

CERI NATURAL GAS CONFERENCE

February 28 to March 1, 2011
 Calgary
 Telus Convention Centre

The 2011 Canadian Energy Resource Institute Natural Gas Conference will address the decline of conventional gas resources and the increased interest in unconventional plays such as shale gas, and how this trend could impact the North American gas market. Conference speakers will also discuss issues such as the proposed Mackenzie Valley and Alaska pipeline projects, liquefied natural gas, among other relevant topics.

For inquiries regarding registration, contact Capri Gardener at: 403-220-2380 or by email at conference@ceri.ca. The Web site is www.ceri.ca.

This event is not sponsored by or affiliated with the ERCB.

NEW FSOB EXECUTIVE MANAGER

The ERCB has named Robin King as the new Executive Manager of the Field Surveillance and Operations Branch. He replaces Dwayne Waisman, who retired on January 1.

A 28-year veteran of the Board, King has a strong background in leadership, field operations, emergency response, and other experience in the organization. Most recently he was Field Operations Manager.

ABOUT THE ERCB

The Energy Resources Conservation Board (ERCB) is an independent, quasi-judicial agency of the Government of Alberta. We regulate the safe, responsible, and efficient development of Alberta's energy resources: oil, natural gas, oil sands, coal, and pipelines.

January 2011

New Board Member a leader in stakeholder engagement

The ERCB is welcoming a new Board Member.

Rob McManus was appointed to the Board in December, becoming the eighth full-time Board Member. He is considered a leader in stakeholder engagement and regulatory affairs in Western Canada.

Most recently Rob was President of Fulcrum Strategic Consulting — a firm he founded — and prior to that he served as Commissioner of the British Columbia Oil and Gas Commission (OGC). In addition, he has held senior management and executive positions with Gulf Canada Resources, Shell Canada, and Calpine Canada, and was Manager of Environment and Safety with the Canadian Association of Petroleum Producers (CAPP).

His responsibilities have included government policy development, stakeholder engagement, corporate communications, strategic planning, and leading organizational development and change management initiatives.

As Commissioner of the OGC, McManus oversaw the development of the first organizational strategic plan and implementation strategy, in addition to the development of public consultation guidelines for oil and gas application processes.



Rob McManus

For more than 25 years, McManus has been involved in designing and developing public consultation and aboriginal engagement programs for high-profile energy development proposals in Western Canada. He co-authored the first *Public Consultation Guideline*, prepared by CAPP, and has conducted numerous public consultation training programs.

McManus has also led a number of government policy development initiatives at the Federal, Provincial and Municipal government levels.

RECENT ERCB PUBLICATIONS

DECISIONS

December 07, 2010: Decision 2010-036: Taylor Processing Inc. Applications for Three Pipeline Licences and a Facility Licence Amendment Harmattan-Elkton Field

November 30, 2010: Decision 2010-037: Statoil Canada Ltd. - Application for new corner commercial scheme and amendment to Leismer commercial scheme - Athabasca Oil Sands Area - Application No. 1523635

November 25, 2010: Decision 2010-038: Conocophillips Canada Operations Ltd. Applications for a well licence and pipeline licence Pembina Field - Applications No. 1632981 and 1643646

BULLETINS

December 22, 2010: Bulletin 2010-48: Adoption of H₂S Version 1.20, Clarification of Consultation Between Licensee and Local Authorities, and Deferral of Revised Edition of Directive 071

December 14, 2010: Bulletin 2010-47: Implementation of the Scheme Approval Area Map Viewer

December 14, 2010: Bulletin 2010-46: New Edition of Directive 008: Surface Casing Depth Requirements Issued

December 09, 2010: Bulletin 2010-43: Removal of Personal Information Contained in Well Drilling and Completions Daily Operations Reports (Tour Reports)

DIRECTIVES

December 17 2010: Directive 047: Waste Reporting Requirements for Oilfield Waste Management Facilities

December 14, 2010: Directive 008: Surface Casing Depth Requirements

December 03, 2010: Directive 078: Regulatory Application Process for Modifications to Commercial In Situ Oil Sands Projects

November 23, 2010: Directive 056: Energy Development Applications and Schedules

November 17, 2010: Directive 044: Requirements for the Surveillance, Sampling, and Analysis of Water Production in Oil and Gas Wells Completed Above the Base of Groundwater Protection (BGWP)

Viewer offers easy access to approval data

The ERCB is making it easier for the public and industry to track approvals of enhanced recovery and oil sands schemes online.

