

News Release

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Canada

AER allows resumption of utility pipelines at Nexen Long Lake; 55 lines remain shut in

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For immediate release

Calgary, Alberta (September 6, 2015)... The AER has approved a partial resumption of pipeline operations related to utilities (fuel gas, natural gas and water) at Nexen Energy ULC's Long Lake oil sands operations.

Following AER inspections of the site, a review of documentation, and Nexen's subsequent actions the regulator is satisfied that the current operating conditions of the utility lines pose a low risk to public safety and environmental protection in order to lift the suspension imposed and as detailed in the [suspension order](#), with respect to the utility lines.

Nexen has demonstrated to the AER that these utility lines can be operated safely and within all regulatory requirements. In addition, Nexen is required to implement its action plan for improved operations including a rigorous inspection plan and daily and weekly inspections of the affected lines. Nexen is also required to provide the AER with regular updates on inspection results.

The suspension order was issued on August 28, 2015 after the AER received information that indicated noncompliance with the *Pipeline Act* and *Pipeline Rules* on multiple pipelines at the Long Lake facility. The AER immediately ordered the suspension of 15 licences at the facility.

The order, issued under Section 29 of the *Pipeline Act*, directed the company to:

- Immediately suspend 15 pipeline licences, which required shut in of 95 pipelines carrying natural gas, crude oil, salt water, fresh water, and emulsion, (a mixture of oil, gas, and produced water), and
- Provide sufficient documentation to assure the AER that all lines can be operated safely.

The remaining 55 pipelines affected by the order, which contain several products, including crude oil, natural gas, salt water, fresh water and emulsion, continue to be suspended. These pipelines, most of which involve production of oil sands, will not return to service until Nexen can demonstrate that the pipelines can be operated safely and within all requirements.

AER is reviewing the matter and will determine the level of enforcement action that Nexen may face once the investigation is complete. Enforcement can range from administrative penalties to prosecution depending on the outcome of the investigation. The investigation into the Nexen Long Lake pipeline failure is ongoing.

The Alberta Energy Regulator ensures the safe, efficient, orderly, and environmentally responsible development of hydrocarbon resources over their entire life cycle. This includes allocating and conserving water resources, managing public lands, and protecting the environment while providing economic benefits for all Albertans.

FOR BROADCAST USE

The Alberta Energy Regulator has approved a partial resumption of some utility pipelines at Nexen Energy's Long Lake oil sands operations after reviewing maintenance and monitoring documentation for 40 of the company's natural gas, fuel gas, and fresh water pipelines. Fifty-five pipelines remain suspended until Nexen can demonstrate that the pipelines can be operated safely.

- 30 -

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