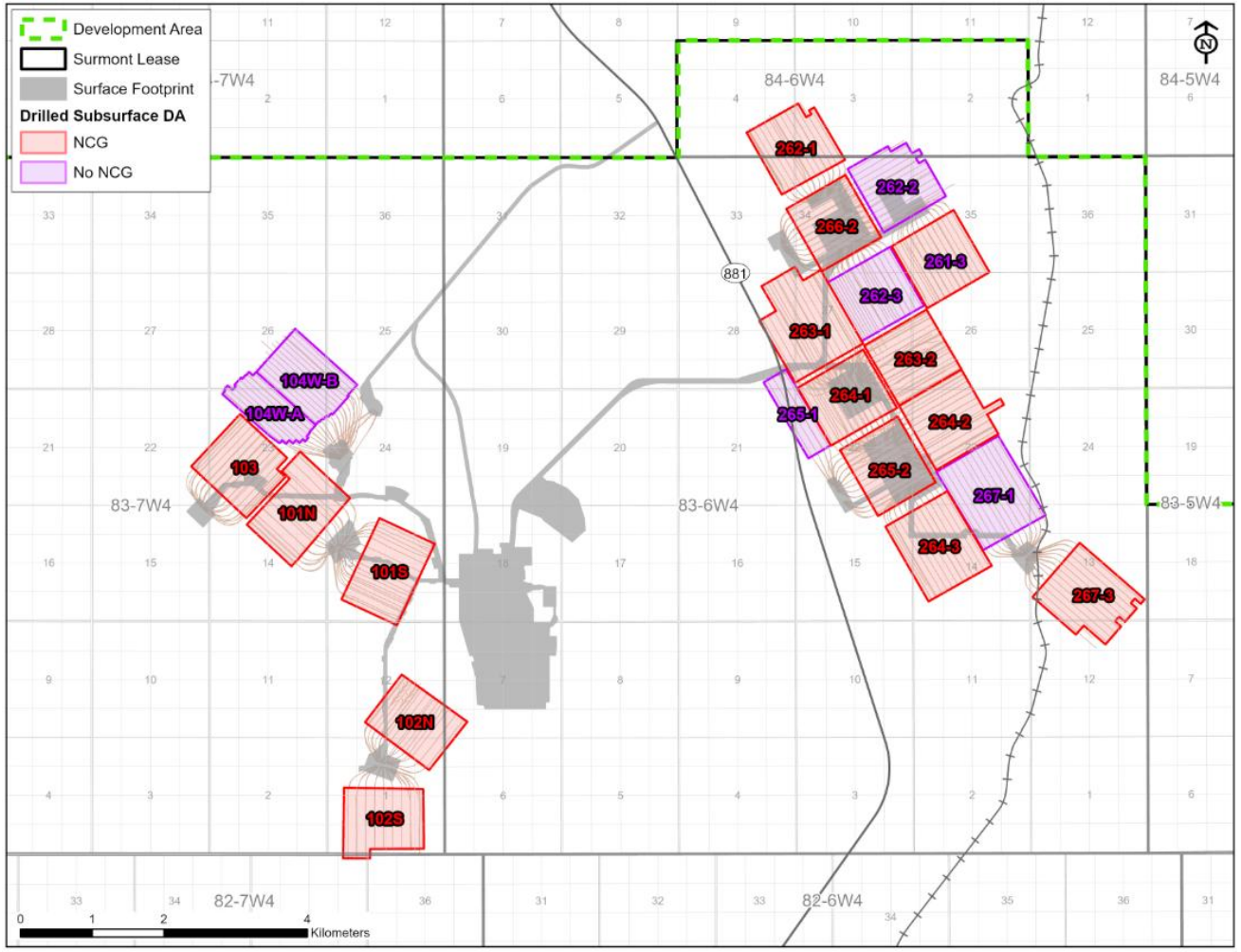
Well	Date	Scope	Status
101-P24	Sep-25	Sidetrack	Online 2025
101-P26	May-25	Sidetrack	Online 2025
103-P12	Sep-25	Sidetrack (Infill)	Online 2025
262-1-P04	Oct-25	Sidetrack (Infill)	Online 2025
262-1-P08	May-25	Sidetrack (Cellar)	Online 2025
262-3-P08	May-25	Sidetrack (Uphole)	Online 2025
262-3-I08	Jun-25	Sidetrack (Uphole)	Online 2025
262-3-P10	Jun-25	Sidetrack (Uphole)	Online 2025
262-3-I10	Jun-25	Sidetrack (Uphole)	Online 2025
263-1-P12	Oct-25	Stepout (Outboard)	Startup 2026
263-1-I12	Nov-25	Sidetrack (Outboard)	Startup 2026
263-1-P13	Oct-25	Stepout (Infill)	Startup 2026
264-1-P03	May-25	Sidetrack (Infill)	Online 2025
264-2-P07	Sep-25	Stepout (Uphole)	Startup 2026
264-2-I07	Sep-25	Sidetrack (Uphole)	Startup 2026
264-3-P10	Jul-25	Stepout (Infill)	Online 2025
265-2-P02	Jun-25	Sidetrack (Cellar)	Online 2025
265-2-P09	Jun-25	Sidetrack (Cellar)	Online 2025

Workovers

Well	Date	Scope	Status
266-2 P07	May-25	Liner Repair	Online 2025
267-3 P10	Aug-25	Liner Repair	Online 2025
264-3 P05	Aug-25	Liner Repair	Online 2025
263-1 P08	Nov-25	Liner Repair	Online 2025

Non-Condensable Gas (NCG) Co-Injection

- NCG co-injection was deployed on pads for pressure maintenance and thief zone mitigation where pressure imbalance and steam losses can be a challenge.
- NCG helped reduce SOR and accelerated re-pressurizing pads under top water and top gas thief zones.
- NCG injection can cause Electric Submersible Pump (ESP) interference and inefficiency due to excess gas production, requiring NCG rate and pump optimization.
- NCG was injected at an average range of 4,000 to 74,000 Sm^3/d per subsurface drainage area in 2025.
  - NCG rates vary with recovery factor and injectivity; larger steam chambers have greater rates of gas injected.
  - NCG co-injection concentration varies from 0.1 to 5 mol% steam per well to maintain steam chamber pressure and manage ESP interference.
- Fuel gas from TransCanada Pipeline is used for NCG co-injection; surface metering of produced gas is highly uncertain at a pad level because there is no distinction between produced steam and methane gas. Produced gas is allocated at the plant level, and a per-pad NCG recovery percentage cannot be estimated. Field level gas production has increased slightly to a gas oil ratio (GOR) of 10, regardless of NCG co-injection, which suggests minimal NCG recycle.



Co-Injection (Additives [alkali and/or surfactants], solvent)

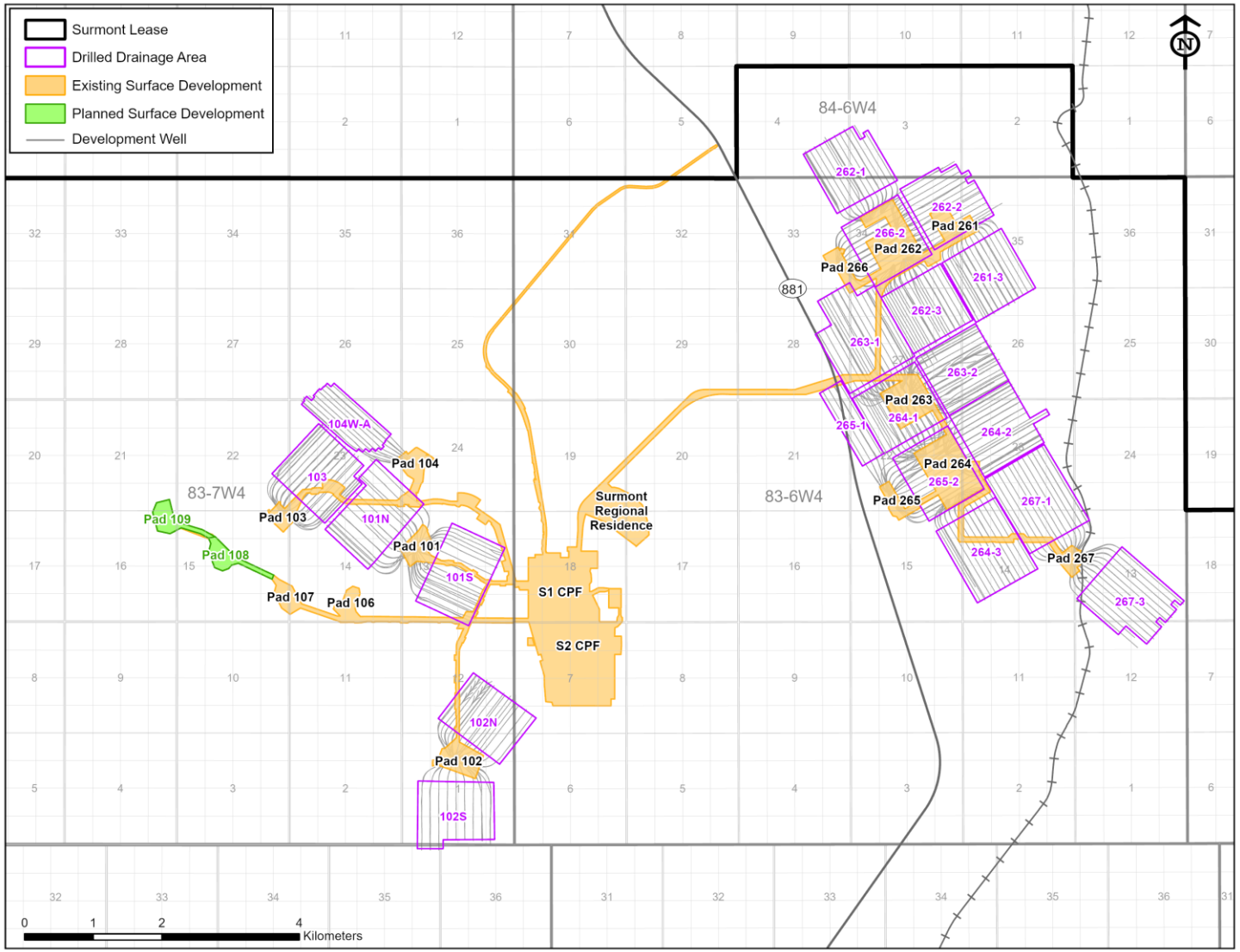
- **Nothing to report for 2025**

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Surface

Directive 054: Section 4.3
OSCA Report: Table 1 (2)

Surface Infrastructure: Built, In Progress, & Planned



- **S1/S2 CENTRAL PROCESSING FACILITIES (CPFs)**
- **SURMONT REGIONAL RESIDENCE**
- **WELL PADS - BUILT**
  - 101
  - 102
  - 103
  - 104
  - 106
  - 107
  - 262
  - 263
  - 264
  - 261
  - 265
  - 266
  - 267
- **WELL PADS – PLANNED**
  - 108
  - 109
- **PIPELINES – PLANNED**
  - P64922-1, 2
  - P64984-1, 2, 3, 4
  - P64985-1, 2, 3
  - P65076-1, 2, 3

2025 Surmont Operations

GENERAL

- No new surface technologies were trialed during the reporting period

SURMONT PHASE 1

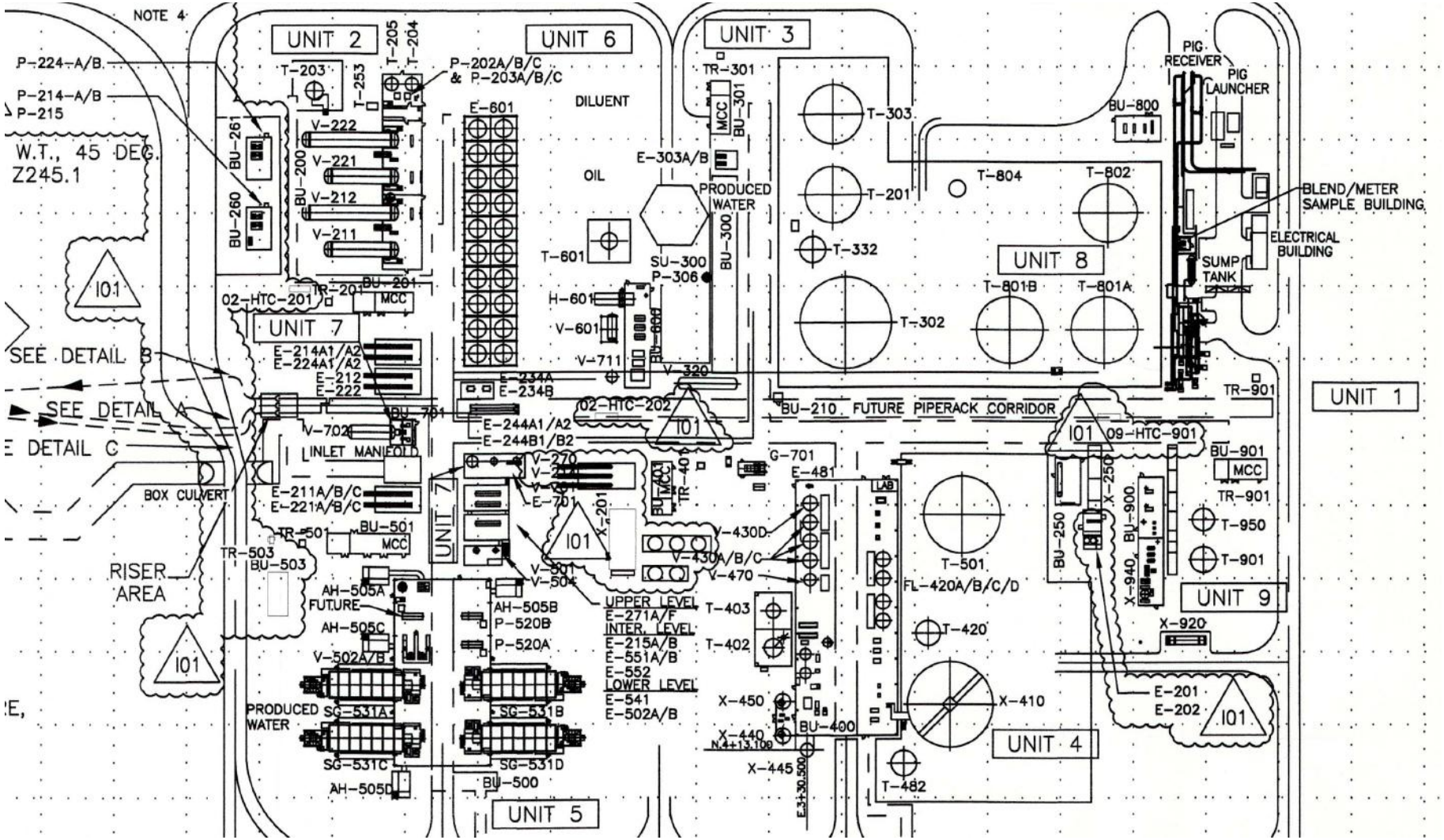
- Steady operation
- Pad 104W-A startup in September

