



Osum Oil Sands Corp.

Application for a Commercial Crude Bitumen Recovery
Scheme Approval
Cold Lake Oil Sands Area

September 11, 2012

ENERGY RESOURCES CONSERVATION BOARD

Decision 2012 ABERCB 011: Osum Oil Sands Corp., Application for a
Commercial Crude Bitumen Recovery Scheme Approval, Cold Lake Oil Sands
Area

September 11, 2012

Published by

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ENERGY RESOURCES CONSERVATION BOARD

Calgary Alberta

**OSUM OIL SANDS CORP.
APPLICATION FOR A COMMERCIAL
CRUDE BITUMEN RECOVERY
SCHEME APPROVAL
COLD LAKE OIL SANDS AREA**

**2012 ABERCB 011
Application No. 1636580**

DECISION

[1] Having carefully considered the application and the submissions from the parties to the proceeding, the Energy Resources Conservation Board (ERCB/Board) approves Application No. 1636580, subject to the required approval by the Lieutenant Governor in Council.

INTRODUCTION

Application

[2] Osum Oil Sands Corp. (Osum) applied, pursuant to Section 10 of the *Oil Sands Conservation Act (OSCA)*, for approval to construct and operate a commercial crude bitumen recovery scheme using steam-assisted gravity drainage (SAGD) and cyclic steam stimulation (CSS) recovery processes. The project, referred to as the Taiga Project, would recover bitumen at a rate of up to 5565 cubic metres per day (35 000 barrels per day).

[3] The Taiga Project would be located in Townships 65 and 66, Ranges 1 and 2, West of the 4th Meridian, about 25 kilometres north of Cold Lake, Alberta, within the Municipal District of Bonnyville.

Background

[4] The application was registered with the ERCB on January 4, 2010. ERCB staff reviewed the application and issued supplemental information requests to Osum on July 23 and December 20, 2010.

[5] Osum responded to the supplemental information requests and made corrections and additions to the application on September 24, November 12, and December 3, 2010; and January 11, March 2, August 12, November 18, and December 7, 2011.

Interventions

[6] The ERCB received an objection to the application from Cold Lake First Nations (CLFN). The Board determined that the CLFN met the test set out in Section 26(2) of the *Energy Resources Conservation Act (ERCA)* and so a hearing was scheduled.

[7] Objections to the application were also filed by Sherry Hennessey, North Bay Holdings Ltd., Blaine Martin, Marsha Hayward, Marie Lake Air & Watershed Society, and Onion Lake Cree Nation. The Board determined that none of these parties met the test set out in Section

26(2) of the *ERCA*. However, the Board afforded discretionary participant status to Ms. Hennessey, North Bay Holdings Ltd., Mr. Martin, and Ms. Hayward. The Marie Lake Air & Watershed Society and Onion Lake Cree Nation were denied participant status.

Hearing

[8] The Board panel assigned to the proceeding and ERCB staff visited the site of the proposed Taiga Project and surrounding area on June 14, 2012.

[9] The Board held a public hearing in Cold Lake, Alberta, before Board Members T. L. Watson, P.Eng. (Presiding Member), B. T. McManus, Q.C., and A. H. Bolton, P.Geo.

[10] On July 18, 2012, before the start of the hearing, the Board received a letter from Chief Cecil Janvier withdrawing the CLFN's objection to the application. During the hearing counsel for the CLFN and Osum stated they had no additional matters to bring to the panel. As no other parties met the test set out in Section 26(2) of the *ERCA*, the panel closed the hearing.

CONCLUSION

[11] The Board accepts the withdrawal of objection by the CLFN, the sole intervener who met Section 26(2) of the *ERCA*, and hereby approves Application No. 1636580, subject to the Lieutenant Governor in Council's approval.

Dated in Calgary, Alberta, on September 11, 2012.

ENERGY RESOURCES CONSERVATION BOARD

<original signed by>

T. L. Watson, P.Eng.
Presiding Member

<original signed by>

B. T. McManus, Q.C.
Board Member

<original signed by>

A. H. Bolton, P.Geo.
Board Member