



Oil Sands Update

Energy From Athabasca

June 2010

Letter from the Editor

Development of the oil sands continues to evolve, and with it so does the Oil Sands Developers Group. In this issue we'll tell you how OSDG has re-focused its mandate to help ensure it remains responsive and valuable to its members as well as our community stakeholders.

One thing that won't change though is OSDG's annual survey of the oil sands industry in the Athabasca oil sands region. Each year we call upon our members to create probably one of the most accurate pictures of activity and external contributions of the oil sands sector, and the results are always informative as you'll see in the story in this issue.

As this newsletter evolves, we're also adding a new feature which makes its first appearance in this issue of Oil Sands Update. "Myth Busting" will appear on a regular basis, as part of our ongoing efforts to improve the quality of the dialogue regarding oil sands development. In this feature we'll take a look at some of the commonly-held myths about the oil sands and address factual and scientific errors or misrepresentations put forward by various groups.

Enjoy the issue and, as always, we encourage you to provide comment on the newsletter. What do you like, or what would you like to see covered? Simply send an email to us at info@oilsandsdevelopers.ca.



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Showing commitment to community in 2009

Each year, the OSDG gathers the latest data from its members in order to gauge activity levels in the industry and better



understand the contribution the oil sands make to the community. Again this year our [surveys](#) focused on industry relationships with Aboriginal Peoples and the Regional Municipality of Wood Buffalo (RMWB). The survey results show these relationships remain strong despite the recent economic downturn.



In 2009, OSDG members demonstrated their commitment to the community by donating more than \$13 million to local organizations. These donations supported a range of organizations providing key services to communities in the region. [Nexen](#), for example, gave \$2.5 million to help build a new high school in Anzac and provided funds for the Northern Lights Regional Health Centre's outreach vehicle.

This support for local communities continues in 2010. [Synchrude](#) recently announced a \$2 million donation to the Northern Lights Health Foundation to support maternal and child care. The money will help purchase new equipment and fund vital services.

Strong commitments were also made to Aboriginal communities. The OSDG members donated more than \$10 million to Aboriginal communities. A total of \$7 million was provided to the region's five First Nations Industry Relations Corporations and Metis groups by resource developers to support consultation and capacity building and for project-specific reviews.

One example of this commitment was the opening of the new [Fort McKay Elder and Day Care](#) Centre in January 2010. After a fire destroyed the original building in 2007, Shell contributed \$5 million to help build this new 8,700-square-foot facility. "Fort McKay is our closest neighbour and we value our long-term relationship," said John Rhind, General Manager of Shell Albian Sands. "Shell and Fort McKay have worked together on a variety of commercial and social initiatives over the years, and this building is one more example of how we have partnered to strengthen both our business relationship and the community as a whole."

[Suncor](#), meanwhile, provided funds to help improve health care service delivery in Fort McKay and Fort Chipewyan. Through a partnership with the Nunee Health Board, the Fort McKay Health Unit, family physician Dr. John O'Connor and a video communications company, Suncor helped purchase cutting edge audio-visual equipment and connections for telehealth applications.

Aboriginal communities remain vital contributors to our members operations. In 2009, more than 1,600 Aboriginal people were employed by the oil sands industry in permanent operations jobs. Aboriginal-owned companies located in the RMWB obtained contracts for \$710 million worth of goods and services in 2009. Aboriginal companies outside of the region also worked closely with the industry, with goods and services contracts worth a total of \$96 million.

PHOTO CAPTION: Jim Boucher, Fort McKay First Nation Chief (right) and Shell Albian Sands General Manager John Rhind cut the ribbon to officially open the Elder and Day Care Centre.

WBEA and RAMP: Keeping an eye on air and water quality

Ensuring the region's air and water are clean and safe are leading priorities for oil sands developers. These issues are also top-of-mind with stakeholders, the media and other interested parties. Fortunately, the region has extensive air and water monitoring systems in place through the [Wood Buffalo Environmental Association \(WBEA\)](#) and the [Regional Aquatics Monitoring Program \(RAMP\)](#).



