

2018 ABAER 009

Imperial Oil Resources Limited Aspen Project

Applications *OGCR* 1882385; *OSCA* 1782988; *EPEA* 001-00336673; *Water Act* 001-00346324, 001-00346325, 001-00386625, 001-00386341, and 001-00386342; and *Public Lands Act* MSL160538, LOC160590, MSL170186, LOC170248, MSL170187, and LOC170249

Decision

[1] The Alberta Energy Regulator (AER) has determined that a hearing of the applications is no longer required and directs authorized staff to disposition applications *OGCR* 1882385; *OSCA* 1782988; *EPEA* 001-00336673; *Water Act* 001-00346324, 001-00346325, 001-00386625, 001-00386341, and 001-00386342, and *Public Lands Act* MSL160538, LOC160590, MSL170186, LOC170248, MSL170187, and LOC170249.

Applications

[2] Imperial Oil Resources Limited (Imperial) applied to the AER under the *Oil Sands Conservation Act (OSCA)*, *Oil and Gas Conservation Rules (OGCR)*, *Environmental Protection and Enhancement Act (EPEA)*, and *Public Lands Act* to construct, operate, and reclaim the Aspen Project. Imperial has also applied under the *Water Act* to divert water for the project. The project would use solvent-assisted steam-assisted gravity drainage to produce bitumen from the McMurray Formation. The complete project, which would be developed in two phases, would include central steam generation and bitumen processing facilities connected to 50 well pads with 370 well pairs. At peak production, about 25 570 cubic metres per day (162 000 barrels per day) of bitumen would be produced. At this time, water diverted for the project for domestic and commercial use would come from three unnamed surface water bodies (up to 40 000 cubic metres per year m³/yr), three groundwater wells (up to 1 358 530 m³/yr), and seven borrow pits (up to 70 000 m³/yr). The project would be located in Townships 93 and 94, Ranges 6 and 7, West of the 4th Meridian, about 45 kilometres (km) northeast of Fort McMurray and 20 km east of the hamlet of Fort McKay.

Discussion

[3] In December 2013, Imperial began filing applications for the approvals required for its proposed Aspen in situ oil sands project. On April 25, 2016, Imperial Oil's environmental impact assessment in support of its *EPEA* application was determined to be complete. On January 19, 2018, the Aboriginal

Consultation Office issued consultation adequacy reports for the applications. Eight indigenous communities and one government entity filed statements of concern about several of the applications.

[4] In May 2018, the applications were referred to hearing commissioners for hearing. On July 27, 2018, and July 30, 2018, the AER issued a notice of hearing and an amended notice of hearing of the applications. Only one of the original statements of concern filers, Fort McKay First Nation, filed a request to participate in response to the notice of hearing. No other requests to participate were filed. After considering the request and Imperial's response, the hearing panel granted Fort McKay First Nation full participation rights in the hearing.

[5] At the time that Fort McKay First Nation filed their request to participate, Fort McKay First Nation and Imperial indicated that they were having ongoing discussions to resolve at least some of Fort McKay First Nation's concerns about the Aspen Project. They also indicated that they intended to continue discussions regarding outstanding concerns.

[6] On September 19, 2018, Fort McKay First Nation advised the AER that "Fort McKay First Nation's (Fort McKay) project-specific concerns with the Aspen Project will be addressed through Imperial Oil Resources Limited and Fort McKay's agreed upon ongoing engagement process. Accordingly, Fort McKay will no longer be participating in Proceeding No. 364."

[7] On receipt of Fort McKay First Nation's September 19, 2018, letter, the hearing panel considered whether it had all the information it required to decide whether to proceed to a public hearing or to direct authorized staff to disposition the applications. The panel decided it required more information from Imperial about two of its *Public Lands Act* applications and issued an information request to Imperial on September 25, 2018. Imperial responded on September 27, 2018. The panel then considered whether the applications had raised any issues that should be reviewed in a public proceeding even though there are no participants. The panel decided that the applications raised no issues that cannot adequately be addressed by staff relying on the relevant regulatory framework when they disposition the applications.

[8] Accordingly, a public hearing will not be held.

Dated in Calgary, Alberta, on October 1, 2018.

Alberta Energy Regulator

<original signed by>

C. Low

Presiding Hearing Commissioner