SURMONT PHASE 2

- Oil in water treating challenges in Q2-Q3
- Otherwise, steady operation

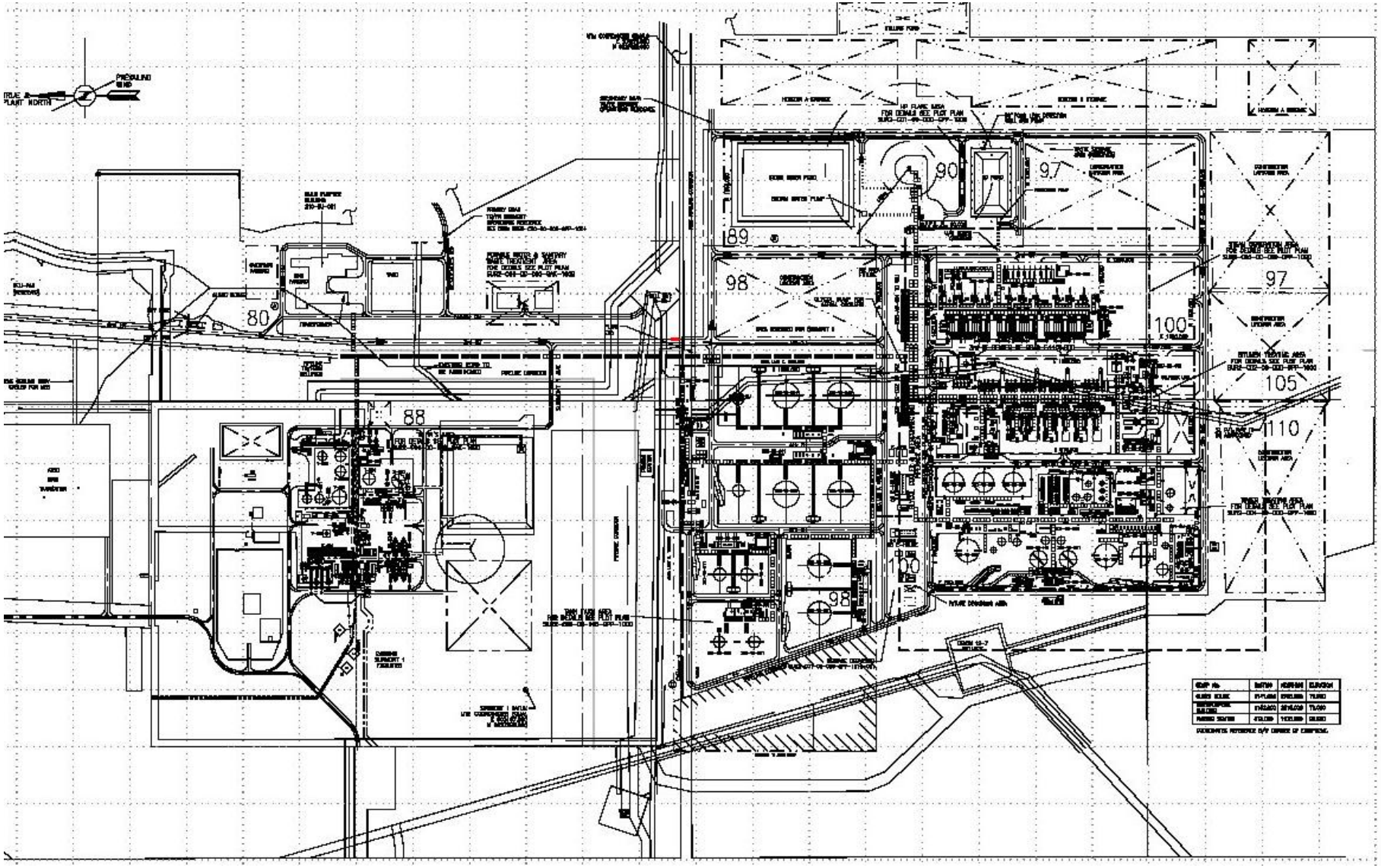


Central Processing Facility Modifications: Surmont Phase 1 Plot Plan



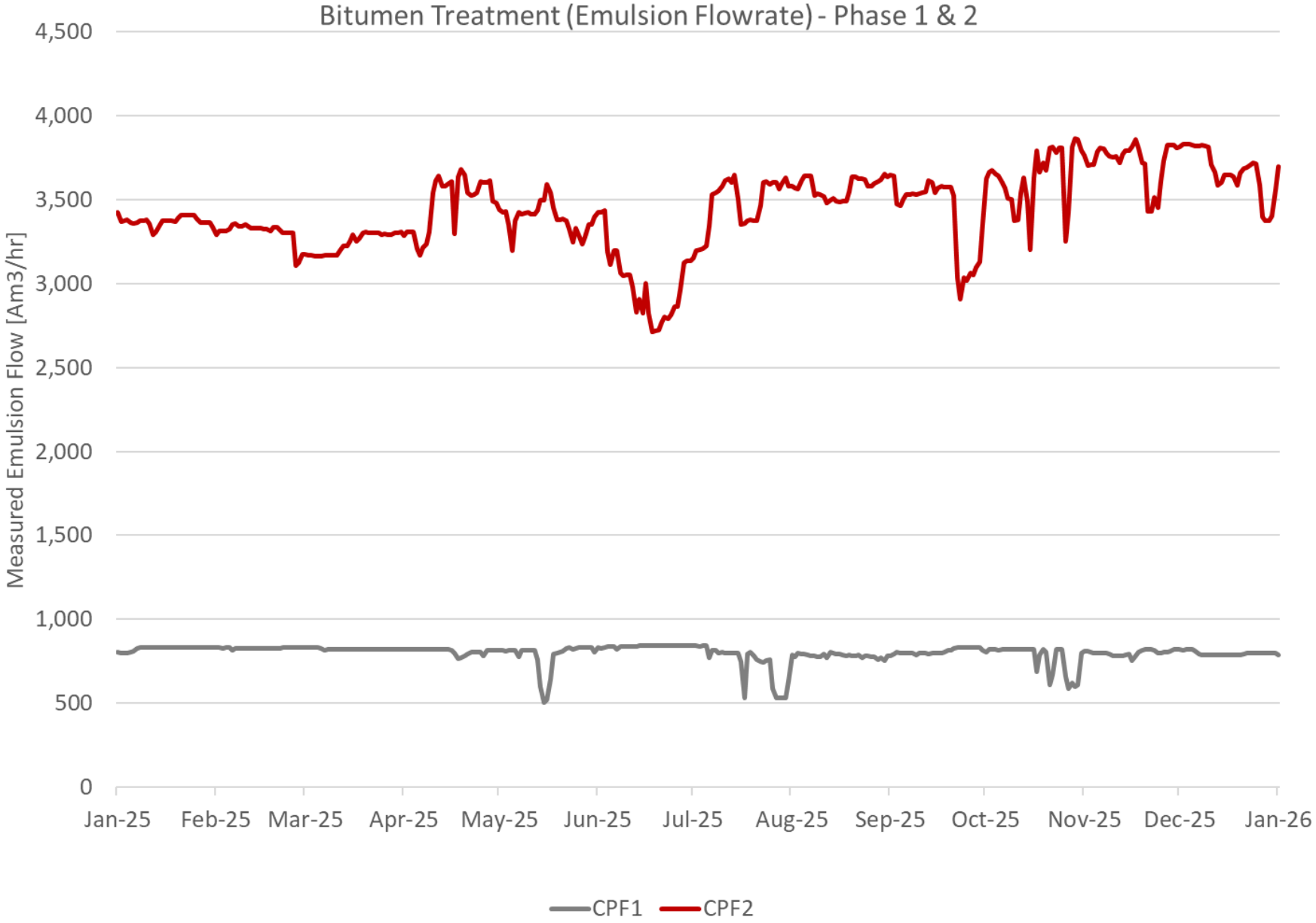
- No modifications to the Surmont 1 CPF required an AER application approval or were considered a *lifecycle activity* during the 2025 reporting period

Central Processing Facility Modifications: Surmont Phase 2 Plot Plan

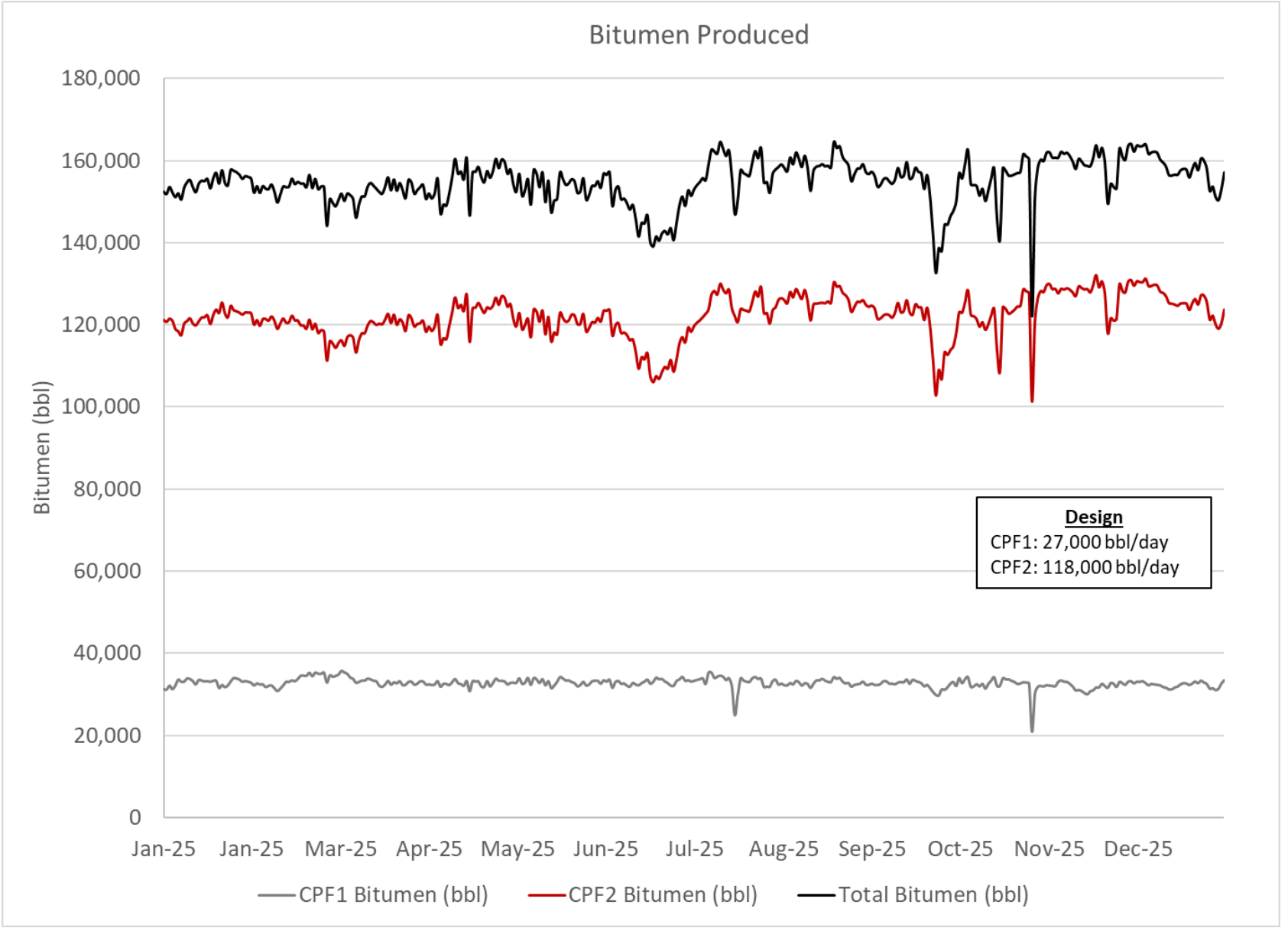


- No modifications to the Surmont 2 CPF required an AER application approval or were considered a *lifecycle activity* during the 2025 reporting period

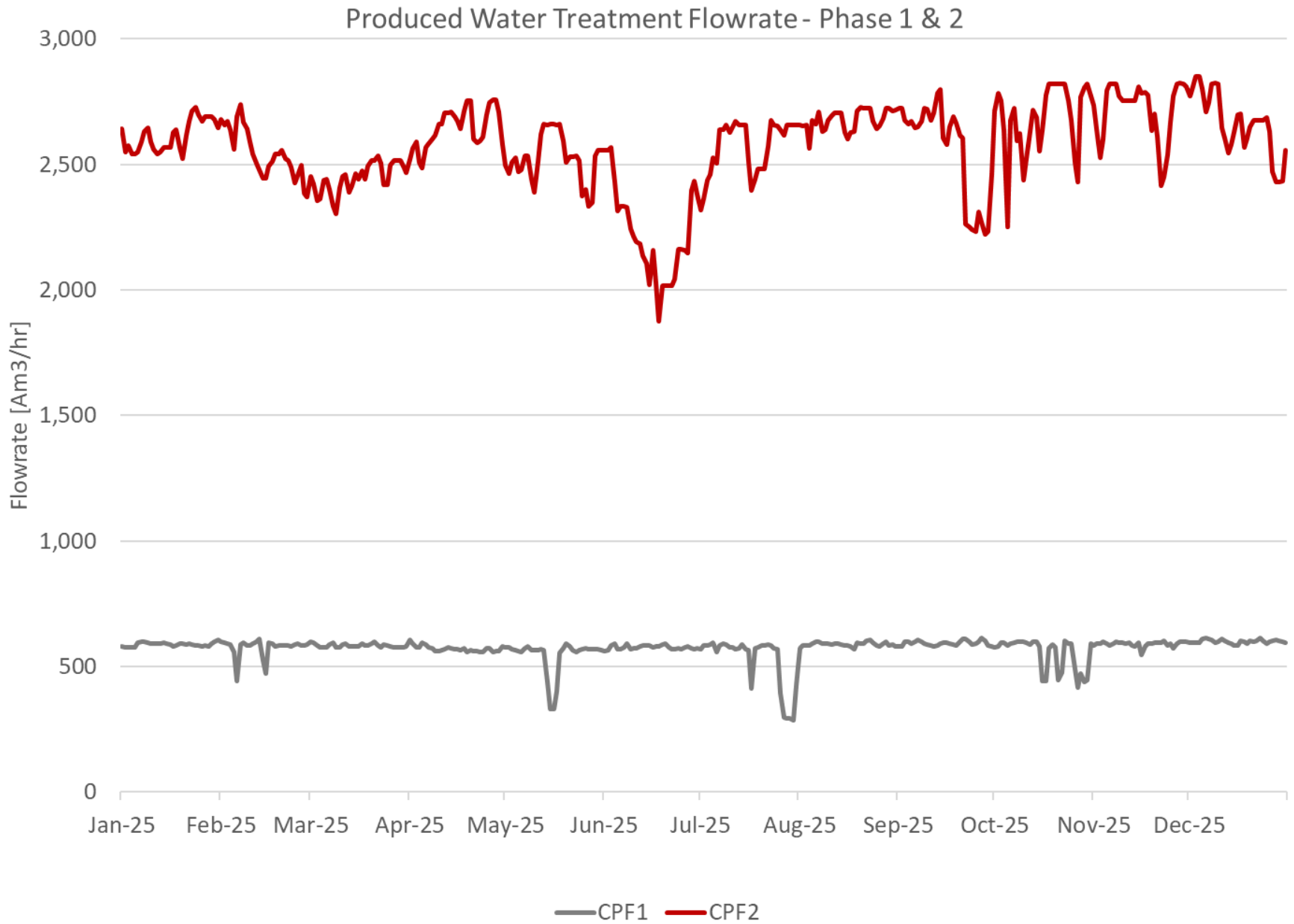
Facility Performance: Bitumen Treatment bv CPF



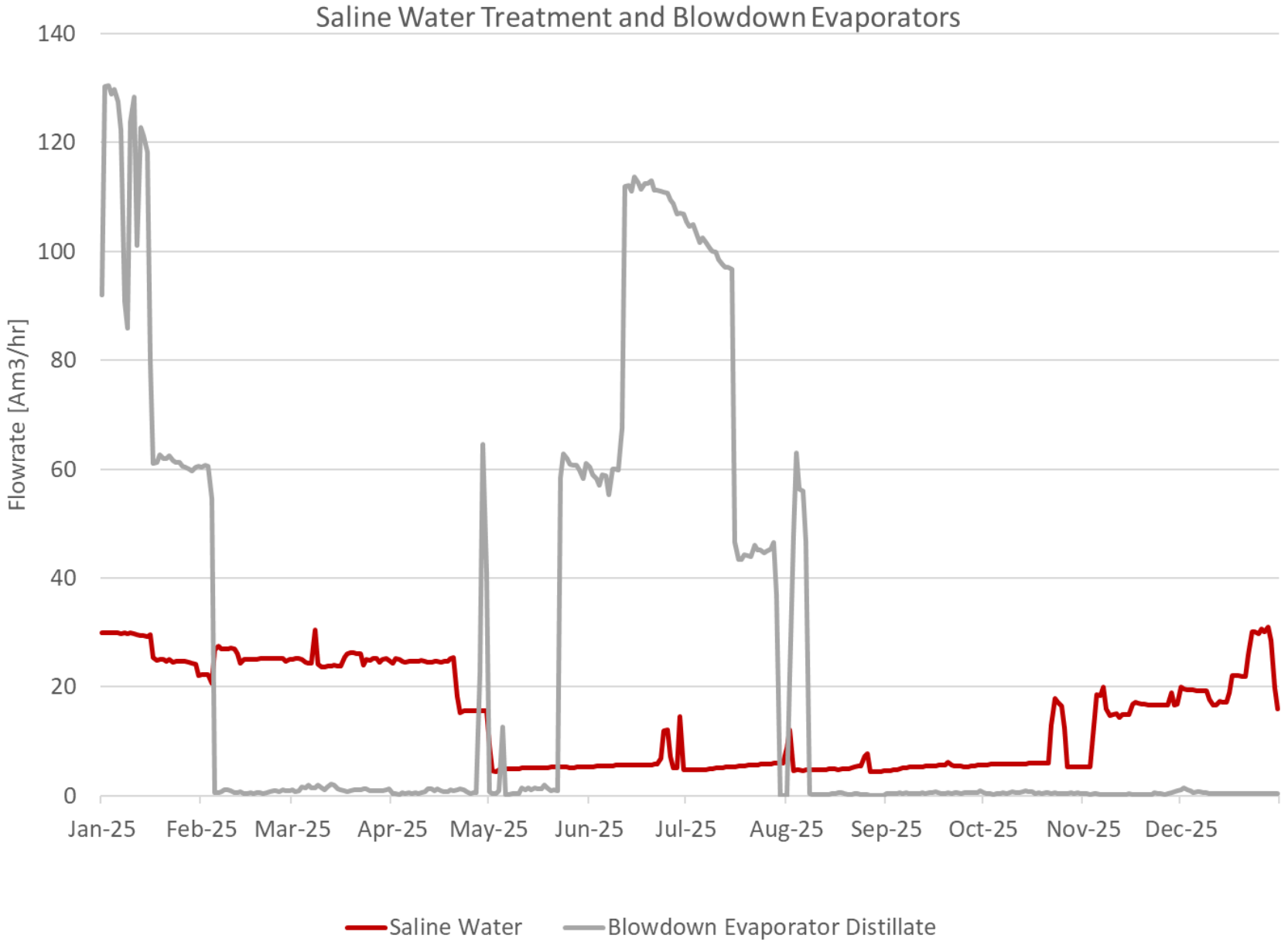
Facility Performance: Bitumen Production by CPF