The Scheme Approval Area Map Viewer shows approval areas for active conventional enhanced recovery schemes, in situ oil sands schemes, and mineable oil sands schemes. It can be accessed at <http://mapview.ercb.ca/schemeapprovalareas>.

The map viewer provides basic approval information such as approval number, approval holder name, associated field/pool or area/deposit, and when applicable the scheme name, type, subtype, and approval area description.

In addition, the viewer includes the Cold Lake, Athabasca, and Peace River Oil Sands Areas and the oil sands surface mineable area described in *ST98: Alberta's Energy Reserves and Supply/Demand Outlook*.

The viewer is available through a Web browser and requires no installation, setup, or configuration. Some of its features include:

- the ability to narrow the geographic focus;
- the ability to search by area of interest, approval number, approval holder name, field/pool, or area/deposit, scheme name, and scheme subtype; and

- full map control, including zooming, panning, feature highlighting, and printing.

While the map viewer provides only basic approval information, all relevant data can be found in the approval document itself. The map display is not intended to replace the approval document; the approval document remains the official approval record and is available through the Integrated Application Registry Query on the ERCB Web site, or from Information Services.

In addition, a map viewer for coal mine approvals is also available. It can be accessed at <http://mapviewer.ercb.ca/coalmines>.

ERCB conditionally approves final tailings plans

Initial phase of Directive 074 comes to an end

The ERCB in December conditionally approved the final two tailings plans submitted under *Directive 074: Tailings Performance Criteria and Requirements for Oil Sands Mining Schemes*.

The CNRL Horizon and Shell Jackpine plans represent the seventh and eighth tailings plans submitted to the ERCB by a total of five oil sands operators.

To date, the ERCB has conditionally approved tailings management plans for the Suncor Millennium/Steepbank, Suncor Fort Hills, Syncrude Mildred Lake and Aurora, Imperial Kearn, and Shell Muskeg River projects.

Together the five oil sands operators have committed more than \$4 billion in technology, infrastructure, and upgrades to meet the regulatory requirements set out in Directive 074. Over the life of the projects, tailings reduction will exceed the directive's requirements.

The ERCB approved the CNRL tailings plan with nine conditions. The CNRL plan includes the testing, construction, and implementation of two new tailings technologies, Mature Fine Tailings Thin Lift Dewatering and Non-Segregated Tailings.

From 2015 onwards, the ERCB requires CNRL to exceed Directive 074 annual fluid fine tailings reduction requirements in order to achieve a cumulative overall fluid fine tailings reduction that is equal to or better than Directive 074 requirements by no later than year-end 2025.

The ERCB also approved the Shell Jackpine tailings plan with six

conditions. Shell plans to meet Directive 074 fines capture requirements initially using Thickened and Centrifuged Tailings, then using Non-Segregating Tailings. From 2015 onwards, the ERCB requires Shell to exceed Directive 074 annual fine tailings reduction requirements to achieve a cumulative overall fine

By September 30, 2011, operators must submit annual tailings plan updates to ensure tailings ponds are managed in accordance with their tailings plans and upgrades are being made on schedule.

tailings reduction that is equal to or better than Directive 074 requirements by no later than year-end 2019.

CNRL Horizon and Shell Jackpine, located 70 kilometres north of Fort McMurray, each use one fluid tailings pond, which act as reservoirs for water to be pumped back into the plants and re-used in the bitumen extraction process.

