Cenovus FCCL Ltd.
Foster Creek In situ Progress Report
Scheme 8623
2017 Update

Surface Presentation
May 30, 2018

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Oil & gas and financial information

Oil & gas information

The estimates of reserves were prepared effective December 31, 2017. All estimates of reserves were prepared by independent qualified reserves evaluators, based on definitions contained in the Canadian Oil and Gas Evaluation Handbook and in accordance with National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*. Additional information with respect to pricing and additional reserves and other oil and gas information, including the material risks and uncertainties associated with reserves estimates, is contained in our AIF and Form 40-F for the year ended December 31, 2017 available on SEDAR at www.sedar.com, EDGAR at www.sec.gov and on our website at cenovus.com.

Certain natural gas volumes have been converted to barrels of oil equivalent (BOE) on the basis of one barrel (bbl) to six thousand cubic feet (Mcf). BOE may be misleading, particularly if used in isolation. A conversion ratio of one bbl to six Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the well head.

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Advisory

This presentation contains information in compliance with:

AER Directive 054 - Performance Presentations, Auditing, and Surveillance of In Situ Oil Sands Schemes

This document contains forward-looking information prepared and submitted pursuant to Alberta regulatory requirements and is not intended to be relied upon for the purpose of making investment decisions, including without limitation, to purchase, hold or sell any securities of Cenovus Energy Inc.

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About Cenovus

TSX, NYSE | CVE

Enterprise value	C$ 23 billion
Shares outstanding	1,229 million
2018F production	
Oil sands	373 Mbbls/d
Deep Basin	
Oil & liquids	32 Mbbls/d
Natural gas	540 MMcf/d
Total liquids	405 Mbbls/d
Total natural gas[1]	550 MMcf/d
Total production	**497 MBOE/d**
2017 proved + probable reserves	7.1 BBOE
Refining capacity	230 Mbbls/d net

Note: Values are approximate. 2018F production based on the midpoint of December 13, 2017 guidance. [1] 2018F total natural gas includes production from the Deep Basin and Cenovus's Athabasca natural gas asset. See advisory.

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Area map

Expressway / Highway
Railway
Cenovus Project Area
Parks and Protected Areas
Cold Lake Air Weapons Range/ Primrose Lake Range
First Nation Reserve
Metis Settlements

0 20 40 60
Kilometres
1:1,200,000

NAD 83 UTM 12N
Page Size: 11x17

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FOSTER CREEK THERMAL PROJECT

CVE-0368-002
April 26, 2017

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Subsection 3.1.2 – 1) Facilities

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Facility summary

Phase A-G operational

- Casing gas debottleneck and emulsion cooling projects forecasted for completion Q2 2019

Phase H

- Project currently on hold

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Foster Creek A/E plot plan

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Foster Creek F/H plot plan

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Phase A/E process de-oiling, steam & water system

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Phase F/G process de-oiling, steam & water system

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Phase A/E emulsion treatment

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Phase F/G emulsion treatment

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Phase A/G produced water de-oiling

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Phase A/E water treatment

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Phase A/E brackish water external cooling loop and heat integration

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Phase F/G water treatment

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Phase A/E steam generation

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Phase F/G steam generation

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Operational issues contributing to flaring, venting, or water disposal rates

Flaring / Venting:

- No major process/equipment related issues

Water Disposal Rates:

- High pressure drop due to scale build-up in upstream piping feeding LSF's (lime softener filters) – chemical cleaning to take place end of June 2018

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Facility modifications

- No additional major modifications made in 2017

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Subsection 3.1.2 – 2)
Facility Performance

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Plant Performance

Steam

- System capacity increased to 76,000 m^3/d of steam (9% increase)
- 2017 YTD average flowrate is 61,322 m^3/d| 81% of capacity
- System capacity has increased due to OTSG re-rates and operating at higher steam qualities

Oil

- System capacity increased to 29,650 m^3/d of oil (186,500 bbl/d) (3% increase)
- Achieved flowrates up to 29,428 m^3/d of oil | 99.3% of Capacity in 2017/2018