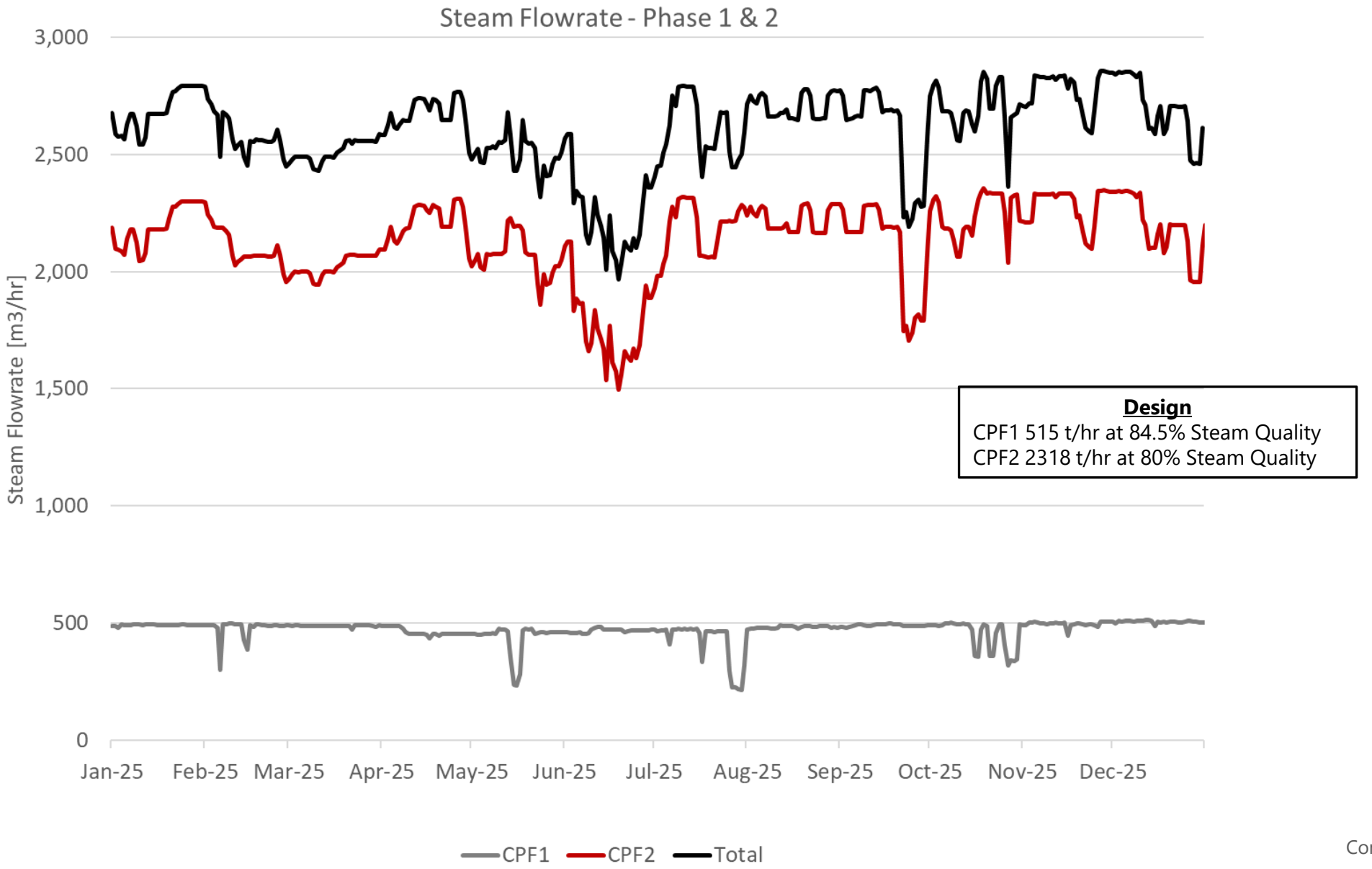
Facility Performance: Water Treatment by CPF



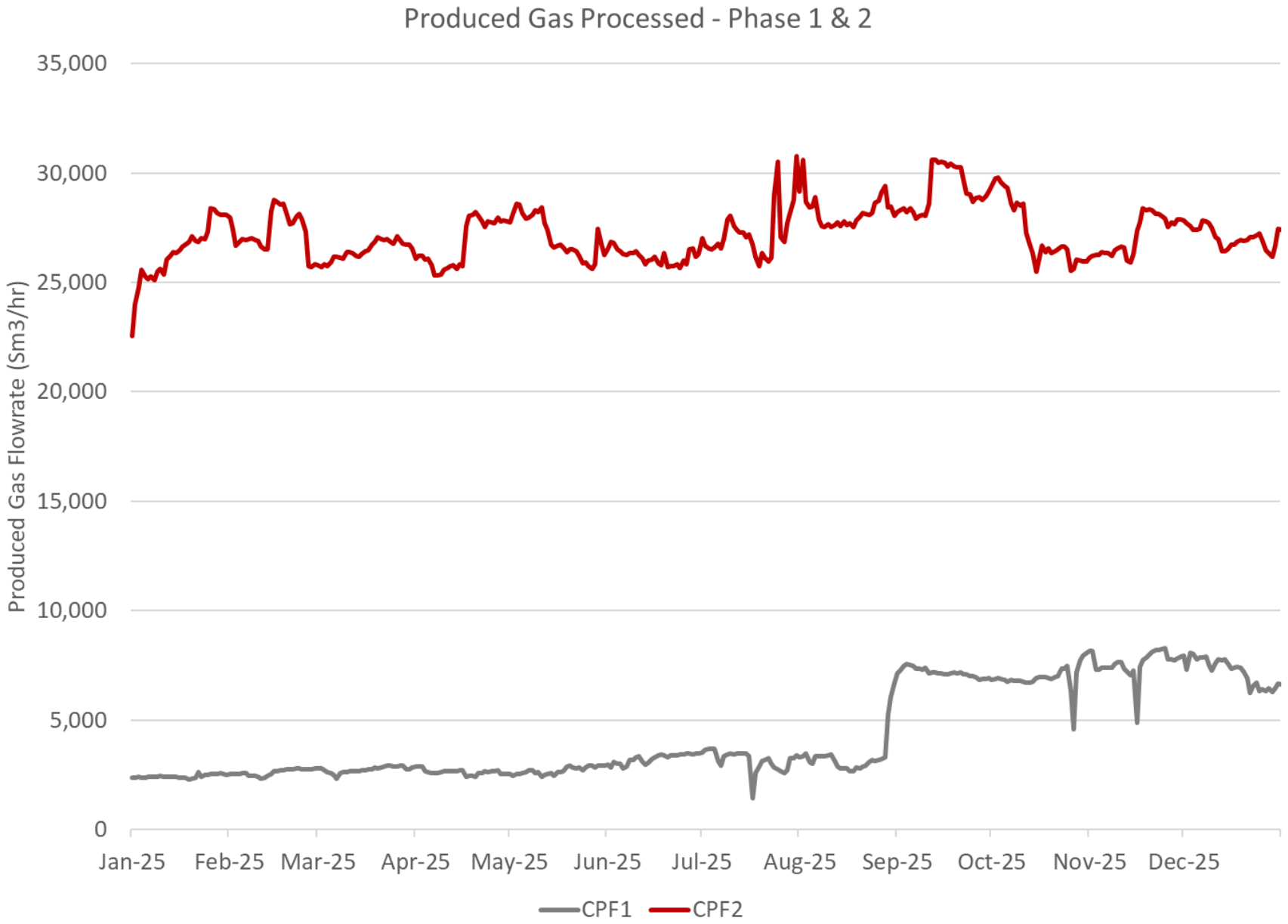
Facility Performance: Saline Water Treatment and Blowdown Evaporators



Facility Performance: Steam Production by CPF



Facility Performance: Produced Gas Production by CPF



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Surmont Water Source & Disposal Wells

Directive 054: Section 4.3 (8)(a)
Class Ib Disposal Approval No. 10044N

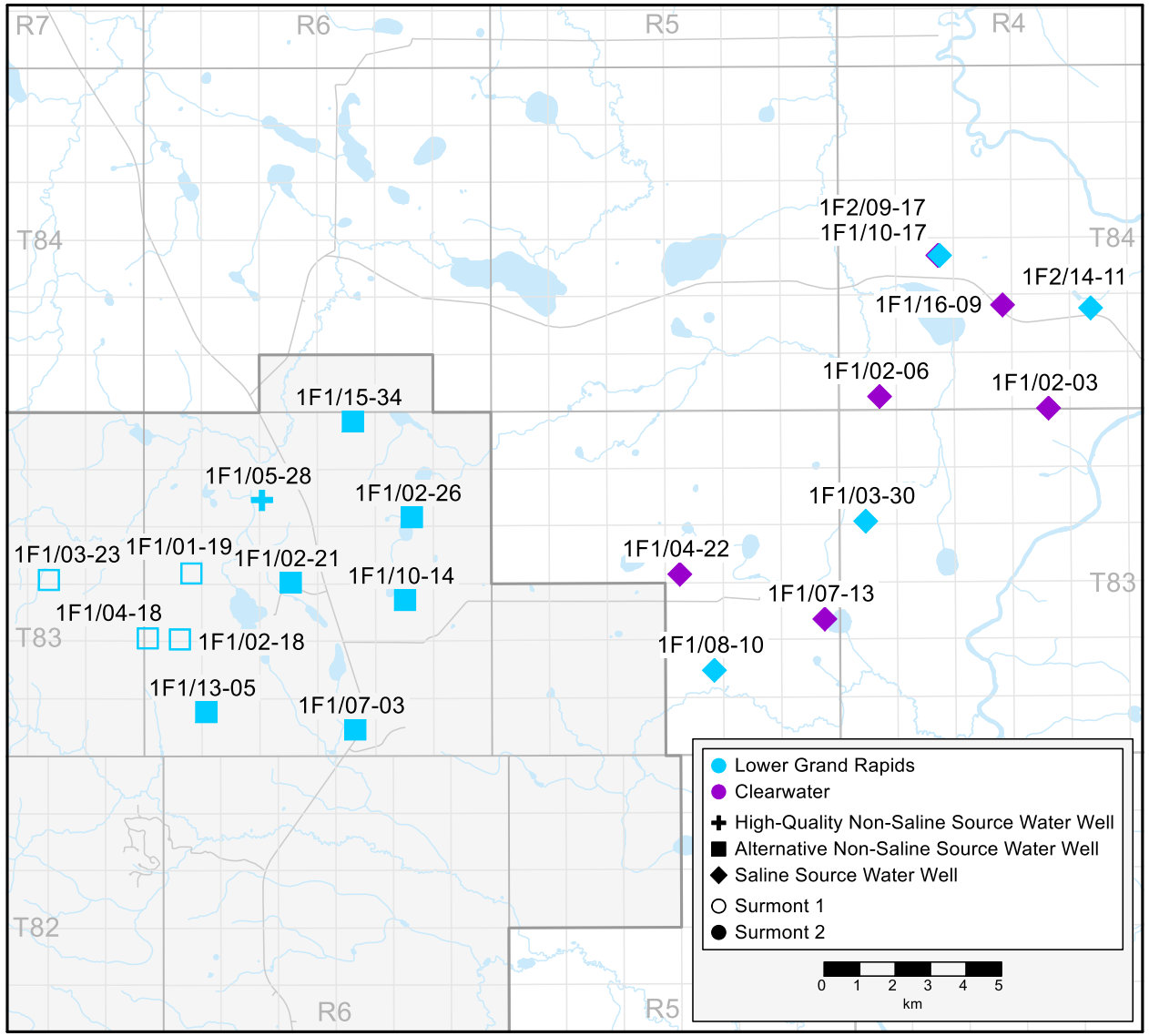
Surmont Phase 1 and Phase 2 Water Source Wells

Surmont Phase 1 Non-Saline Water Source Wells (Licence No. 00253532-03-00)			
Source Well	**Observation Well**	**Formation**	**Directive 081 Water Type**
1F1/02-18-083-06W4/00	1F2/02-18-083-06W4/00	Lower Grand Rapids	Alternative Non-Saline
1F1/04-18-083-06W4/00	102/04-18-083-06W4/00	Lower Grand Rapids	Alternative Non-Saline
1F1/01-19-083-06W4/00	100/01-19-083-06W4/00	Lower Grand Rapids	Alternative Non-Saline
1F1/03-23-083-07W4/00	100/03-23-083-07W4/00	Lower Grand Rapids	Alternative Non-Saline

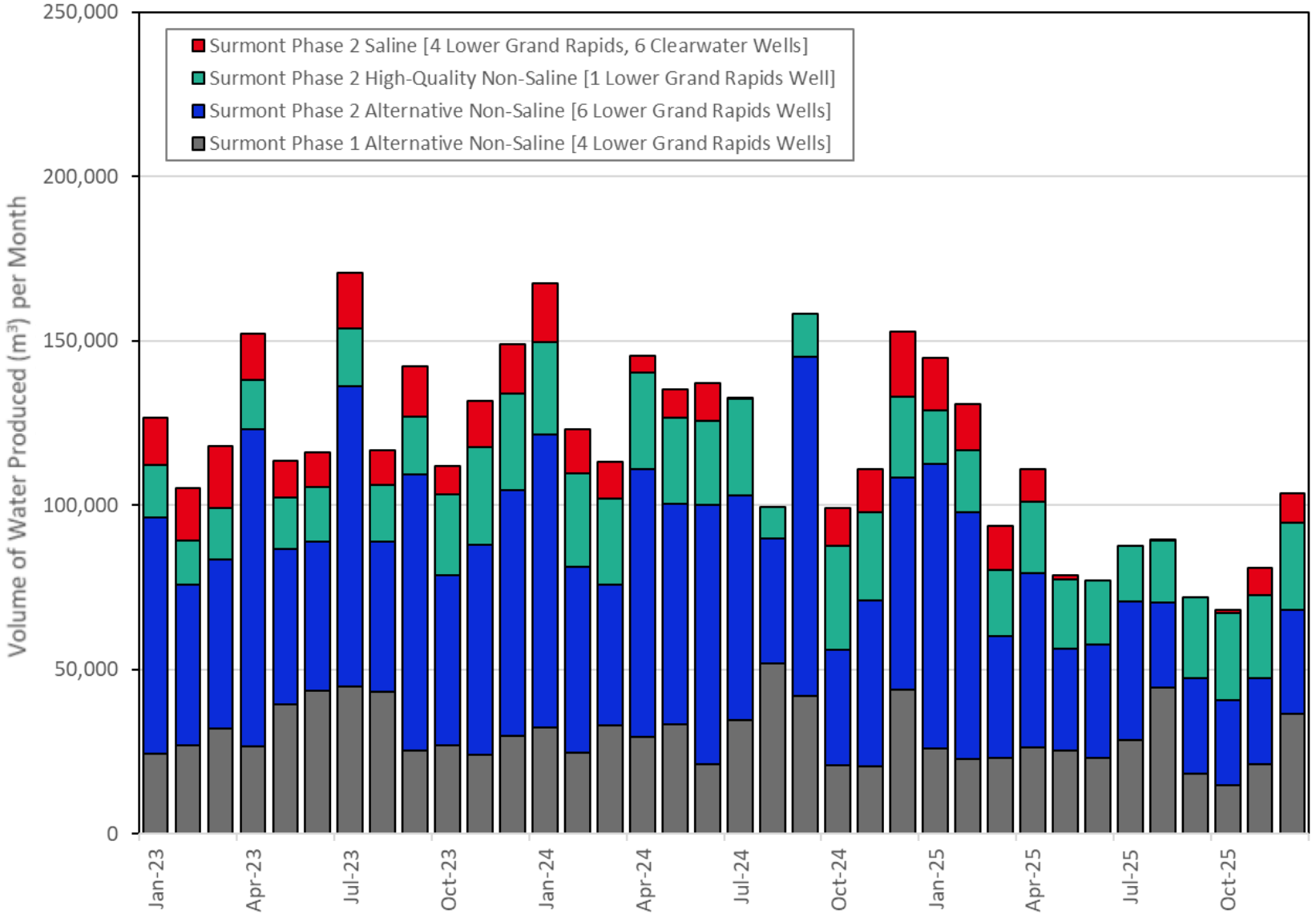
Surmont Phase 2 Non-Saline Water Source Wells (Licence No. 00312463-03-00)			
Source Well	**Observation Well**	**Formation**	**Directive 081 Water Type**
1F1/02-21-083-06W4/00	100/02-21-083-06W4/00	Lower Grand Rapids	Alternative Non-Saline
1F1/02-26-083-06W4/00	100/02-26-083-06W4/00	Lower Grand Rapids	Alternative Non-Saline
1F1/05-28-083-06W4/00	100/05-28-083-06W4/00	Lower Grand Rapids	High-Quality Non-Saline (HQNS)
1F1/07-03-083-06W4/00	1F2/07-03-083-06W4/00	Lower Grand Rapids	Alternative Non-Saline
1F1/10-14-083-06W4/00	1F1/11-14-083-06W4/00	Lower Grand Rapids	Alternative Non-Saline
1F1/13-05-083-06W4/00	100/13-05-083-06W4/00	Lower Grand Rapids	Alternative Non-Saline
1F1/15-34-083-07W4/00	1F2/15-34-083-07W4/00	Lower Grand Rapids	Alternative Non-Saline

Surmont Phase 2 Saline Water Source Wells		
Source Well	**Formation**	**Directive 081 Water Type**
1F1/02-03-084-04W4/00	Clearwater	Saline Groundwater
1F1/02-06-084-04W4/00	Clearwater	Saline Groundwater
1F1/03-30-083-04W4/00	Lower Grand Rapids	Saline Groundwater
1F1/04-22-083-05W4/00	Clearwater	Saline Groundwater
1F1/07-13-083-05W4/00	Clearwater	Saline Groundwater
1F1/08-10-083-05W4/00	Lower Grand Rapids	Saline Groundwater
1F1/10-17-084-04W4/00	Clearwater	Saline Groundwater
1F1/16-09-084-04W4/00	Clearwater	Saline Groundwater
1F2/09-17-084-04W4/00	Lower Grand Rapids	Saline Groundwater
1F2/14-11-084-04W4/00	Lower Grand Rapids	Saline Groundwater

NOTE: Source well 1F1/05-28-083-06W4/00 produces water of the same quality from the same interval and elevation as the other Surmont non-saline source wells but is classified as HQNS because at this location the production interval straddles the 150m depth cut-off.



