

## **Appendix 5**

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### **Public Consultation**

March 2, 2009

Steve De Maio  
Vice President, Project Development  
Connacher Oil and Gas Limited  
Suite 900, 332 – 6<sup>th</sup> Avenue SW  
Calgary, AB T2P 0B2

Dear Mr. De Maio:

Alberta Environment has reviewed your First Nation Consultation Plan submitted on February 18, 2009 for the proposed Great Divide SAGD Expansion Project. Your First Nation Consultation Plan is consistent with the requirements outlined in Alberta Environment's section (Part III) of *Alberta's First Nations Consultation Guidelines on Land Management and Resource Development*.

Alberta's First Nations Consultation Policy and Guidelines require consultation with potentially affected First Nations, and do not apply to Métis or other aboriginal communities. At this time, Alberta does not have information that would support a requirement for aboriginal consultation with Métis communities concerning the Great Divide SAGD Expansion Project. However, Alberta Environment understands that Connacher Oil and Gas Limited would like to include Métis groups in their Consultation Plan in an effort to be inclusive in consultation efforts and practice a "good neighbor" approach. Connacher Oil and Gas Limited should notify Alberta Environment of any assertions or concerns raised by Métis groups during engagement and throughout the regulatory process.

Starting with the issuance of this letter, every two months you are required to provide the EA Coordinator, Melissa Styba with a report that outlines all of your First Nations consultation activities for the proposed Great Divide SAGD Expansion Project. Reports will be required until the *Environmental Protection and Enhancement Act* and/or *Water Act* approval(s) is issued. Attached for your reference is a sample report template. Alberta Environment's Aboriginal Relations Advisor, Chris Van Tighem must be sent a copy of all reports submitted. If you have any questions about the First Nations consultation process or required documentation, please contact Chris Van Tighem at (780) 427-2998.

We recommend that you share your consultation plans with those First Nations who you have identified. Alberta Environment may require Connacher Oil and Gas Limited to undertake further consultation based on the receipt of new or additional information at any time during the regulatory approval process.

If you have any questions, please do not hesitate to contact me directly.

Yours truly,



Chris Powter  
Environmental Assessment Team Leader  
Northern Region

cc: C. Van Tighem (AENV)  
K. Singh (AENV)

**Consultation Plan  
Great Divide SAGD Expansion Project  
Connacher Oil and Gas Limited**

Connacher Oil and Gas Limited (“Connacher”), a Canadian Public Company, is a pioneer in the development of efficient small scale “in-situ” oil sands projects and is the proponent and owner of two Steam Assisted Gravity Drainage (“SAGD”) projects. The first project is known as the Great Divide SAGD Project (“Great Divide or Pod One”). The second project is the Algar SAGD Project (“Algar”). Located eight kilometres apart in the Divide region near Mariana Lake, Alberta, in the Municipality of Wood Buffalo, these projects were each designed for extraction of 1,600 cubic metres (“m<sup>3</sup>”), or approximately 10,000 barrels per day (“bbl/d”) of bitumen.

Connacher commissioned Great Divide in September, 2007. It is currently operational and is in the process of ramping up to its design capacity of 10,000 bbl/d of bitumen having curtailed output for a short period at the end of 2008 to early 2009. The Algar project has been approved by the Energy Resources Conservation Board and Alberta Environment. Connacher is proposing to expand the productive capacity of these facilities by an additional 400 m<sup>3</sup> of bitumen per day at Great Divide and 3,300 m<sup>3</sup> of bitumen per day at Algar. Combined, the overall lease production is anticipated to be approximately 7,000 m<sup>3</sup>/day (44,000 bbl/d) of bitumen for 25 years based on currently identified reserves and resources in these project areas. This expansion is collectively known as the Great Divide SAGD Expansion Project (“Expansion”).

The Public Disclosure Document for the Great Divide SAGD Expansion Project will provide further detail on the proposed Expansion.

**Aboriginal Consultation**

Connacher has been actively involved in the Aboriginal communities adjacent to its operations 20 kms north of Marianna Lake, Alberta for the last four years. During this period Connacher representatives have become very familiar with the people, their issues and opportunities throughout the First Nation and Métis communities in NE Alberta. Each of the communities has its own unique history, set of protocols and traditional ways of getting things done. Connacher will work with the communities to develop the appropriate process to ensure that each First Nation and Métis community and its members have access to all the information concerning the Expansion.

**Consultation for the Great Divide Expansion Project**

Consultation will include timely, open dialogue between company decision makers and community members, leadership and staff. The objective will be to provide understandable information on the Expansion while listening to and collecting input from community members and their advisors. The input received will be recorded and incorporated where appropriate in the regulatory and technical plans for the Expansion.

Connacher intends to continue this proactive consultation through to closure of the SAGD facility in approximately 25 years.

Connacher will initiate discussions directed at education, training, employment and economic development as appropriate to the size of the Great Divide SAGD Project.

Results of these discussions will provide Connacher, the Aboriginal Community and others with information to enable them to design and implement programs and policies that will positively impact the Community's experience with industry into the future.

Connacher will continue to follow the process they had adopted from day one and will ensure that they adhere to the following principles in their consultation process:

1. Recognize that each First Nation has its own manner of doing business and therefore Connacher will develop a process designed for each community specifically;
2. Consultation and the resultant programs and policies will be based on a long term, mutually beneficial relationship that will be encouraged until closure of the SAGD operation;
3. Consultation will be completed in a timely manner that recognizes the busy schedules of all the First Nation communities, their members and advisors. Information provided will be understandable;
4. Records of meetings, open houses and informal discussions will be compiled as required and information that is appropriate will be incorporated in the technical and regulatory plans;
5. TLU information that is gathered during consultation that is proprietary will be treated as such; and
6. Consultation with the Aboriginal communities will comply with all Consultation Guidelines as outlined by the Province of Alberta.

