
ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta**STATOIL CANADA LTD.****APPLICATION FOR NEW CORNER COMMERCIAL SCHEME****AND AMENDMENT TO LEISMER COMMERCIAL SCHEME****ATHABASCA OIL SANDS AREA****Decision 2010-037****Application No. 1523635**

1 DECISION

The Energy Resources Conservation Board (ERCB/Board) has received confirmation of nonobjection from all intervening parties. Accordingly, the Board has cancelled the hearing scheduled to consider the subject application.

The Board notes that the application meets all ERCB requirements. The Board, therefore, is prepared to approve Application No. 1523635, subject to the approval of the Lieutenant Governor in Council, as required, and the conditions imposed by the Board in the amendment of Approval No. 10935E with respect to the Leismer Project and creation of Approval No. 11539 with respect to the Corner Project.

2 INTRODUCTION**2.1 Application**

On August 24, 2007, Statoil Canada Ltd. (SCL) applied to the ERCB, pursuant to Section 13 of the *Oil Sands Conservation Act (OSCA)*, for approval to expand its Leismer Project through increased production from 10 000 to 40 000 barrels per day (bbl/d) from its existing wells and the addition of a new central processing facility and 40 well pairs on eight well pads. SCL also applied, pursuant to Section 10 of the *OSCA*, for approval to construct and operate its proposed Corner Project (40 000 bbl/d), consisting of a central processing facility and 58 well pairs on 11 well pads. These projects are to be located about 30 kilometres (km) northwest of Conklin, Alberta, and 120 km north of Lac La Biche, Alberta.

SCL also prepared and submitted an environmental impact assessment (EIA) report as part of the subject application. The EIA addressed the proposed Kai Kos Dehseh Project, which includes the Leismer and Corner project areas and other areas outside the scope of the subject commercial scheme application. Future applications will address development in these other areas within the Kai Kos Dehseh Project.

SCL also filed the following applications with Alberta Environment (AENV):

- Application No. 001-241311, pursuant to the *Environmental Protection and Enhancement Act (EPEA)*, to construct, operate, and reclaim a portion of the proposed Kai Kos Dehseh Project.

- File No. 00239880, pursuant to Sections 37(1) and 50(1) of the *Water Act*, for the diversion and use of groundwater (2 503 900 cubic metres per year [m^3/yr] from the Grand Rapids Formation and 357 700 m^3/yr from the Clearwater A Formation) and for the diversion of plant site surface runoff for use as make-up water.

On October 8, 2009, AENV declared that the EIA report was complete, pursuant to Section 53 of the *EPEA*.

2.2 Interventions

Chipewyan Prairie Dene First Nation (CPDFN), Conklin Métis Local No. 193 (CML), and Perpetual Energy Operation Corporation (PEOC) objected to the application.

On October 9, 2009, SCL filed a letter with the ERCB requesting that a determination be made on its application. The Board viewed this letter as a request for the application to be set down for a hearing.

2.3 Hearing

The Board issued a Notice of Hearing on May 28, 2010, that set the commencement of the hearing for October 12, 2010. The Board issued Amended Notices of Hearing on June 16, 2010, and September 7, 2010, to extend the submission filing deadlines related to the hearing.

The public hearing was to be held in Calgary, Alberta before Board Members J. D. Dilay, P.Eng. (Presiding Member), and G. Eynon, P.Geol., and Acting Board Member R. J. Willard, P.Eng.

3 DISCUSSION

On July 13, 2010, the Board received a signed withdrawal of the CPDFN's objection. On July 20, 2010, the Board received a signed withdrawal of the CML's objection. On September 17, 2010, the Board received a signed withdrawal of objection from PEOC.

Accordingly, the Board cancelled the public hearing and issued a Notice of Cancellation of Hearing on September 24, 2010.

Dated in Calgary, Alberta, on November 30, 2010.

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

J. D. Dilay, P.Eng.
Presiding Member