Surmont Water Source Wells: Production Volumes

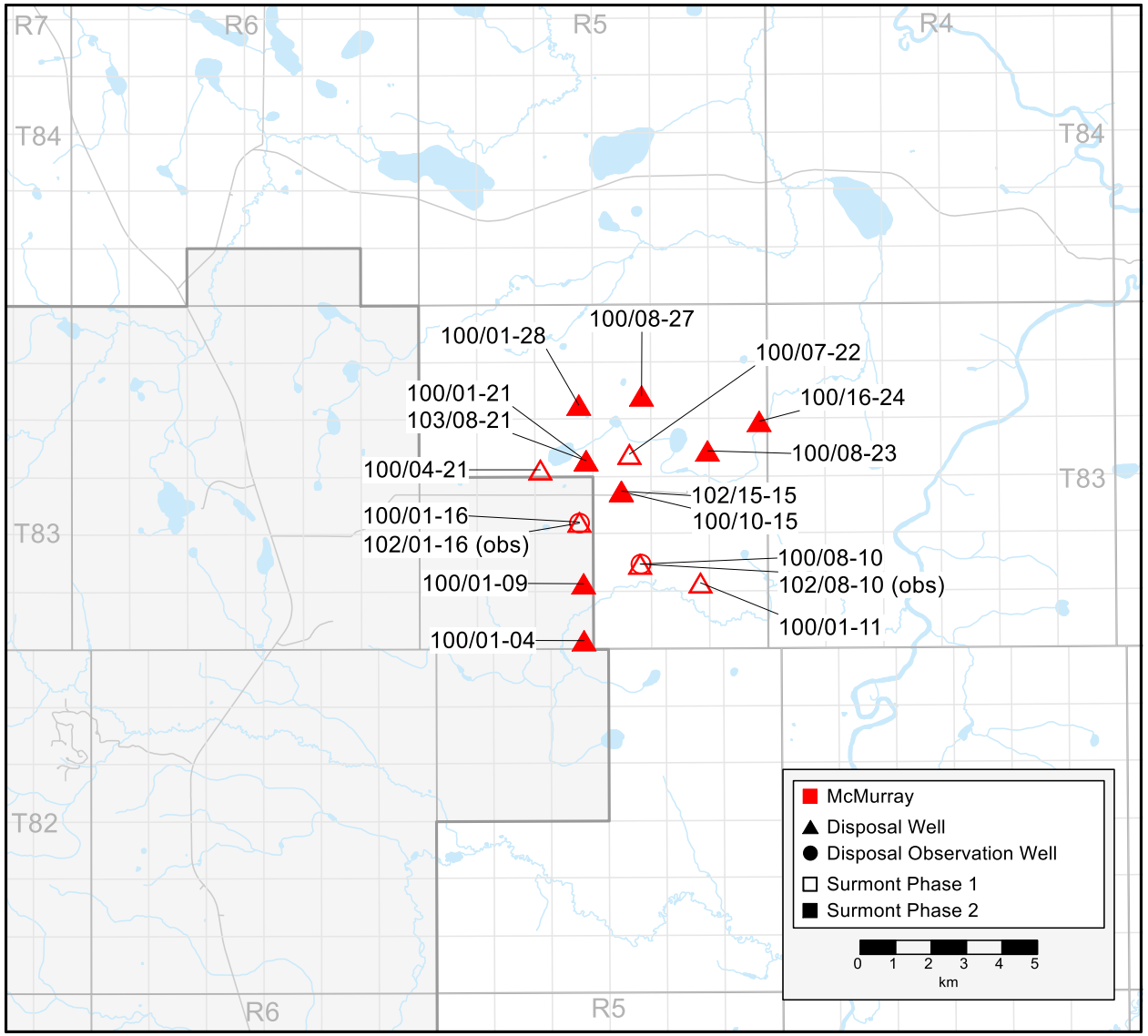


Surmont Phase 1 and Phase 2 Water Disposal Wells

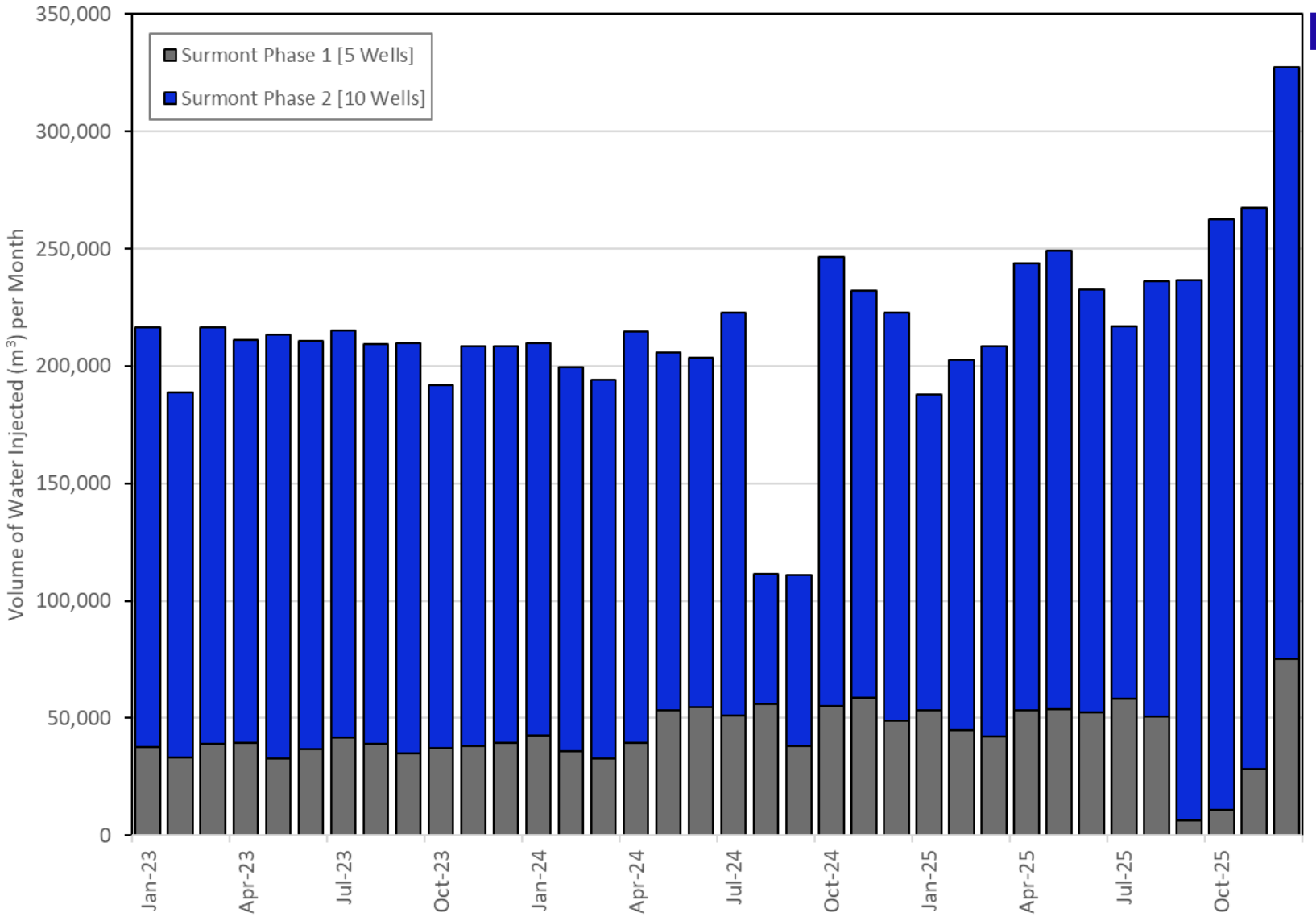
Surmont Phase 1 Water Disposal Wells		
UWI	**Formation**	**Approval No.**
100/01-16-083-05W4/00	McMurray	10044N
100/07-22-083-05W4/00	McMurray	10044N
100/08-10-083-05W4/00	McMurray	10044N
100/04-21-083-05W4/00	McMurray	10044N
100/01-11-083-05W4/00	McMurray	10044N

Surmont Phase 2 Water Disposal Wells		
UWI	**Formation**	**Approval No.**
100/01-09-083-05W4/00	McMurray	10044N
100/01-04-083-05W4/00	McMurray	10044N
100/01-28-083-05W4/00	McMurray	10044N
100/10-15-083-05W4/00	McMurray	10044N
102/15-15-083-05W4/00	McMurray	10044N
100/08-27-083-05W4/00	McMurray	10044N
100/08-23-083-05W4/00	McMurray	10044N
100/16-24-083-05W4/00	McMurray	10044N
100/01-21-083-05W4/00	McMurray	10044N
103/08-21-083-05W4/00	McMurray	10044N

Surmont Water Disposal Observation Wells	
UWI	**Formation**
102/01-16-083-05W4/00	McMurray
102/08-10-083-05W4/00	McMurray



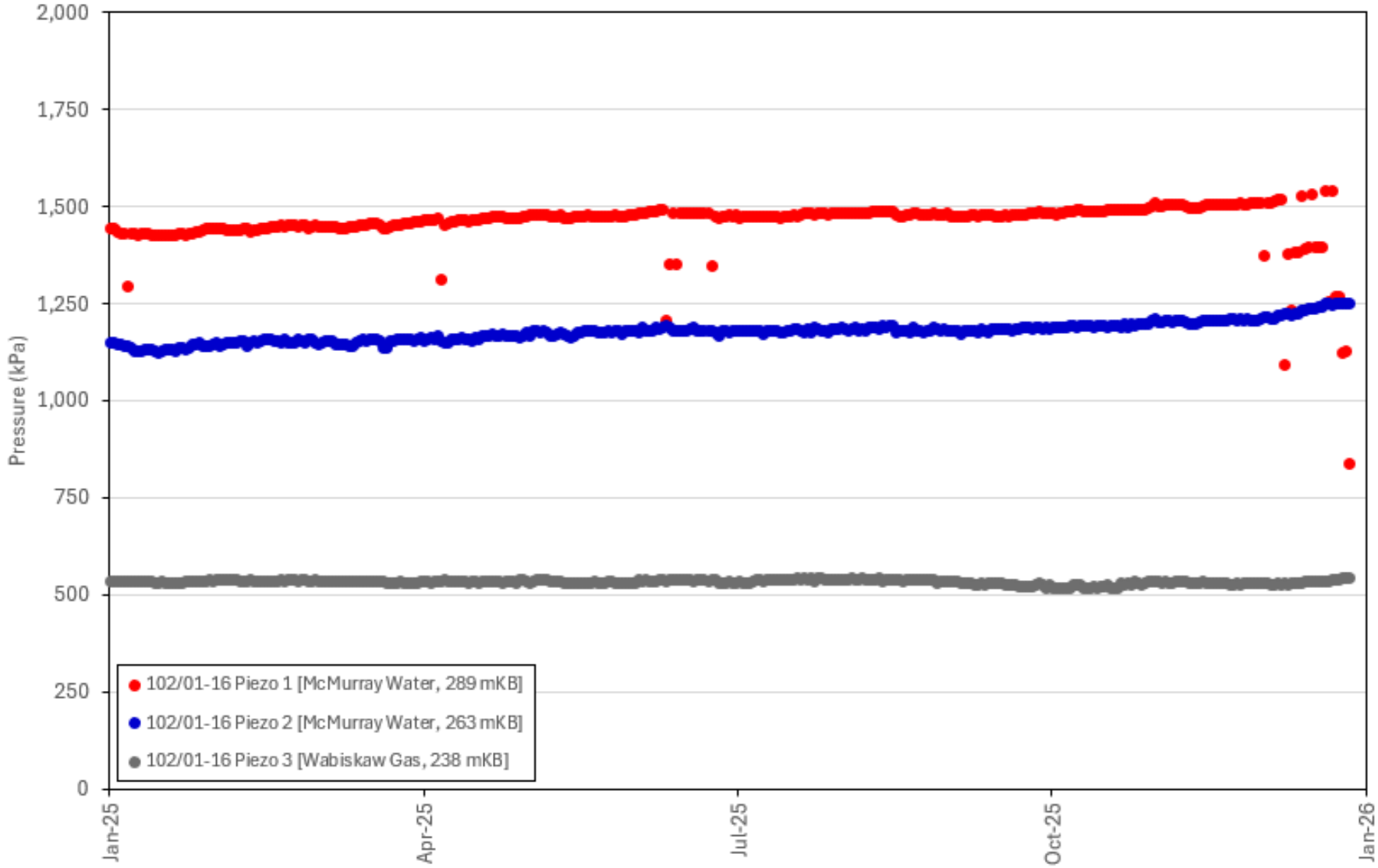
Surmont Water Disposal Wells: Injection Rates (McMurray)



- Increase in injection rates in Q4 are a result of the Produced Water Direct Disposal Project, which executed the repurposing of existing boiler blowdown disposal network to dispose of excess produced water from the Surmont project

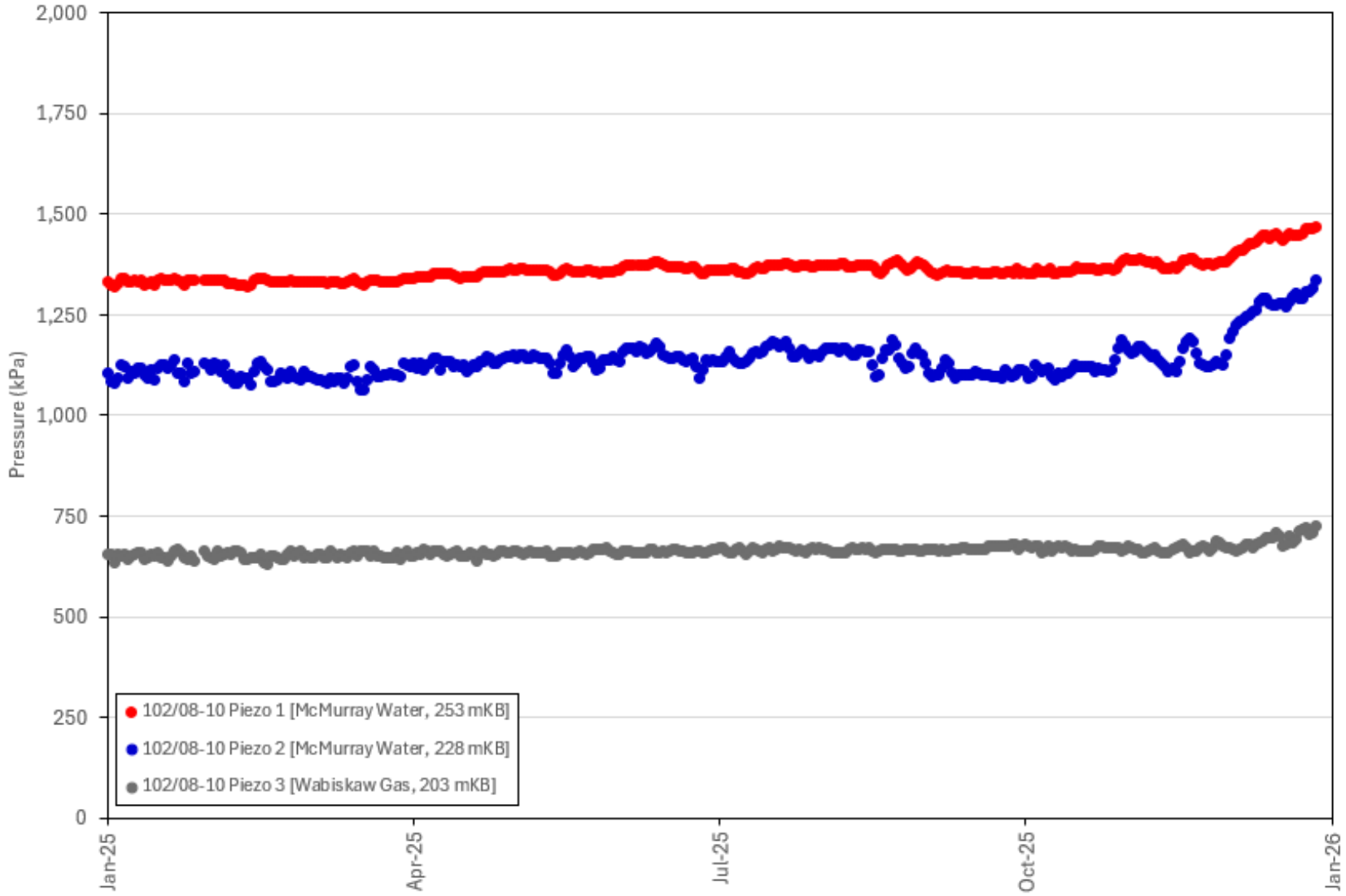
Water Disposal Observation Well 102/01-16-083-05W4M:

Well Pressure (McMurray)



Water Disposal Observation Well 102/08-10-083-05W4M:

Well Pressure (McMurray)