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Bitumen Treatment

Process

- System Capacity of 115,000 m^3/d of emulsion
- Flowed up to 111,480 m^3/d of emulsion | 96.9% of Capacity in 2017/2018
- Challenges with FC1 treating stability and operation (frequent emulsion cuts due to off-spec oil)
- Challenges with FC3 heat exchanger fouling and limited cooling capacity at high emulsion rates and hotter outside ambient air temperatures
- On-going chemical trials to mitigate HEX fouling and extend run-times

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Water treatment

De-oiling

- System Capacity = 87,000 m^3/d of water
- Flowed up to 86,040 m^3/d of water | 98.9% of Capacity in 2017/2018

Water treatment

- System capacity = 86,000 m^3/d of water
- Flowed up to 82,401 m^3/d of water | 95.8% of Capacity in 2017/2018
- Increased downtime due to internal coating failures in ion exchange vessels

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Steam generation

Steam generation via 23 OTSGs units and 2 HRSG units

- System capacity = 76,000 m3/d of steam
- Flowrates of up to 75,973 m3/d of steam | 99% of Capacity
- Completed project which re-rated all 23 OTSG's to maximum burner firing limit
- Ongoing process trials to increase steam qualities beyond 82%
- Sustained blowdown recycle to WLS's

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FC Power consumption

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Gas usage

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Gas flared

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Gas vented

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Flaring and Venting Summary

Flaring:

- 28 notifications submitted through DDS
- Major sources:
  - Produced gas and natural gas from OTSG's/HRSG's (steam plant trips, facility trips, and planned maintenance/inspection)
  - Tank vapors (FC1/FC3 VRU's (vapor recovery unit) trips or planned maintenance)

Venting:

- 4 notifications submitted through DDS
- Major sources:
  - Tank vapors from (BFW) boiler feed water and slop oil tanks

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Greenhouse gas emissions

Greenhouse gas emissions are reported to AEP on a yearly basis for review

- 2017 total direct emissions by gas type
  - CO_2 –3,141,387 tonnes CO_2e
  - CH_4 – 7,666 tonnes CO_2e
  - N_2O – 9,541 tonnes CO_2e

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Subsection 3.1.2 – 3)
Measurement and reporting

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Simplified MARP schematic

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Production Volumes

Bitumen Production

- Estimate by well tests
- 8-12 wells per production pad
  - ~10 hour cycles + purges
  - 1 hour of testing for every 40 hours of well operations.

Gas Production

- Produced gas volumes are calculated using consumed and purchased gas volumes within the facility.
- A Facility Level GOR is calculated based on total bitumen production. The calculated GOR value is then used to allocate gas production on a well basis.

Battery GOR = Total monthly measured produced gas at battery ÷ Total monthly measured produced oil at battery

Well gas volume = Battery GOR × Well prorated (reported) oil volume

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Emulsion Orifice Inspections

Cenovus received approval to allow for the inspection of 3 emulsion orifice plates to be inspected per production pad. The assessed condition of the 3 inspected orifice plates would then be used to determine the overall health for all of the orifice plates in emulsion service on each production pad.

Total of 115 Orifice Plates Inspected

- Zero failures recorded
- Lot sample deemed acceptable by Measurement Engineering
- 2018 Inspection Program has been generated and is currently being executed at site.

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Injection Volumes

Steam Injection

- Measured on an individual well basis.
- Steam proration is calculated using the sum of the total wellhead injection volumes and the total steam volume measured at the Injection Facility.

Gas Co-Injection

- Measured on a well basis
- Measured on a group basis for pads on blowdown as per AER approval.