Fine particles that settle to the bottom of each pond and form mature fine tailings are removed, treated, and placed in dedicated disposal areas. The ponds are slated to be used throughout the operation of each project.

CNRL Horizon's pond is scheduled to be returned to a trafficable surface in 2050; Shell Jackpine's pond follows in 2057.

The latest approvals end an important initial phase in the implementation

of Directive 074. By September 30, 2011, operators must submit annual tailings plan updates to ensure tailings ponds are managed in accordance with their tailings plans and upgrades are being made on schedule. On that date, operators must also file their first compliance plans for Dedicated Disposal Areas, which are areas

dedicated solely to the deposition of captured fines that can be made trafficable and ready for reclamation more quickly.

The next two tailings ponds slated to be returned to a trafficable surface are Syncrude's Mildred Lake East In Pit, and Suncor Millennium/Steepbank's Pond 5, which are expected to be returned to a trafficable surface by 2016 and 2017 respectively.

Tailings are discharged into large tailings ponds. The larger sand particles in the tailings settle to form a stable deposit very quickly, while the finer clay particles take years to settle and are known as fluid fine tailings. Research on ways to treat fluid fine tailings continues, with the goal of developing technology that will help the fine clays settle quicker or eliminate the need for storage ponds altogether.

UPCOMING PUBLIC HEARINGS

Application No.	Applicant	Hearing Purpose
1645059	Daylight Energy Ltd.	Application for a holding for production of oil from the Cardium formation (0% H ₂ S), Pembina Area
Hearing Date: Jan 26 - Jan 28, ERCB Offices, Govier Hall, Calgary, AB		
1629922 1629923 1629924 1648948 1629926 1629927 1634352 1629929 1629930 1629931 1629933 1629934 1629935 1629936 1648949 1629938	Canadian Natural Resources Ltd.	Application for 15 crude bitumen wells on 8 well pads (0% H ₂ S), Minnie Lake Area
Hearing Date: Feb 15 - Feb 18, Glendon & District Senior Citizens Drop-in Centre, 305 - 1 Avenue N, Glendon, AB		

PENDING ERCB DECISIONS

Application No.	Applicant	Hearing Purpose
1614134 1614144 1614145 1614198 1614210	Shell Canada Inc.	Application for multiple well, pipeline and facility licences for the Shell Waterton 68 Project (35% H ₂ S), Waterton Field
1445535	Total E&P Joslyn Ltd.	Application to construct, operate and reclaim an oil sands mine and primary bitumen extraction facility, Joslyn North Mine
1634572 1634573 1634574 1634576 1634580 1634581 1634583 1634584	Compton Petroleum Corp. and Darian Resources Ltd.	Section 39 and 40 review requests on 6 gas wells, 2 crude oil wells, a facility, and 3 pipelines (0% H ₂ S), Vulcan Area
1663090	West Energy Ltd.	Written Proceeding - Section 39 review of the Board Decision granting participatory rights to Ms. McGinn in the hearing of Application No. 1623169

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ERCB Core Research Centre (CRC) cores, cuttings, and tour reports

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E-mail: <crc.servicedesk@ercb.ca>

Questions, complaints, problems?

For information or complaints about new or existing oil and gas developments and facilities, we recommend contacting the operating company first. If the company does not respond appropriately, you may contact the nearest ERCB Field Centre.

ERCB Field Centres (24-hour service)

Bonnyville 780-826-5352*
Drayton Valley 780-542-5182*
Grande Prairie 780-538-5138*
High Level 780-926-5399*
Medicine Hat 403-527-3385*
Midnapore 403-297-8303*
Red Deer 403-340-5454*
St. Albert 780-460-3800*
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Fort McMurray Office

Office: 780-743-7214*
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*To call toll free from anywhere in Alberta, dial 310-0000 and enter the phone number, including area code, or press zero for a RITE operator.

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