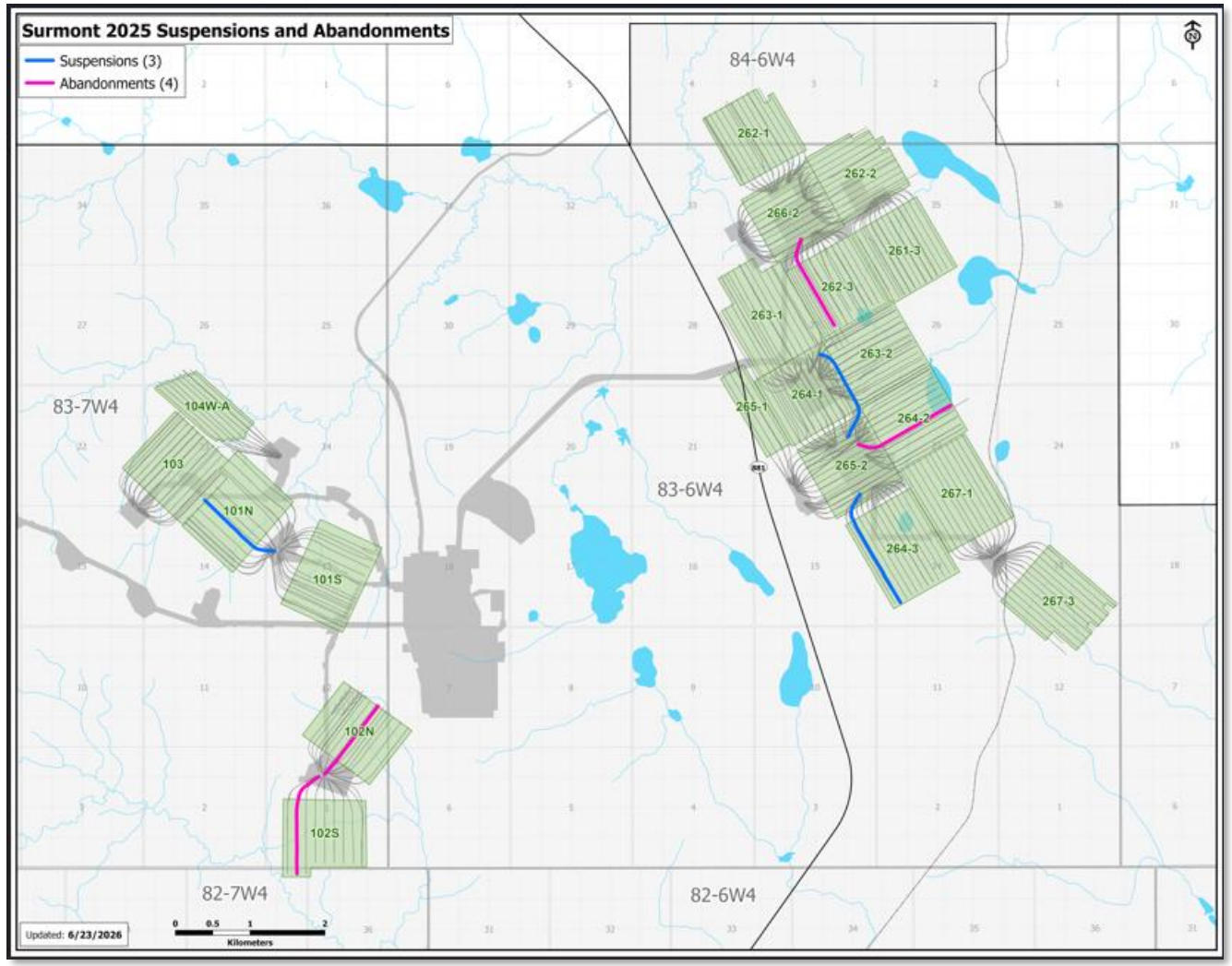


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Historical & Upcoming Activity

Directive 054: Section 4.4

Suspension & Abandonment Activity



Surmont: 2025 Abandoned Wells

Well	Comments
264-2-P07	Abandoned for redrill
102-P05	Abandoned for redrill
102-P17	Abandoned – Liner failure
262-3-P09	Abandoned for redrill

Surmont: 2025 Suspended Wells

Well	Comments
264-3 P10	Suspended low risk, abandoned zone
264-1 I11	Suspended low risk
101-P03	Suspended low risk, abandoned zone

- No pads in place for full scale suspension/abandonment
- No impact to remaining reserves

Regulatory Approvals: 2025 Reporting

Application No./Date	Description	Approval Date/No.
1956484 **January 15, 2025**	Category 2 amendment application to temporarily allow for steam bottom hole pressure measurement instead of blanket gas.	March 25, 2025 9426FFF
4101-0048263-01-00 07 **February 19, 2025**	Letter of Authorization request seeking a waiver of Surmont's Woodland Caribou Mitigation Plan and Monitoring Program proposal, as Surmont's Wildlife Mitigation and Monitoring Plan (WMMP) already contains mitigation and monitoring measures for the small portion of Pad 107 located within a Designated Caribou Zone.	April 30, 2025 48263-01-01, as amended
48263-013 **March 12, 2025**	EPEA renewal application for Surmont's continued operation.	December 16, 2025 48263-02-00
1957355 **March 24, 2025**	Category 2 amendment to correct CBR-1 & CBR-2 drainage area names described in Application No. 1953722 and Condition 27 of Approval No. 9426EEE. Where CBR-1 is changed to 109W and CBR-2 is changed to 108W. Any future amendments to drainage area names will be addressed in the annual Directive 054 and OSCA report as a lifecycle activity.	April 9, 2025 9426GGG
1957673 **April 28, 2025**	Category 2 amendment to correct an incorrect UWI in the approval condition related to a 104W-B observation well. The approval noted well 1AA/13-24-083-08W4, which needed to be corrected to 100/13-24-083-08W4.	June 13, 2025 9426HHH
4101-0048263-02-202 **May 15, 2025**	Letter of Authorization request to add a pilot emissions source (a mobile thermal oxidizer) at Surmont as a potential solution during tank maintenance.	May 23, 2025 48263-01-01, as amended
4101-0048263-02-202 **June 6, 2025**	Letter of Authorization updated by the AER to remove administrative errors.	June 6, 2025 48263-01-01, as amended

Regulatory Approvals: 2025 Reporting

Application No./Date	Description	Approval Date/No.
4101-0048263-01-0007 August 26, 2025	Letter of Authorization requested to commence commercial activities in a Designated Caribou Zone for a small portion Pad 109.	August 28, 2025 48263-01-01, as amended
1959738 November 18, 2025	Category 2 amendment to amend condition 26b) to only apply to the P05, P06 , and P07 piezometers in the 263-1-P05-OBG observation well to reduce nuisance notifications.	December 24, 2025 9426III

- **No activities occurred that could materially affect scheme performance or energy or material balances**

Lessons Learned

- Seismic Discontinuities Evaluation
  - Drilled and cored well 1AB/11-29-083-07W4/00 to evaluate a seismic discontinuity. After reviewing the well data in conjunction with the available seismic data, it was determined that the source of the discontinuity was associated with noise, from near-surface effects, rather than a geomechanical anomaly.

Successes

- Seeing significant gains in ESP run time performance (MTTF) compared to 2024
- Continued to execute a successful brownfield redevelopment program consisting of various well types (replacements, up-hole well pairs, cellars, infills)
- Good results mitigating NCG breakthrough and gas recycle using ESP shrouds



Technical Innovations

- Continued to advance Flow Control Device (FCD) expertise through piloting of new FCD designs

Compliance History: Incidents, Contraventions & Self-Disclosures

Compliance Item	Reference Number	Date	Detail	Action
Liquid Waste Release	EDGE 0436959	Jan 20, 2025	Release of 0.5 m^3 from a used oil tote following a puncture from the fork of the forklift while removing the tote from the waste management yard.	The spill was isolated in snow on a frozen pad; the snow was scraped up and disposed of with no potential impact.
Boiler Feedwater Release	EDGE 0438292	Mar 03, 2025	Release of 4 m^3 from a 400-barrel tank due to a valve being left open after offloading and disconnecting the hose.	The spill was isolated in snow on a frozen road; the snow and ice were scraped up and disposed of with no impact.
PLA Approval Contravention	EDGE 0442201	Mar 06, 2025	Trespass off of the approved right-of-way and unauthorized road use during non-frozen/dry conditions.	Developed and implemented an Access Management Plan.
EPEA Approval Contravention	EDGE 0438812	Mar 20, 2025	Commenced construction of a pad without receiving a letter of authorization (LOA) to proceed without a Caribou Plan.	LOA was requested and approved by the AER.
Monthly Overall Vent Gas Exceedance	VSD 130	Mar 25, 2025	Surmont facility exceeded the monthly overall vent gas (OVG) limit during the month of February with a cumulative monthly OVG of 19,313 m^3. However, the monthly mass methane for the Surmont facility was 6,115 kg, which is below the monthly methane limit, per *Directive 060* requirements. The cause of the exceedance was due to a frozen pressure transmitter delivered a false low reading, causing excess blanket gas to enter the tank overpowering the VRU system's ability to recover all tank vapours.	Since the OVG volumetric exceedance is related to an unexpected non-routine situation and did not trigger a methane exceedance, no specific corrective action will be taken at this time. Repeated occurrences that trigger methane exceedances would be appropriately actioned.
Oil Release	EDGE 0438917	Mar 25, 2025	Release of 4.5 m^3 of oil from the Surmont 1 800 sales building due to a pump mechanical seal failure.	The spill occurred on frozen ground and was cleaned up in frozen conditions. The pump was cleaned, purged, and the seal was replaced.

Compliance History: Incidents, Contraventions & Self-Disclosures

Compliance Item	Reference Number	Date	Detail	Action
EPEA Approval Contravention	EDGE 0438968	Mar 26, 2025	CEMS availability less than 90% for NOx equipment for Station ID 26135, 26136 & 26138.	Station ID 26135 had multiple NOx analyzer failures in the month. Station ID 26136 & 26138 failed CGA on first run. Replacement of spectrometer was completed for Station ID 26135. Coefficient adjustments were completed after the failed CGA for Station ID 26136 & 26138. Another CGA was performed February 19 & 20 and passed.
EPEA Approval Contravention	EDGE 0440119	Apr 09, 2025	CEMS availability less than 90% for NOx equipment for Station ID 26138.	Station ID 26138 failed RATA on first run. A second RATA was performed April 15 and passed
Condensate Release	EDGE 0441845	Jun 12, 2025	Release of 0.001 of steam condensate from a leak coming from a 3" valve on a pipeline.	A small drip was contained in a drip tray until the leak was exposed and a whisp of steam went to atmosphere.
Monthly Overall Vent Gas Exceedance	VSD 201	Jul 10, 2025	Surmont facility exceeded the monthly overall vent gas (OVG) limit during the month of June with a cumulative monthly OVG of 31,715 m^3. However, the monthly mass methane for the Surmont facility was 6,276 kg, which is below the monthly methane limit, per *Directive 060* requirements. Prior to planned tank cleaning, a temporary thermal oxidizer was trialed to support the purging process; some residual venting to atmosphere was required while operational procedures were established and prior to tank entry by personnel.	Since the OVG volumetric exceedance is related to a non-routine situation, and did not trigger a methane exceedance, no specific corrective action is being taken. However, ConocoPhillips will continue to trial vent mitigating equipment during tank purging activities, which have a probability of creating a monthly methane exceedance.
Directive 051 Classification	VSD 204	Jul 14, 2025	Incorrect injection well classification as per Directive 051 for NCG co-injection in 13 wells. Wells were approved as Class IV and should be Class III and IV.	Application was submitted and approved to reclassify the wells to Class III and IV.
Directive 051 Approval	VSD 206	Sep 25, 2025	Failure to obtain Directive 051 approval for well pairs 263-1-I05 and 263-1-P05.	Application was submitted and approved for the appropriate D051 approval.

Compliance History: Incidents, Contraventions & Self-Disclosures

Compliance Item	Reference Number	Date	Detail	Action
Pipeline Strike/Hit	EDGE 0444194	Aug 15, 2025	While conducting daylight activities for pipeline maintenance, a rock was being lifted out of the hole and fell, sliding down the sidewall, and striking the yellow jacket of a natural gas pipeline. No release occurred.	In coordination with the AER, an investigation was conducted to prevent similar event in the future.
EPEA Approval Contravention	EDGE 0445910	Aug 31, 2025	CEMS availability less than 90% for NOx equipment for Station ID 26138	Firewall issues caused interruption between DCS and CEMS systems for Station ID 26138 between August 8 – 11. In the future, IT / Automation will monitor systems after any upgrades are completed so that we do not have the same amount of downtime.
Monthly Overall Vent Gas Exceedance	VSD 266	Oct 20, 2025	Surmont facility exceeded the monthly overall vent gas (OVG) limit during the month of September with a cumulative monthly OVG of 28,385 m^3. However, the monthly mass methane for the Surmont facility was 2,743 kg, which is below the monthly methane limit, per *Directive 060* requirements. Prior to planned tank cleaning, a temporary thermal oxidizer was used to support the purging process; methane levels were reduced to the target levels established during the June trial and then some residual venting to atmosphere was required prior to tank entry by personnel. The vented gas was primarily nitrogen by volume with only residual hydrocarbons.	The OVG volumetric exceedance is related to a non-routine situation and did not trigger a methane exceedance, no specific corrective action will be taken at this time. ConocoPhillips is continuing to scope out operational practices for the various equipment options to limit tank venting to atmosphere and will continue to trial and optimize operations of the various available equipment.
Sea-Can Fire	EDGE 0448590	Dec 15, 2025	The fire was caused by a heater that was mounted on the roof of the sea-can. The sea-can was spray foam insulated; however, it appears the foam was not fire retardant or was old and no longer fire retardant. The fire spread from the heater to the foam.	The Emergency Response Team responded to the fire with a fire truck. Fresh water was used to extinguish the flames and the fire was fully contained. To prevent a similar incident in the future, new sea-cans coming onsite will be inspected to ensure the spray foam insulation is fire retardant rated and heaters stationed in older sea cans will be inspected for cleanliness and deterioration.
EPEA Approval Contravention	EDGE 0448638	Dec 16, 2025	CEMS availability less than 90% for NOx equipment for Station ID 26135, 26136, 26137, 26138 and 28067.	CGA failure was due to a calibration drift since the previous performance test for Station ID 26135,26136, and 26138. NO2 values were erratic and reading higher than expected for Station ID 26137. CGA failed due to a clogged vent line for Station ID 28067. A calibration coefficient was adjusted and the following CGA passed for Station ID 26135, 26136, 26137, and 26138. The line was blown out for Station ID 28067 and the following CGA performed passed.

Future Plans: Next 12 Months

SURMONT PHASE 1

- Start-up Pad104W-B in mid 2026
- Pad 107 Drilling
- Pad 103 Outboard well pair

SURMONT PHASE 2

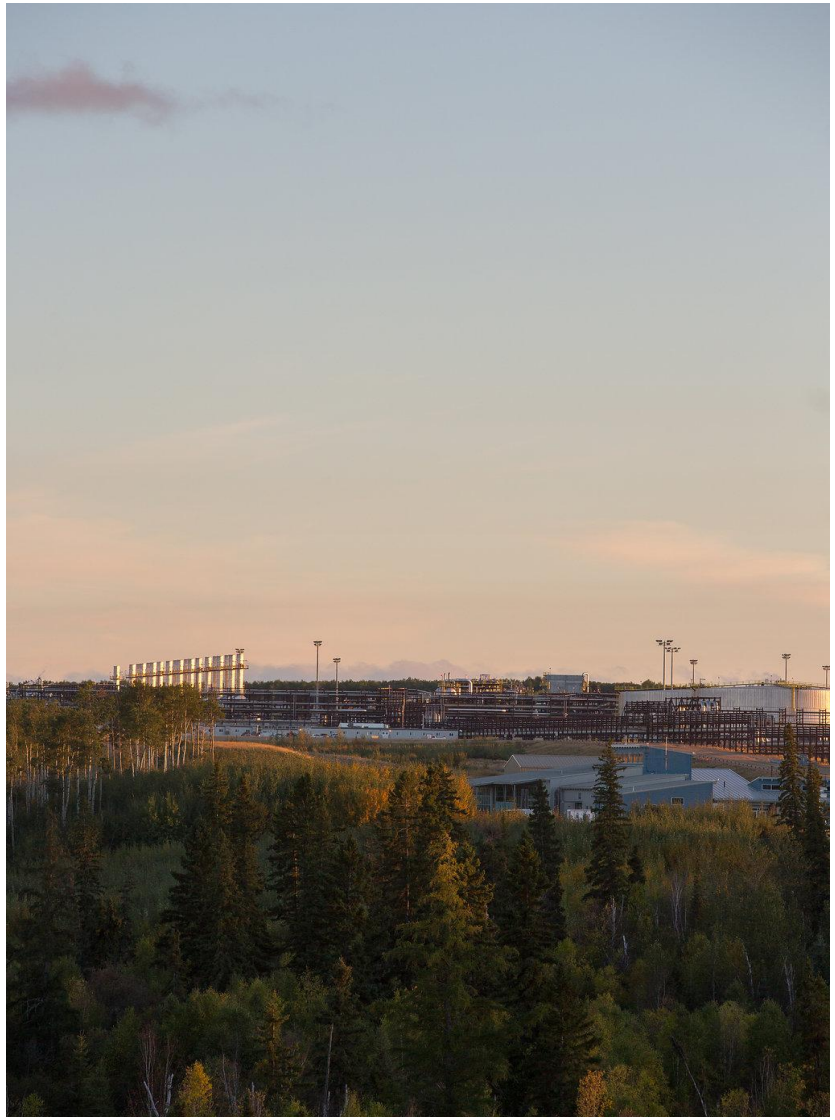
- Re-drill failed wells
- Infill and cellar well drilling
- Pad 266-2 outboard well pair
- Expand NCG co-injection to more drainage areas
- 102/04-21 water disposal well online
- CPF1 Interconnect