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Proration factors

Courtesy of AER

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Oil Proration Factor

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017 AVG	Jan-18	Feb-18	Mar-18
Proration Factor	1.01	1.02	1.01	1.01	1.16	1.05	1.07	1.01	1.06	1.02	1.04	1.01	1.04	1.00	0.97	1.04

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Water Proration Factor

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017 AVG	Jan-18	Feb-18	Mar-18
Proration Factor	1.10	1.09	1.10	1.10	1.19	1.09	1.10	1.06	1.10	1.10	1.09	1.10	1.10	1.11	1.05	1.13

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Gas Proration Factor

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017 AVG	Jan-18	Feb-18	Mar-18
Proration Factor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

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Steam Proration Factor

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017 AVG	Jan-18	Feb-18	Mar-18
Proration Factor	0.98	1.00	0.97	0.97	0.98	0.98	0.99	1.00	1.00	1.02	1.02	1.02	0.99	1.01	1.02	1.02

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IF Water Balance

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017 AVG	Jan-18	Feb-18	Mar-18
Water Balance	2.00%	1.80%	2.10%	1.70%	0.80%	3.40%	2.70%	0.40%	1.40%	2.80%	2.20%	0.10%	1.78%	0.10%	2.70%	3.90%

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Well Testing Update

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PermINC analyzer upgrades

The PermINC analyzer required an upgrade to firmware and an increase in magnetic strength to achieve the following functionalities

- A low range water cut mode
- Means to determine percentage solvent in heavy oil emulsion in the full range water cut mode
- Means to determine density, viscosity, percent diluent and percentage water cut in low water mode
- Upgraded pressurized sample cylinders

AER Directive 017 Section 12.3.9 temporary waiver granted

- Valid from March 20, 2018 to March 31, 2018
- Notification was provided to the AER on March 26, 2018 that the BS&W analyzer was back online

Data integrity methods

- Data backfill in Cenovus' internal tracking system was completed using BS&W value from last good water cut test
- Reviewed historical dataset to validate that most recent water cut test result is similar to previous test result
- At month end, backfill data, along with all other water cut test data for the month of March is averaged and prorated values entered into Petrinex

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Subsection 3.1.2 – 4) Water Production, Injection and Uses

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Source LGR Wells:

EW2-A	1F1/12-14-070-03W4
EW2-B	1F1/13-14-070-03W4
EW2-C	1F1/14-14-070-03W4
EW2-D	1F2/13-14-070-03W4
EW3-A	1F1/05-27-070-03W4
EW3-B	1F1/04-27-070-03W4
EW3-C	1F2/03-27-070-03W4
EW4-A	1F1/14-21-070-03W4
EW4-B	1F1/15-21-070-03W4
EW4-C	1F1/02-28-070-03W4
EW5-A	1F2/12-28-070-03W4
EW5-B	1F1/05-28-070-03W4
EW5-C	1F2/08-29-070-03W4

Source McM Wells:

EW1-A	1F2/01-23-070-03W4
EW1-B	1F1/08-23-070-03W4
EW1-C	1F1/13-13-070-03W4

Pressure Sink Wells

WD1 (LGR Disposal)	100/05-08-070-03W4
WD2 (McM Source)	1F1/03-08-070-03W4

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Fresh source wells

Source wells approved under Water Act Licence No. 00286290

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Steam volumes

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Produced water to steam ratio

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Produced water volumes

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Blowdown recycle

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Brackish water use

Uses:

- Provides bulk cooling for sales oil and boiler blowdown as per original design
- Make-up water for steam generation
- Softened water used for slurry make-up, seal flushes etc.

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Brackish water intensity

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Fresh water use

Uses:

- Required as make-up to brackish water systems for cooling, slurry make-down, seal flush cooling and make-up water.
- Includes camp and domestic use, utilities, etc. All attempts are made to minimize fresh water usage when not required as make-up water.
- Daily license: 3600 m^3/d

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Fresh water intensity

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Foster Creek McMurray water disposal

- Class 1B (28 wells) approval 11351F, Class II (1 well) Approval 11059C
  - 24 are completed in the McMurray formation, 5 in the LGR formation.
  - All 5 LGR disposal wells are on Pad ED1
- Water disposal includes water from operations (produced, regens, blowdown) and brines from cavern washing and displacements
- Regens are performed using softened water (brackish + produced) and combined with produced water for disposal
- Well workovers include coil cleanouts and acid stimulations
- Volumes are measured on each individual well by turbine or magnetic meters and pressure is measured at common headers located at the disposal pads

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Foster Creek McMurray and LGR D Water Disposal Wells