WBEA monitors the air in the Regional Municipality of Wood Buffalo, 24 hours a day, 365 days a year through a variety of air, land and human monitoring programs, including a network of 84 physical air monitors located around the region. The information collected is openly shared with stakeholders and the public, including providing ongoing, live presentation of air quality in the region via the WBEA website (www.wbea.org).

Since 2007, WBEA has scaled up its scientific staff complement and has engaged a team of internationally respected scientists who are working to further enhance the association's capacity to detect, quantify, document and report changes in regional air quality and forest/ecosystem health. WBEA recently [commissioned a study](#) completed by the University of Alberta's School of Public Health that tracked seasonal behaviours and long-term trends in historical data for a number of air pollutants from 1998 to 2007.

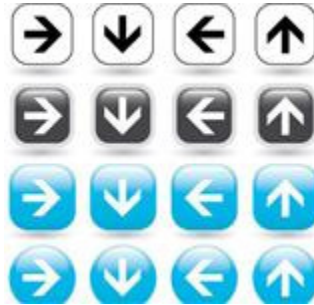
Like WBEA, RAMP takes a science-based, results-focused approach to monitoring. As an industry-funded, multi-stakeholder program, RAMP aims to achieve a holistic understanding of potential effects of oil sands development on aquatic systems and address specific issues important to communities in the region.

[RAMP's annual technical report](#) with data from 2009 was released in April 2010. For a less-technical, condensed picture of water quality in the region, RAMP also provides an [annual community report](#). Since 2005, this report has been prepared jointly with WBEA and the Cumulative Environmental Management Association to give a broader, more holistic view of the region's environment. Both reports can be found at www.ramp-alberta.org.

[University of Alberta](#) news release on air pollutants
[Alberta's air quality index facts](#)

New strategic direction for OSDG

Earlier this year the [Oil Sands Developers Group \(OSDG\)](#) embarked on a new strategic direction to meet the significant challenges and opportunities facing the oil sands industry. Responsible oil sands development is the new vision that will guide the work of the organization moving forward.



The revised mandate has expanded OSDG's geographic focus on the Athabasca Oil Sands Deposit region to include the Lac La Biche area. On behalf of its members, OSDG will continue to identify and address regional issues related to development of the oil sands deposits.

Key goals over the next few years include promoting responsible oil sands development through a balance of [social](#), [economic](#) and [environmental](#) means, ensuring effective and efficient regulatory and consultation processes, providing reliable industry information and support to our stakeholders, and fostering quality relations with governments, stakeholders and our Aboriginal neighbours. To learn more about the Oil Sands Developers Group, visit www.oilsandsdevelopers.ca.

Myth Busting – The In-Situ Oil Sands Report Card

In March, the [Pembina Institute](#) released its first-ever report card on in-situ oil sands impacts stating the “in-place” bitumen extraction required more oversight by regulators.



“The truth of the matter is that regulators look at all aspects of a project from the environmental, social and economic effects of a potential project and consider the input of affected stakeholders,” says Don Thompson, President of the Oil Sands Developers Group. “If deemed unacceptable, the project will not be allowed to move forward. If deemed to be in the public interest, the project will be approved with generally a large number of conditions with respect to project performance.”

Oil sands projects are applied for only after millions of dollars of engineering work has been completed, current regulatory results and expectations incorporated and the results of preliminary public consultation have been considered in the project design.

Says Thompson, "The professionals who design oil sands projects and those who work through the regulatory process pay special attention to ensure the proposal meets the expectations of the regulators and the public . In fact, they attempt to proactively address all potential public and regulatory issues in the initial project design stages, well before the application is even filed. It's a credit to their hard work that to-date, regulators have found all proposed projects to be in the public interest even in cases where additional conditions were applied."

[Oil Sands Watch](#)

[Oil sands regulations fact sheet](#)

Visit our website: www.oilsandsdevelopers.ca

©2010 The Oil Sands Developers Group is important in addressing the need for accurate, credible information about Athabasca oil sands activity. On behalf of our members, we work closely with oil sands operators and developers, related industries, government, Aboriginal peoples, and other organizations active in the Athabasca region. Through communication and collaboration, we help define and address regional issues related to oil sands development.

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