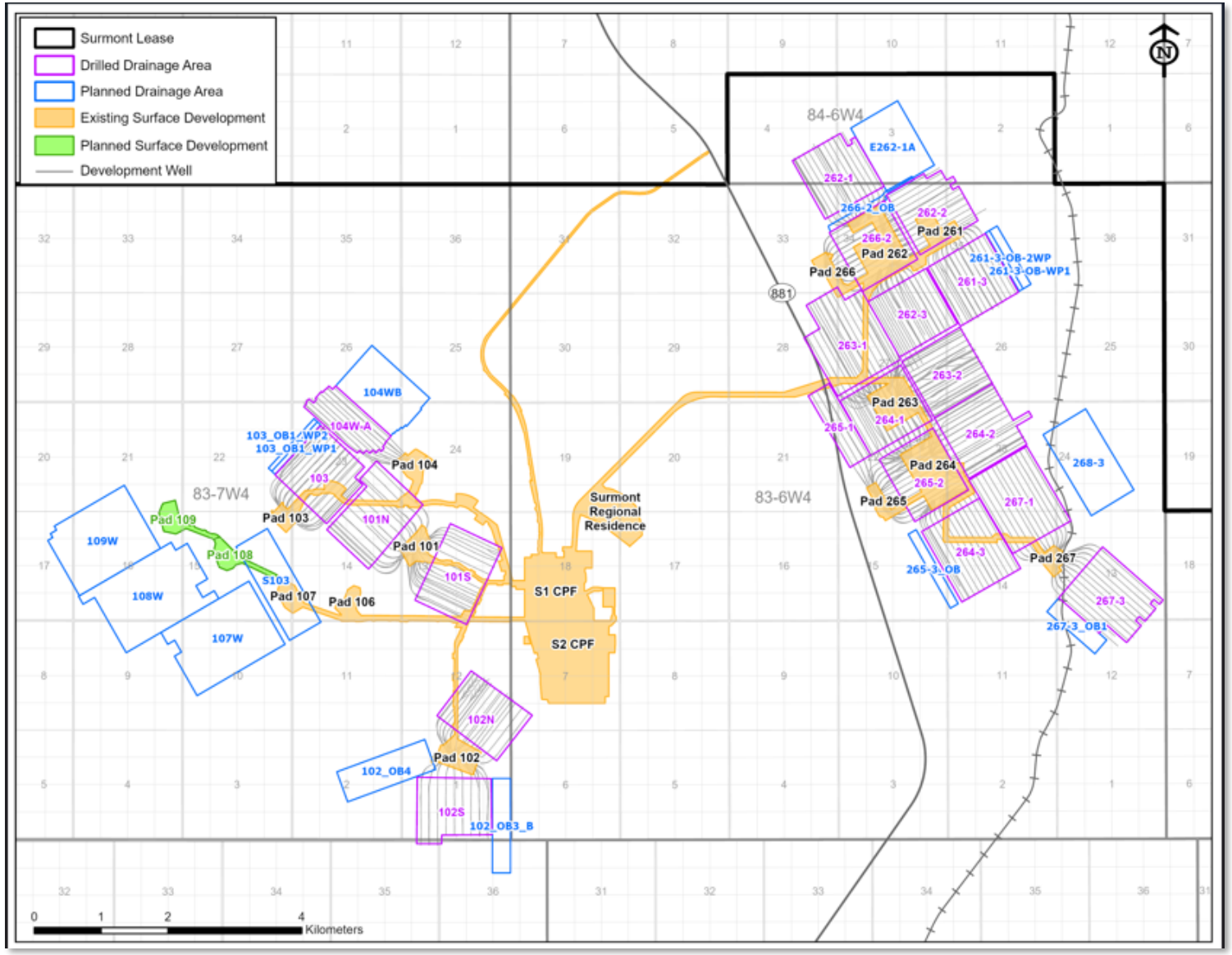
Future Plans: Next 12 Months

EXPECTED APPLICATIONS

- Category 2 amendment to temporarily increase the MOP for the twelve well pairs in DA 104W-B to a maximum of 4,350 kPa(g) for a duration not exceeding 48 hours. This temporary increase is required to facilitate effective unloading of wellbore fluids and enable the safe initiation of circulation.– ***OSCA Amendment***
- *Directive 065* application to amend disposal scheme Approval No. 10044O to add a new disposal well in Q1 2027 – ***OGCA Amendment***



Future Plans: Five Year Development & Delineation Outlook



FUTURE PAD DEVELOPMENT OPTIONS

- Drainage areas for development:
  - 104W-B, 107W, E262-1, 268-3, 109W, S103, 102OB4

DELINEATION & OBSERVATION WELLS

Year	Delineation Wells	Target Drainage Areas for Delineation
2026	11	108, 109, S103, E262-1A, 261-3 OB, 263-2, Future Development Areas
2027	12	E262-1, 268-3, Future Development Areas
2028-2030	12/year	Future Development Areas

SEISMIC

- 4D seismic monitors as required
- Potential 4D seismic baselines planned (~1 year pre-steam) for 108W, 109W and 268-3 in 2028 and 2029.

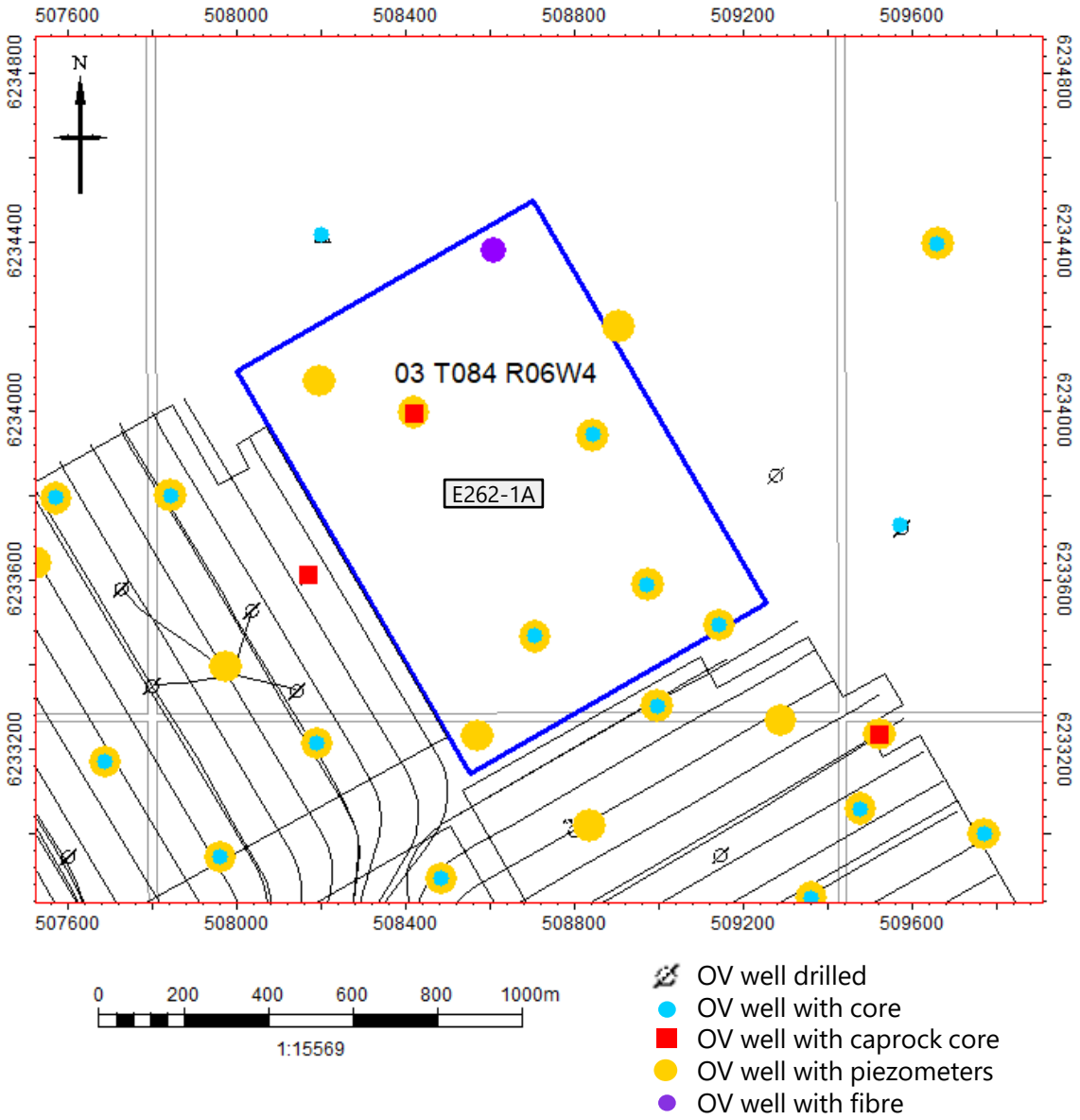
ConocoPhillips

Additional Information

OSCA Report: Table 1 (1)

Future Drainage Areas E262-1A & 107W

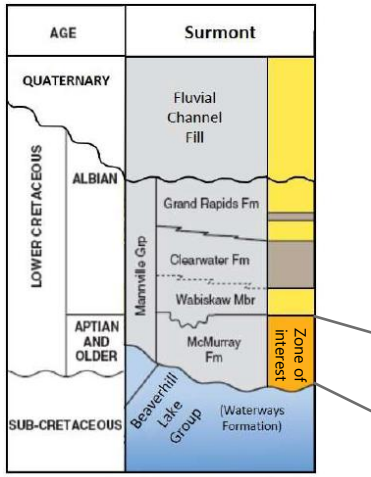
New Geological, Geomechanical & Reservoir Data



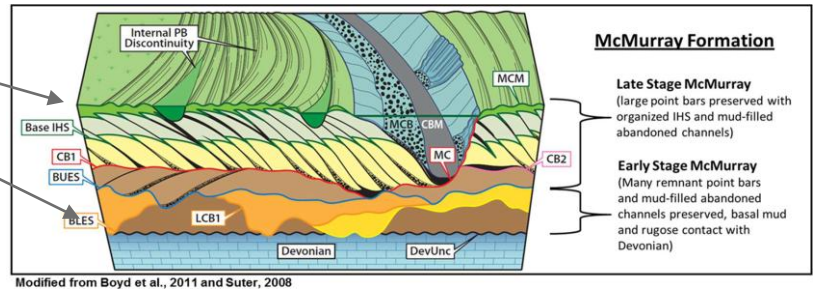
DA	Data Type	Current Data*	New Data Since 2023*	Comments
E262-1A	Oil Sands Evaluation (OV) wells	8	2	Vertical/deviated wells
	OV wells with standard log suite	8	2	GR, Res., Neut/Den, Sonic, PE
	OV wells with FMI	8	2	Formation micro image
	OV wells with core	5	1	McMurray Fm
	OV wells with caprock core	1	1	Clearwater/McMurray Fm
	OV wells with piezometers	7	2	Pressure measurements
	OV wells with fibre	1	1	Temperature Monitoring
	3D seismic	yes	no	3D Surveys cover most of Surmont lease
	4D seismic baseline	yes	no	4D baseline shot in 2015

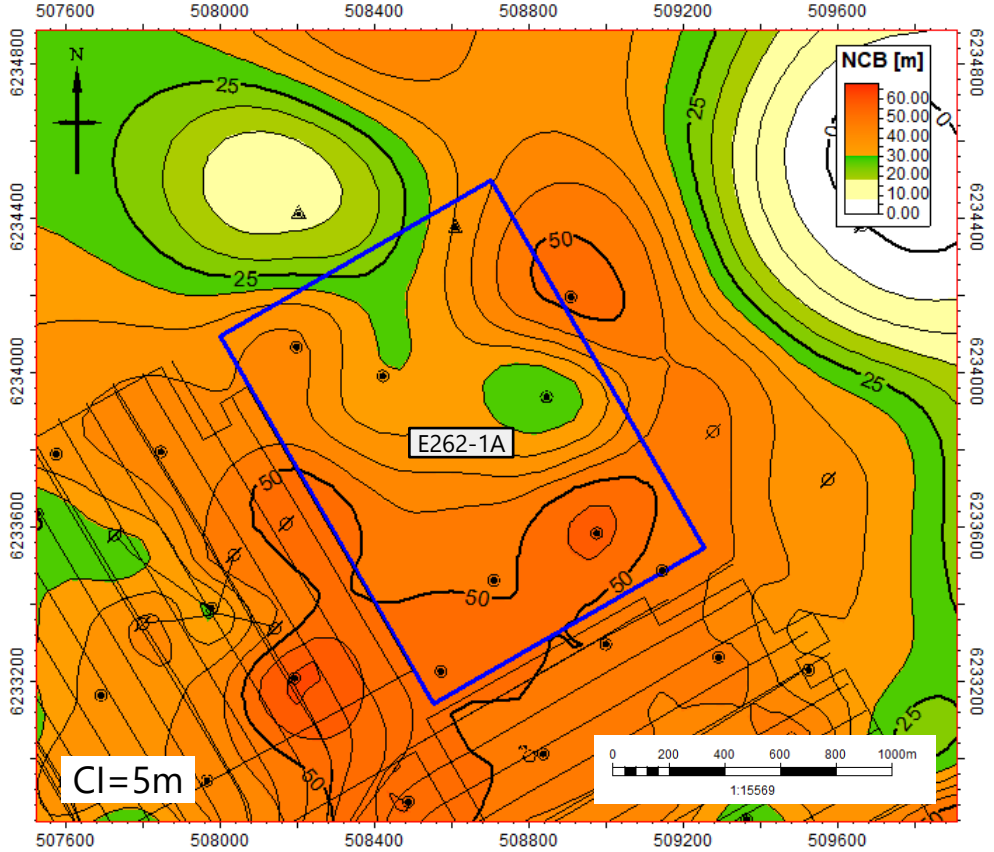
*New data acquired since the 2023 lifecycle Application No. 1942644; current data is cumulative and inclusive of data acquired during the 2026 calendar year to date.

Zone of Interest



Zone of interest is the McMurray Formation, Cretaceous fluvio-deltaic, and estuarine coarse clastic sediments, overlying carbonate strata of the Devonian Beaverhill Lake Group.