UWI	Approval No.	Classification
102/02-02-070-04W4 (LGR)	11351F	Class IB
100/03-02-070-04W4	11351F	Class IB
100/08-02-070-04W4	11351F	Class IB
103/10-02-070-04W4	11351F	Class IB
104/11-02-070-04W4	11351F	Class IB
105/11-02-070-04W4 (LGR)	11351F	Class IB
104/10-02-070-04W4 (LGR)	11351F	Class IB
100/02-02-070-04W4 (LGR)	11351F	Class IB
102/10-02-070-04W4 (LGR)	11059D	Class II
102/11-34-069-04W4	11351F	Class IB
100/12-34-069-04W4	11351F	Class IB
102/12-34-069-04W4	11351F	Class1B
103/11-34-069-04W4	11351F	Class IB
100/06-34-069-04W4	11315F	Class 1B

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Foster Creek McMurray and LGR D Water Disposal Wells

UWI	Approval No.	Classification
100/05-34-069-04W4	11351F	Class IB
102/06-34-069-04W4	11351F	Class IB
102/05-34-069-04W4	11351F	Class IB
100/03-34-069-04W4	11351F	Class IB
100/04-34-069-04W4	11351F	Class IB
100/02-30-069-03W4	11351F	Class IB
100/03-30-069-03W4	11351F	Class IB
102/16-19-069-03W4	11351F	Class IB
100/14-19-069-03W4	11351F	Class IB
100/16-19-069-03W4	11351F	Class IB
102/14-19-069-03W4	11351F	Class IB
100/09-19-069-03W4	11351F	Class1B
100/11-19-069-03W4	11351F	Class IB
100/10-19-069-03W4	11315F	Class 1B
102/11-19-069-03W4	11315F	Class 1B

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Current disposal well locations

Legend

Disposal Wells:

ED1 Pad:

WDHZ 1 – 100/03-02-070-04W4
WDHZ 2 – 100/02-02-070-04W4
WDHZ 3 – 102/02-02-070-04W4
WDHZ 4 – 100/08-02-070-04W4
WD6 – 104/11-02-070-03W4
WD7 – 105/11-02-070-03W4
WD8 – 104/10-02-070-03W4
WD9 – 102/10-02-070-03W4
WD10 – 103/10-02-070-03W4

ED2 Pad:

WD11 – 102/11-34-069-04W4
WD12 – 100/12-34-069-04W4
WD13 – 103/11-34-069-04W4
WD14 – 102/12-34-069-04W4
WD15 – 100/06-34-069-04W4
WD16 – 100/05-34-069-04W4
WD17 – 102/06-34-069-04W4
WD18 – 102/05-34-069-04W4
WD19 – 100/03-34-069-04W4
WD20 – 100/04-34-069-04W4

ED3 Pad:

WD21 – 100/02-30-069-03W4
WD22 – 100/03-30-069-03W4
WD23 – 100/16-19-069-03W4
WD24 – 100/14-19-069-03W4
WD25 – 100/16-19-069-03W4
WD26 – 102/14-19-069-03W4
WD27 – 100/09-19-069-03W4
WD28 – 100/11-19-069-03W4
WD29 – 100/10-19-069-03W4
WD30 – 102/11-19-069-03W4

Abandoned Disposal well:
WD5 – 103/11-02-070-03W4

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Total disposal volumes (PW, RW, BD)

Notes: Operating philosophy is to minimize disposal volumes at all times and maximize produced water re-use. Specifically, blowdown recycle, regeneration optimization, and minimizing brackish make-up requirements have been areas of focus to reduce disposal.

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Directive 081 update

Short-term *Directive 081* Variance received in March 2017*

- Disposal limit is PWSR dependent as per the following:

PWSR	Maximum D081 Disposal Limit Variance
0.95	103%
1.00	131%
1.05	157%
1.1	181%
1.15	205%

- D081 performance in 2017 within variance target (PWSR=1.07, Disposal=156%)
- Cenovus is optimizing blowdown re-use by increasing OTSG steam quality and recycling blowdown to the WLS to improve D081 performance.
- The fixed amount of brackish water needed for cooling in FC1 limits our ability to meet D081 in the long term

*Short term variance expiry December 2019

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Directive 081 disposal limit

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Waste disposal volumes

Type	2017	2016	2015
Slop Oil / Production Fluids (m^3)	18,584	28,686	18,406
Drilling Waste (m^3)	45,382	39,343	27,275
Lime Sludge (m^3)	26,110	23,869	20,454
Contaminated Soils (m^3)	913	256	73
Spent Scavenger (m^3)	16,586	16,284	13,546
Total (m^3)	**107,575**	**108,438**	**79,755**

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Waste disposal sites 2017

Facility	Volume (m^3)
Tervita Bonnyville Landfill	46,560
Secure Tulliby Lake FST	36,062
Cancen New Sarepta Disposal Well	11,898
Newalta Elk Point	7,736
Secure Athabasca	4,593
Tervita Lindbergh Cavern	1,665
R.B.W. Edmonton	1,046
TOTAL	**109,671**

Cenovus Foster Creek trucks all disposal waste to licensed third party facilities

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Subsection 3.1.2 – 5)
Sulphur Production

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Scavenger recovery details

Quarter	Recovery
Q1 2017	90.51%
Q2 2017	79.10%
Q3 2017	85.39 %
Q4 2017	90.10%
Q1 2018	90.13%

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Scavenger Uptime details – FC1 NRSU #1

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Scavenger Uptime details – FC1 NRSU #2

Scavenger Uptime – FC3 NRSU

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Sulphur dioxide emissions 2017 & Q1 2018

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Ambient air quality monitoring

- Ambient air monitoring for the FCTP area is conducted through the Lakeland Industry and Community Association (LICA) Air Quality Monitoring Program Network
- CVE is presently an active member and participates on a number of LICA committees
- Ambient air quality monitoring and reporting is completed through LICA

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Subsection 3.1.2 – 6) Environmental Issues

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2017 EPEA & Water Act amendment summary

Approval number	Amendments
EPEA Approval 00068492	None
Water Act licence 00383468	00-01 (Point of use change)
Water Act licence 00286290	None

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2017 Non-compliance summary – EPEA

Date	Non compliance	Follow-up
2017-04-07	CIC Ref# 322921. Uncontrolled release of surface water from production pad due to snow melt/rainfall	Water tested and controlled pump-off commenced to reduce water levels
2017-04-19	CIC Ref# 323305. FC1-B-0201 failed to meet 90% availability on CEMS NOx analyzer due to optics alignment	Optics aligned and analyzer connection to stack tightened
2017-05-25	CIC Ref# 324756. 7.4 m3 of storm runoff with elevated pH released from well pad	Workers educated of storm water release procedures
2017-07-24	CIC Ref# 327415. Uncontrolled release of surface water from production pad due to heavy rainfall	Water tested and controlled pump-off commenced to reduce water levels
2017-07-27	CIC Ref# 327599. NOx limit exceedance GTG/HRSG 1201/1202 due to cogen islanding (lean-lean firing)	Dry Low NOx firing re-instated
2017-09-23	CIC Ref# 330017. FC1-B-0206 failed to meet 90% availability due to CEMS NOx analyzer malfunction	Failed components replaced and TCU reprogrammed
2017-11-17	CIC Ref# 331759. FC1-B-0201 failed to meet 90% availability due to CEMS NOx analyzer malfunction	Loose fitting at top of stack repaired to stop air entrainment

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Monitoring programs

Monitoring program	Progress and results
Air quality monitoring	• Ambient air monitoring completed through LICA
Groundwater monitoring	• Ongoing implementation as authorized by AER • Additional wells being installed, as required, for new phases (e.g. Phase G)
Thermal constituents mobilization monitoring	• Ongoing monitoring at two wells pads, as authorized by AER • Arsenic concentrations remain similar to previous values
Wildlife and caribou mitigation and monitoring programs	• Ongoing implementation as authorized by the AER • Comprehensive Wildlife Report, including results and discussion, was submitted in May 2018
Soil monitoring program	• Soil Monitoring Program proposal (second event) due Feb 1, 2019
Wetland monitoring program	• Ongoing implementation as authorized by the AER • Next Comprehensive Wetland Report, including results and discussion, will be submitted on or before March 31, 2019