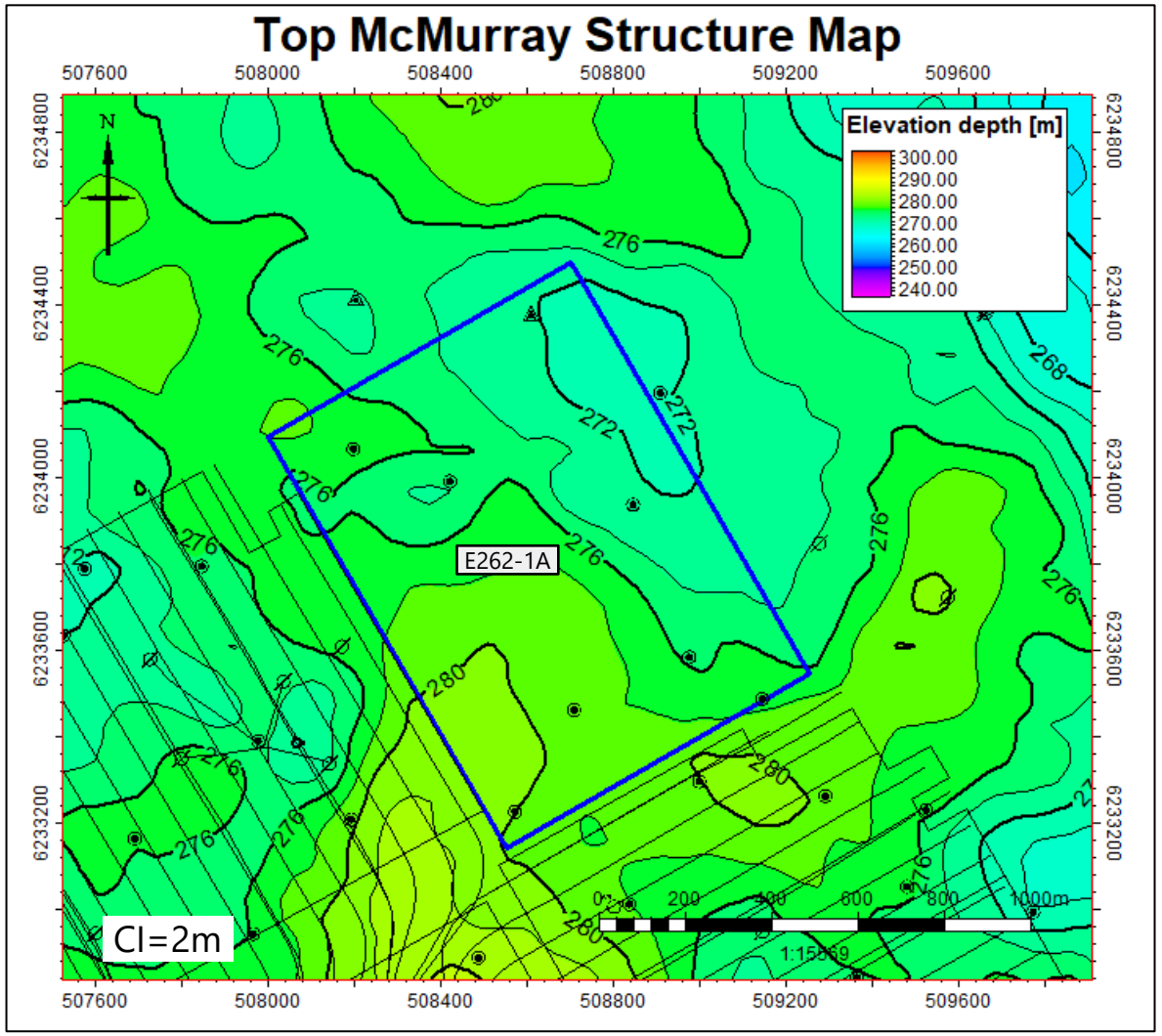


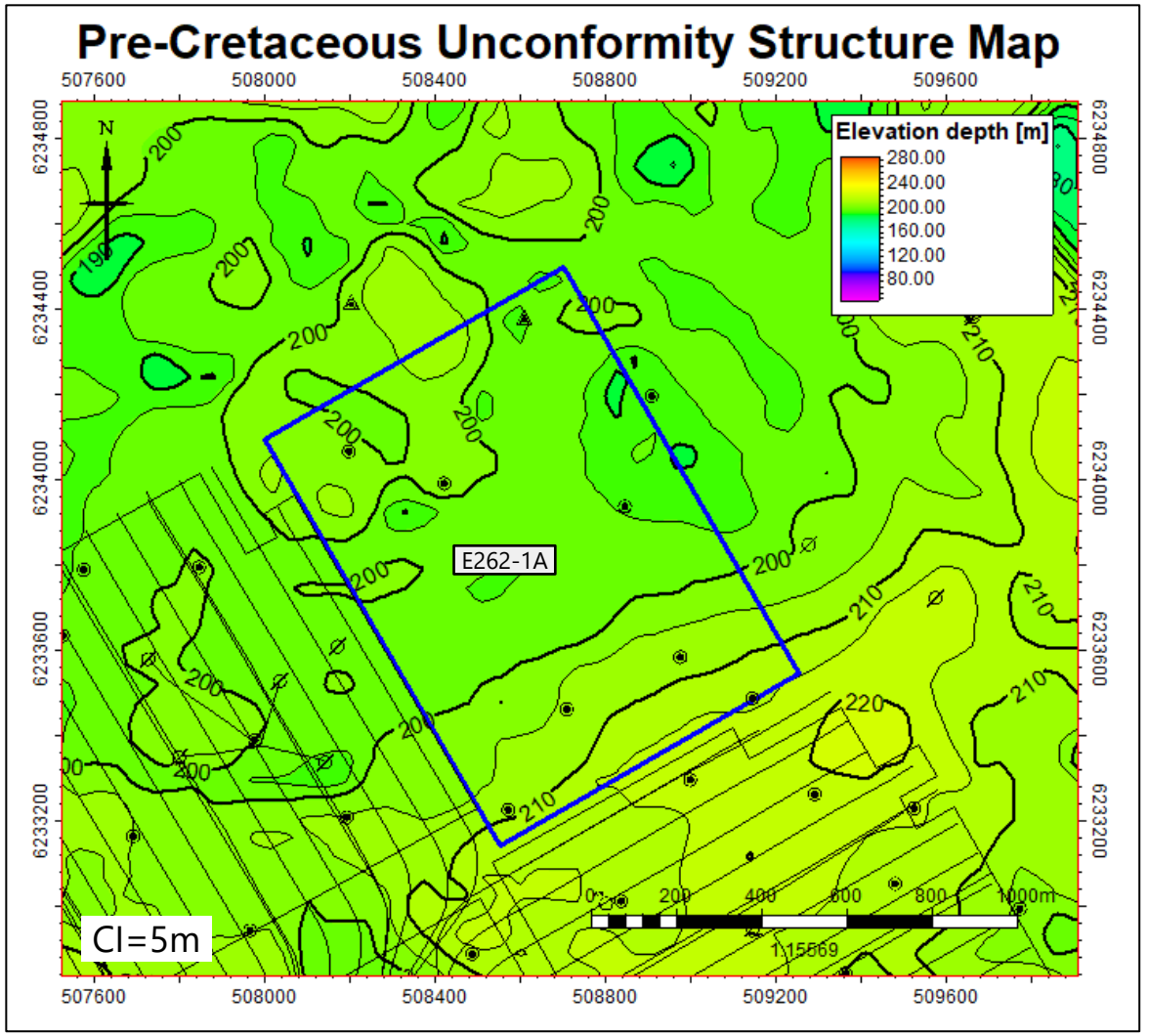
Net Continuous Bitumen Thickness (NCB)

Properties	E262-1A
NCB Thickness Range (m)	22.8m - 56.0m
NCB Thickness (mean)	41.7m
Phie in NCB	33.2%
So in NCB	78.9%
OBIP in NCB > 18m	61.2 MMbbls Deterministic

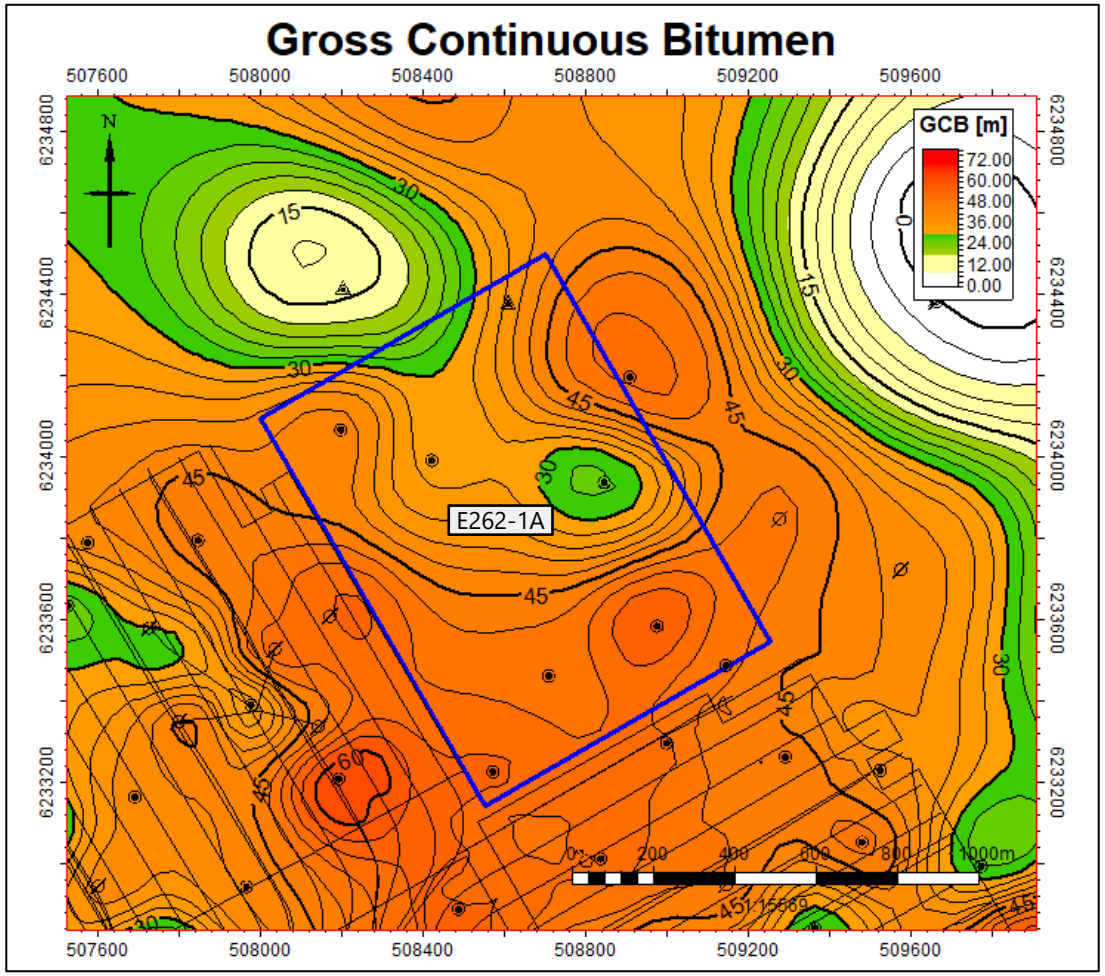
- Net Continuous Bitumen Thickness (NCB) = Sands Having:
  - Deep Resistivity >= 10
  - Ohm-m and Vsh < 33%
- OBIP = Thickness x Phie x So x Area

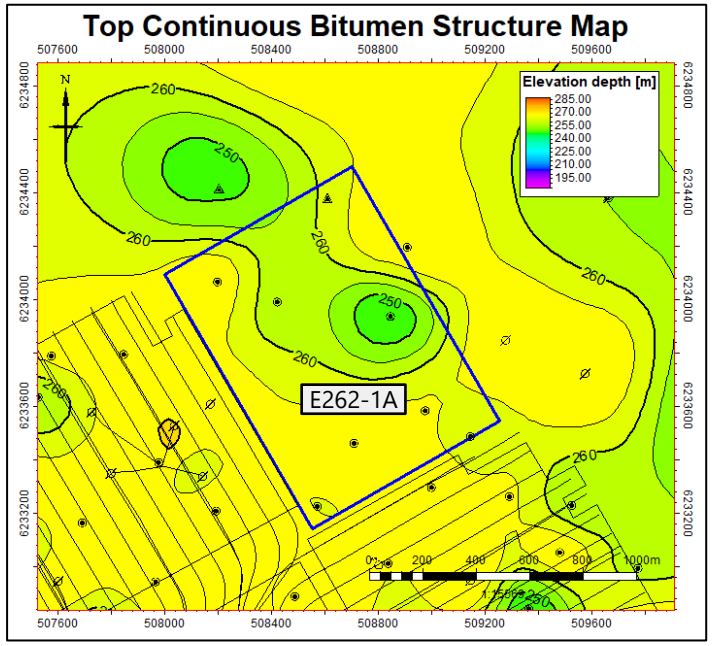
Zone of Interest

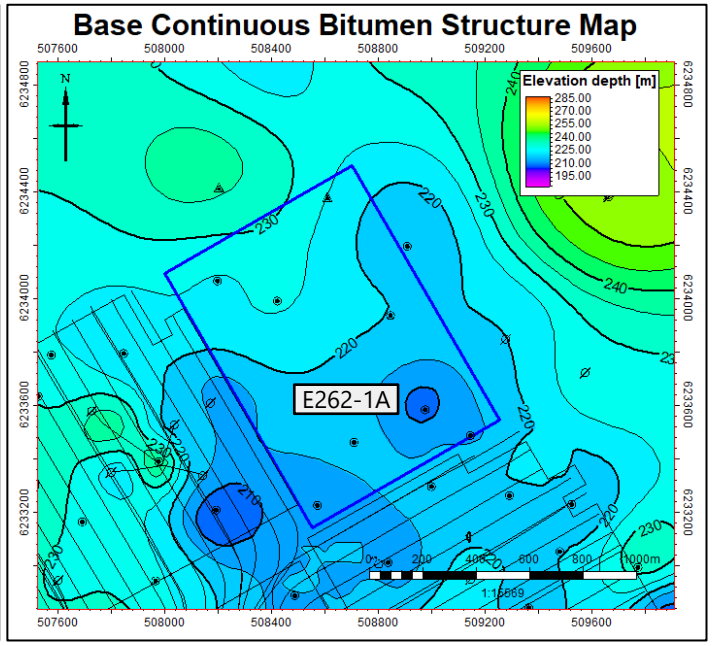




Zone of Interest



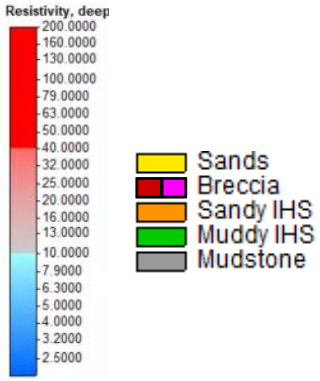




Gross Continuous Bitumen (GCB) is defined as the thickest bitumen-bearing sand (greater than 40 ohm.m), which is uninterrupted by a continuous shale (Vsh greater than 50%) greater than 3 m thick, bounded by the Top Continuous Bitumen (TCB), and the Base Continuous Bitumen (BCB).

Facies Relationships

Predominantly clean reservoir facies are present throughout the drainage area. Moderate SIHS/Breccia to the north and east – quality degrades off pad to the east.

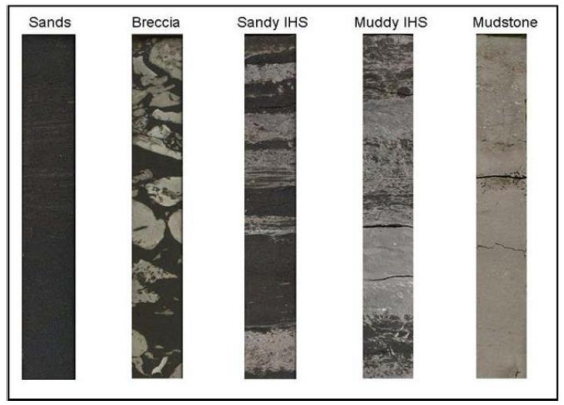


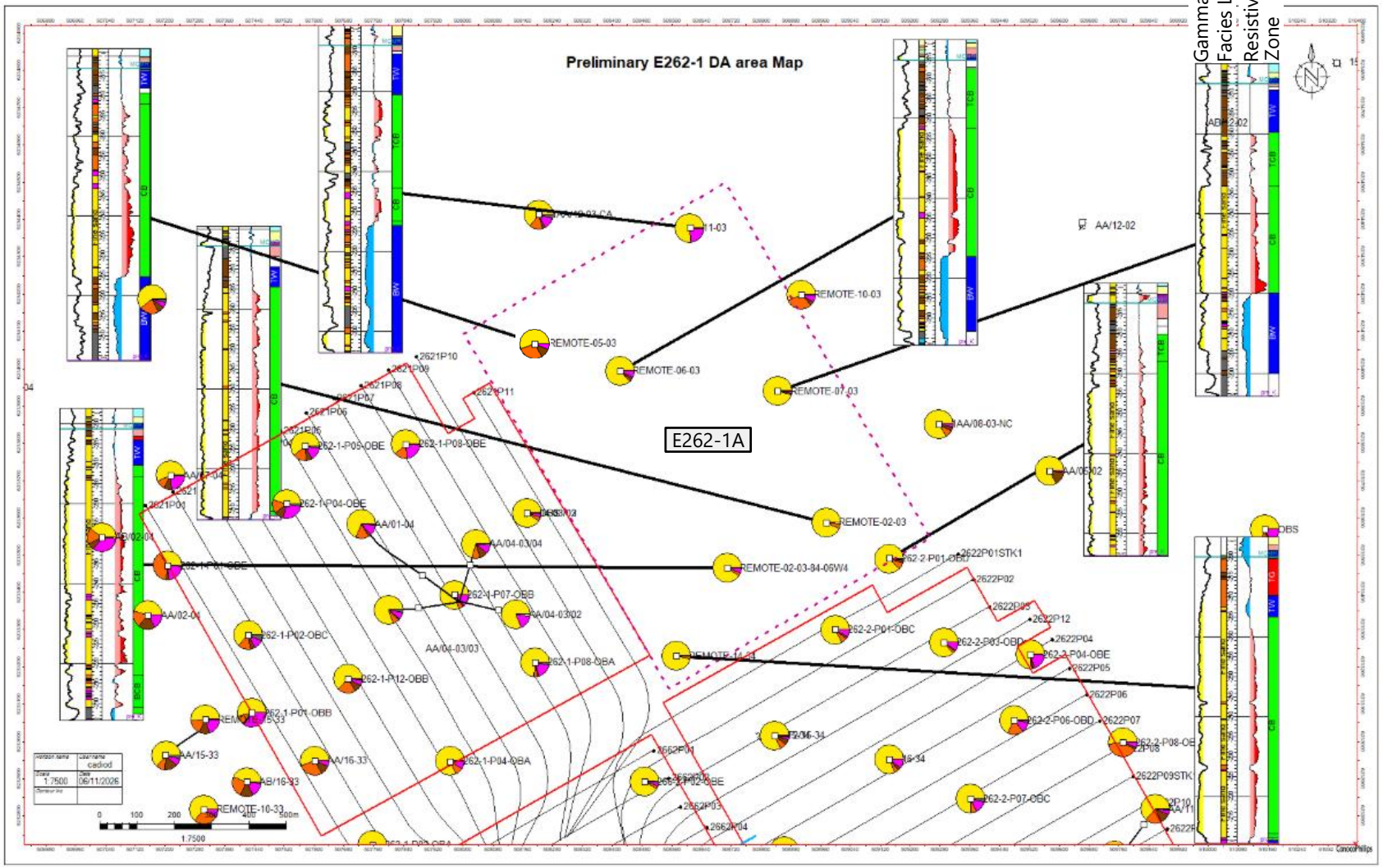
Interval:

Log : Producer level --> MCMR

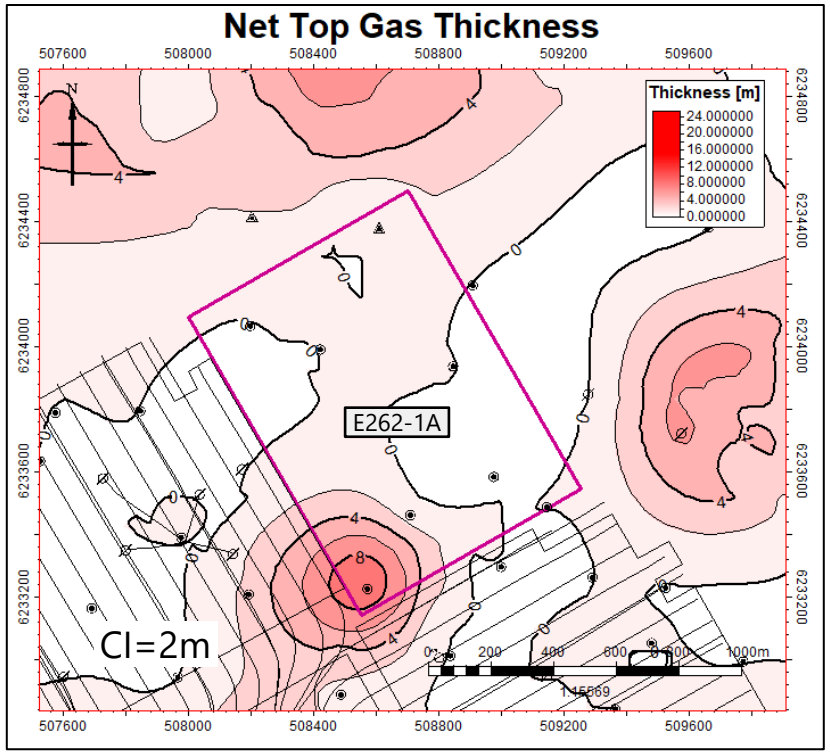
Pie : Producer --> TCB

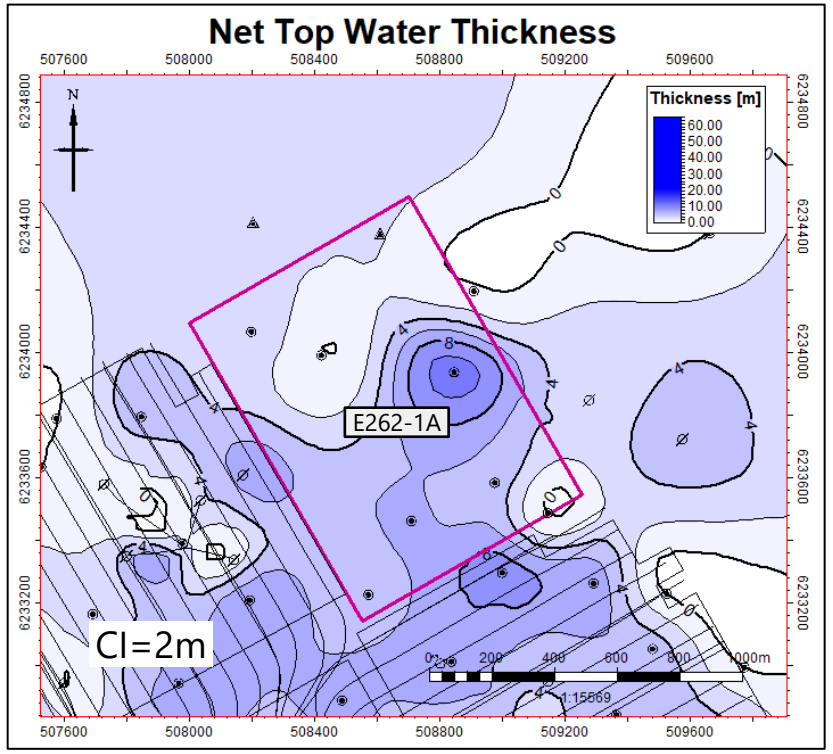
Surmont Facies:

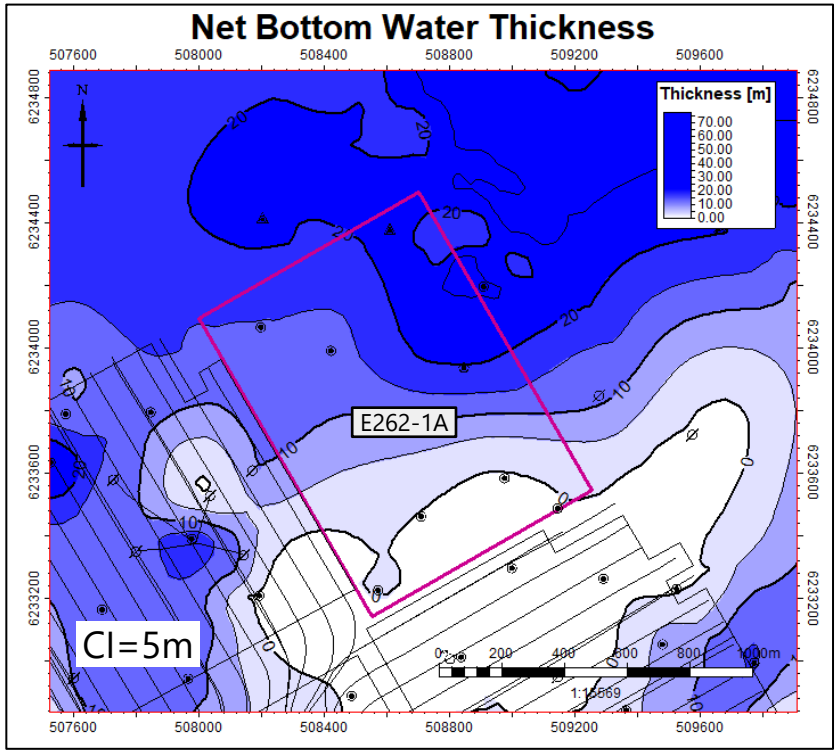




Fluid Interfaces: Thief Zones

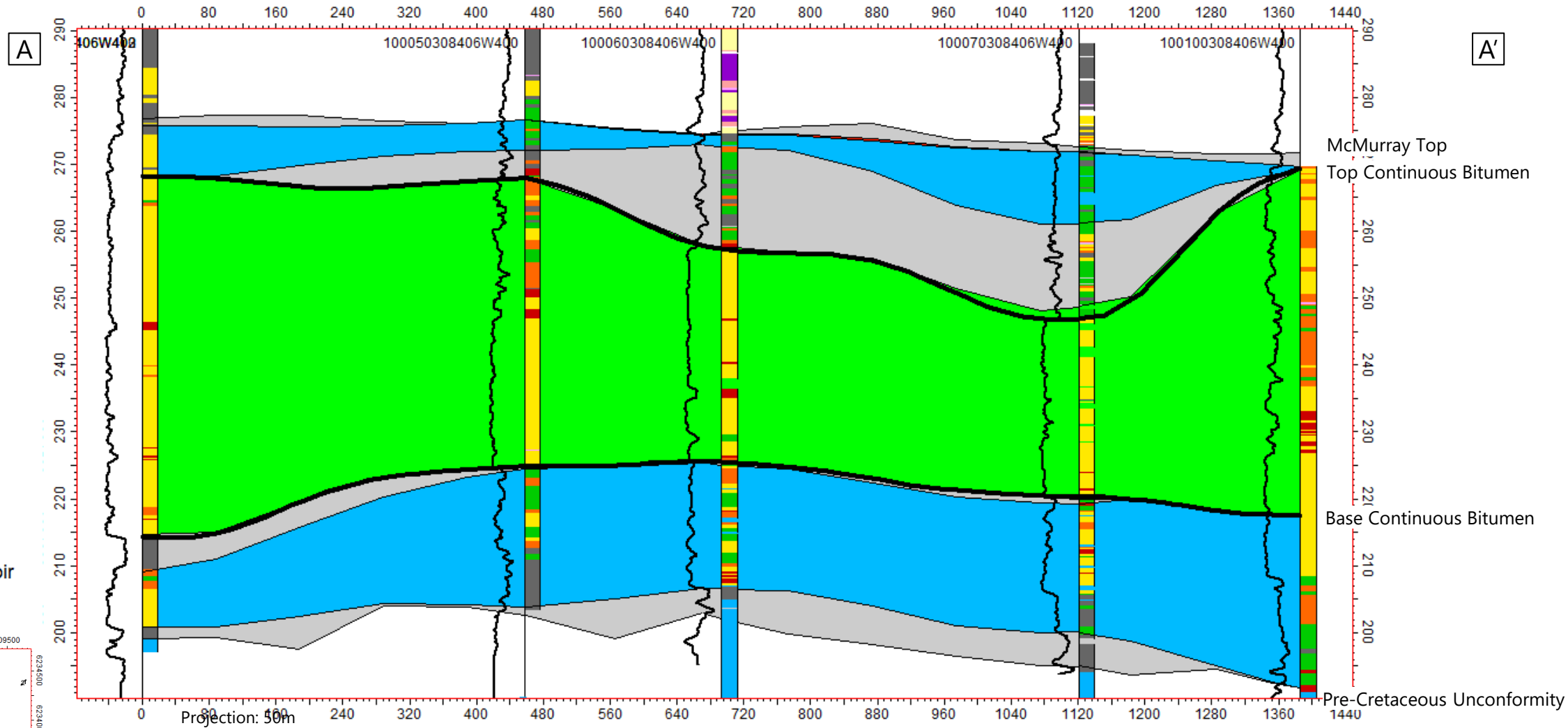




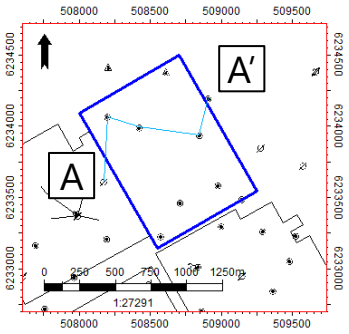


- There are thief zones present over the drainage area; however, they are well characterized and can be appropriately managed.
- Top gas is considered low risk due to its minimal thickness near the top of the reservoir and is contained within mud-dominant facies.
- Top water is present over the majority of pad, generally composed of non reservoir facies and separated from the top of the reservoir by shaley facies. The top water is interpreted to represent an extension of the larger S2 top water pool.
- Bottom water is a larger risk; present in a thick interval and connected to the regional saline aquifer to the north and east. This risk will be mitigated by horizontal well placement.

Fluid Interfaces

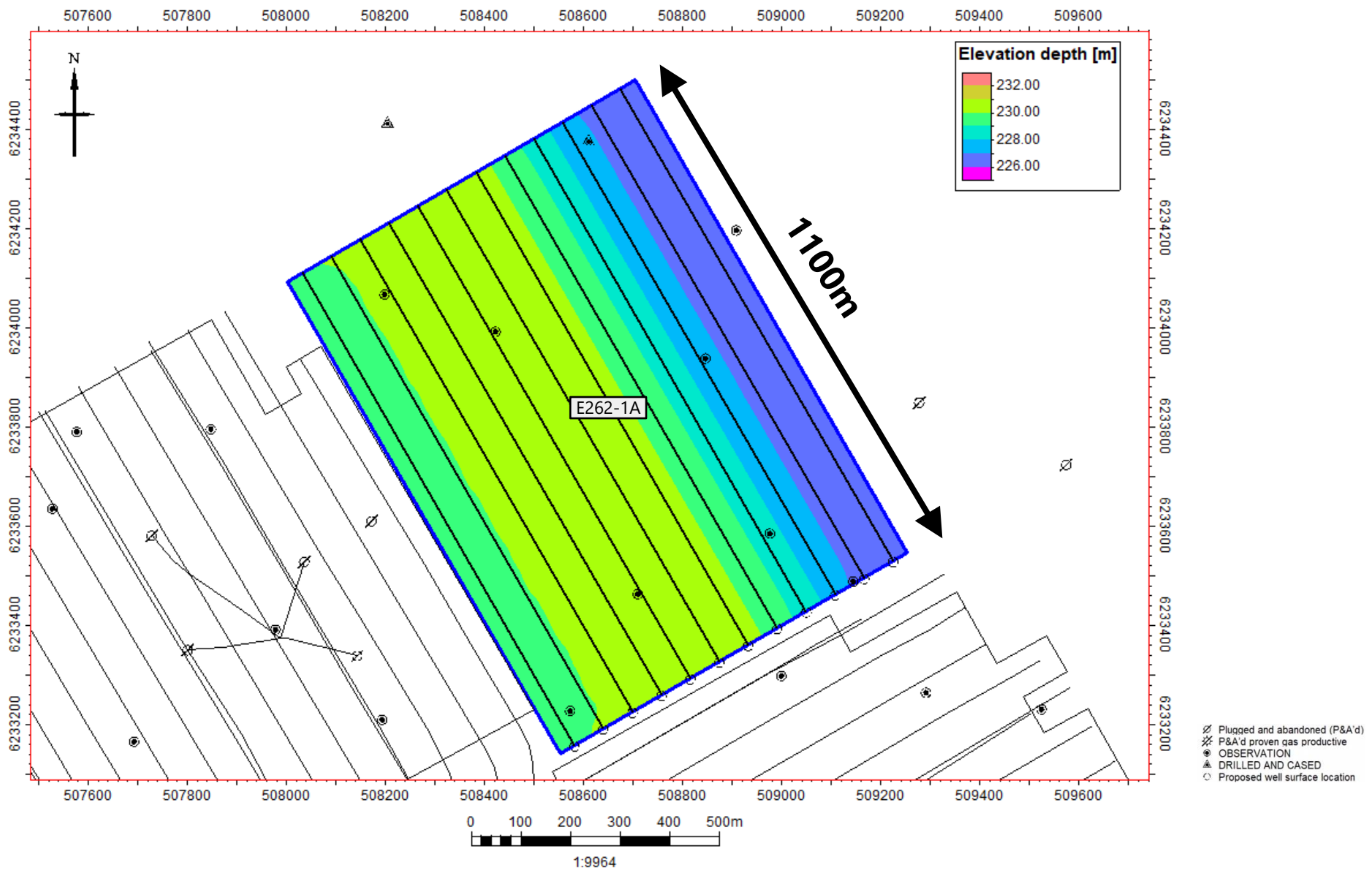


Top Gas
Top Water
Non Reservoir
Bitumen Reservoir
Non Reservoir
Bottom Water

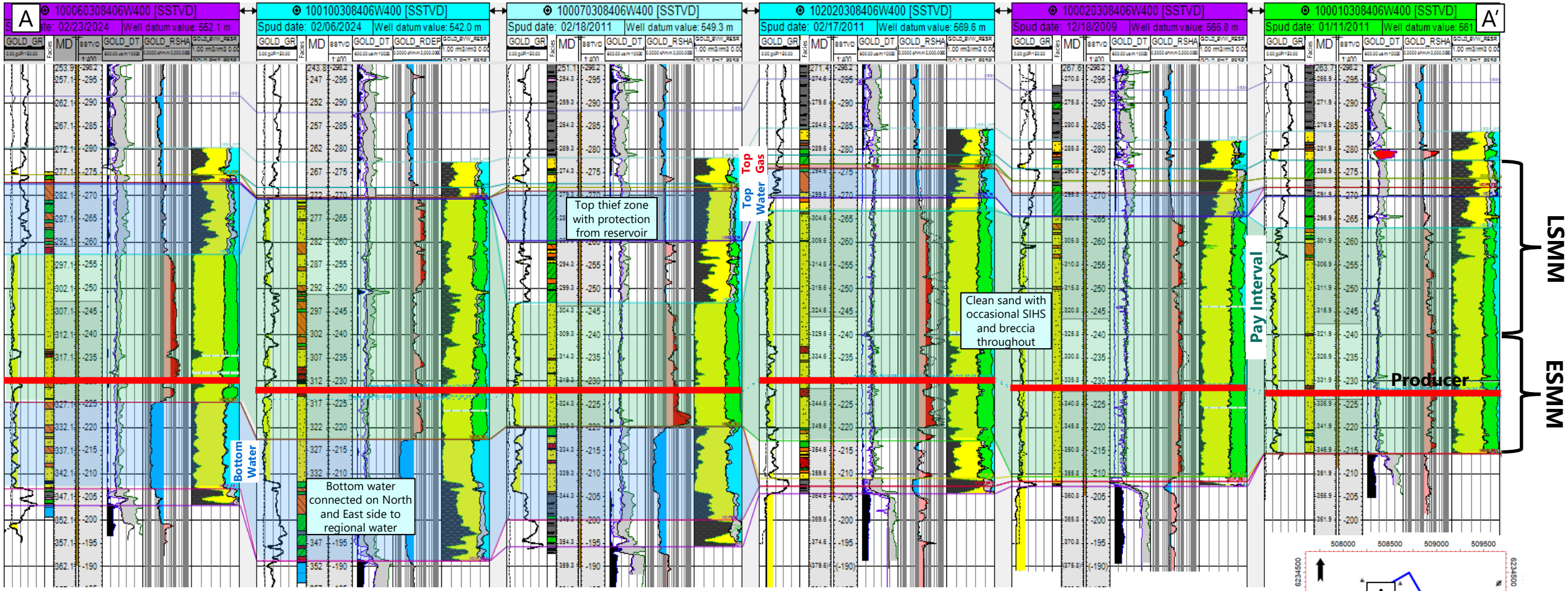


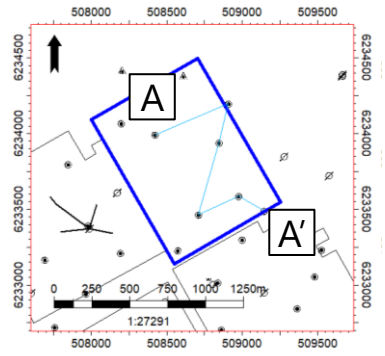
Well Pairs: Number, Lateral Spacing, Length and Trajectory, Elevations, & Drainage Pattern

- 12 well pairs per pad
- 1,100 m length
- Orientated SE-NW
- 67.5 m spacing



Representative Cross Section





- Representative section showing the variety of reservoir quality, thief zone, and thicknesses over the development area.
- Very good quality reservoir throughout, relatively thick sand and breccia/IHS packages. Reservoir quality starts to degrade to the east.
- Early-Stage McMurray (ESMM) is often contributing to stacked sand on sand packages.
- Thief zone exists of rarely top gas and top water over the drainage area, though generally with protection (muddy facies) from the reservoir
- Drainage area and well length placed to optimize reservoir quality and maximize bitumen recovery, avoiding bottom water that connects to an extensive regional aquifer

Significant Water Feature Assessment

- **Pad 107** and the current leading conceptual surface location for **E262-1** are anticipated to be in proximity to tributaries of **Meadow Creek**, an **Alberta Class C surface water feature**.
- No **Class A or B** waterbodies have been identified within the 1 km screening radius of the new development.

Planned Activities

- **Prior to the commencement of SAGD operations**, ConocoPhillips will conduct field verification (ground-truthing) of the identified water features to confirm whether surface connectivity to Meadow Creek exists.
- If warranted, ConocoPhillips will assess the presence and extent of permeable zones within the Quaternary sediments underlying the pad locations to support the development of appropriate monitoring requirements and operational monitoring plans.