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Monitoring programs continued

Monitoring program	Progress and results
Reclamation monitoring Program	• Ongoing implementation as authorized by the AER • Available sites continue to be progressed for final reclamation, as outlined in the annual Conservation and Reclamation Report • No pads are scheduled for abandonment

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Environmental initiatives

- Canadian Oil Sands Innovation Alliance (COSIA)
- Regional Industry Caribou Collaboration (RICC)
- Restoration Zone Prioritization with Alberta Biodiversity Monitoring Institute (ABMI)
- Amphibious restoration equipment development (COSIA JIP)
- Industrial Footprint Reduction Options Group (iFROG)
- Cenovus caribou habitat restoration project (world's largest)

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Subsection 3.1.2 – 7)
Statement of compliance

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2017 Compliance status

How Cenovus maintains and tracks compliance:

- Incident Management System (IMS)
- Centrac (Cenovus database) for compliance, commitments and approval conditions management
- Integrated compliance assurance program
- Dedicated on-site Environmental Monitoring and Stewardship Advisors
- Embedded Assurance (field level and routine inspections and audits)
- Cenovus Operations Management System (COMS)

Cenovus FCCL Ltd. believes existing FCTP operations are in compliance with AER approvals and regulatory requirements

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Subsection 3.1.2 – 8)
Statement of non-compliance

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2017 Non-compliance summary – AER

Date	Non compliance	Follow-up
2017-04-28	Notice of Noncompliance – *Directive 013*: *Suspension Requirements for Wells*	Compliance achieved – Nov 16, 2017
2017-05-09	Notice of Noncompliance – Interim Directive (ID) 2003–01: Surface Casing Vent Flow / Gas Migration @ 2-21-70-4W4 W0239792	Active – Due date Aug 31, 2018
2017-05-15	Notice of Noncompliance – *Directive 013*: *Suspension Requirements for Wells*	Compliance achieved – Nov 16, 2017
2017-07-10	Notice of Noncompliance – Well Log Submissions @ 103/14-16-70-3W4 W481381	Compliance achieved – Aug 23, 2017
2017-08-23	Notice of Noncompliance – *Directive 013*: *Suspension Requirements for Wells*	Compliance achieved – Jan 19, 2018
2017-08-30	Notice of Noncompliance – Well Log Submissions @ 05-16-70-3W4 W437106	Compliance achieved – Sept 18, 2017
2017-10-10	Notice of Noncompliance – Interim Directive (ID) 2003–01: Surface Casing Vent Flow / Gas Migration @ 9 well locations	Active – Due date Aug 31, 2018

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WD-9 Disposal Voluntary Self Disclosure

- D65 approval was granted to recomplete disposal well WD-9 into the LGRD Formation contingent on D51 work being completed on June 28, 2017
- D51 work was completed and submitted for approval on September 27, 2017
- Due to a communication error, once the D51 work was completed the well was turned over to operations prematurely and disposal commenced 2 days prior to receiving D51 approval from the AER on October 3rd.
- The well operated from October 1 to October 25 with brief periods where the surface pressure exceeded the D65 approved pressure of 2,835 kPag for this well
- The well was shut-in once the problem was identified and the AER was notified immediately
- The root cause was found to be a gap in the well service workflow procedure that was designed mainly for SAGD injectors and producers. With future disposal wells, a regulatory lock will be installed that can only be removed when all required regulatory approvals have been received for the well to begin disposal and surface logic has been reviewed to ensure that approved maximum surface pressure will not be exceeded during disposal
- Temperature logs were run on WD-9 after the injection period to confirm that the disposed fluid was contained in the LGRD Formation and the results were submitted to the AER

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Subsection 3.1.2 – 9)
Future Plans

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Future Plans

Phase A-G

- Casing gas debottleneck and emulsion cooling projects forecasted for completion Q2 2019

Phase H

- Project currently on hold

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