### **Aboriginal Community Identification**

Connacher has been involved with First Nations and Métis communities adjacent to the Great Divide SAGD Project site since construction began four years ago. During this period Connacher has consulted on a variety of applications and amendments and therefore has attended numerous formal and informal community meetings. The company has also participated in Government of Alberta presentations concerning consultation. Based on the information gleaned from these meetings and other sources Connacher has designated the following First Nation communities for consultation with the Great Divide SAGD Expansion Project.

- Fort McMurray First Nation #468 (FMFN)
- Chipewyan Prairie First Nation (CPDFN)
- Heart Lake First Nation (HLFN)

Over the last few years Connacher has developed a relationship with the communities designated for consultation on the Expansion. The degree of involvement has been partly dependent on the community size and its proximity to the Great Divide project site. Connacher is a full funding member in good standing of the FMFN IRC and the CPDFN IRC. Connacher works through and funds the HLFN consultation office and takes an active role in its operation.

Although the province of Alberta has not documented a consultation procedure or guidelines for the Métis locals adjacent to the project, Connacher has proactively engaged these communities through meetings, tours, business opportunities, and

agreements. It will continue to do so for the life of the SAGD project including funding their initiatives to a level appropriate to our size and impact. The Métis communities that will be informed are:

- Ft McMurray Métis Local 1935
- Willow Lake Métis Local 780
- Chard Métis Local 214
- Métis Nation of Alberta Region One

Connacher does not limit its' discussions to the SAGD Expansion but has chosen to consult on all matters concerning exploration and other winter work as required with the First Nation and Métis communities identified.

### Proposed Project Schedule

Activity	EIA Development
Public Consultation	2008 Q4 - 2011
Application Submission	2009 Q4
Regulatory Approval	2011 Q2
Construction	2011 Q3
Start up	2012 Q2

### Proposed Consultation Schedule

Project Activity	Opportunity for Stakeholder input	Proposed timing
Project Disclosure/announcement	Connacher informs impacted communities and regulators about development plans for the Expansion	2008 Q4 - 2011
Draft Proposed Terms of Reference	Input solicited for PTOR from designated communities	2009 Q1 – Q2
Notice of proposed terms of reference for the EIA	Written input provided to Alberta Environment on the Proposed Terms of Reference developed for the EIA	2009 Q2
Community meetings/open houses	Information provided and in put solicited	2008 Q4 – 2009 Q4
Notice for the joint AE and ERCB regulatory application	Notice period	2009 Q4 – 2010 Q1
Future updates	Connacher will continue to develop relationships, hold meetings and react with the communities on operations and changes to the facility	On going

## **Advertising and Project Specific Information**

Consultation for the Expansion has begun and it will continue to be driven by the community process, the Expansion schedule and the season. After agreements are reached with each designated community, consultation activities will be advertised as appropriate by newspaper, community newsletters, and radio and by word of mouth. Leadership, community members, service providers, advisors, and government will be informed and invited. Connacher's Stakeholder Relations staff is in the designated communities monthly and, in addition to the tools used normally to inform people, they will continually meet face to face as often as required.

IRC staff, Métis Local staff, leadership, Elders and youth will be offered visits to the Great Divide site for tours and presentations if that is deemed the best means to get information to those who need it. Open houses are not the most popular form of meeting but they will be held in the communities as agreed to with the leadership. Formal meetings on specific aspects of the Expansion will be facilitated between technicians, staff and third party consultants.

Connacher will be using a variety of plain language story boards, PowerPoint presentation material, hand outs and maps at the open houses and community meetings. Connacher will be responsive to First Nation IRC as well as Métis Local staff and community requests to ensure that information is presented in a manner that is understandable to the community members. We will spend time in the community to hear what is being said.

## **Traditional Ecological Knowledge and Traditional Land Use Studies**

Connacher has met with the applicable First Nations to discuss the plan and methodology to be used to address the traditional ecological knowledge (TEK) and traditional land use (TLU) aspects of the Expansion. Each First Nation IRC has a process in place to ensure the Elders and other holders of TEK have ample opportunity to hear and consider details of the TEK plan. Connacher will work with the FN IRCs to follow their internal processes and will respect the confidentiality aspects of the information.

Connacher has an agreement in place with CPDFN addressing the usage of information from their Traditional Use Study.

There have been discussions on TEK collection with FMFN #468. Connacher will work with FMFN to implement an Elders Committee to work with us during the life of the SAGD project.

Heart Lake First Nation will complete their TLU study of the Great Divide area in the 3<sup>rd</sup> quarter of 2009.

There will be meetings with Elder Committees of the applicable Métis communities to discuss the process for addressing the Heritage Land Use topic. Connacher is funding a Métis Heritage Land Occupancy Relationship Study with the Métis Local 1935 to help to identify possible impacts related to the Great Divide SAGD Expansion Project site.

Once the TEK information has been collected and validated it will be incorporated into the EIA and will provide a more accurate picture of the potential impacts Aboriginal Rights and Traditional Uses.

## Ongoing Follow Up

Connacher will continue the relationship formally on a semi annual basis to listen and talk to the First Nation and Métis communities and their members. On topics of business, employment and training Connacher will continue discussions on a monthly basis as required. A semi monthly report will be submitted to the government itemizing material aspects of this ongoing consultation. The bi-monthly report will include but not be limited to the following items:

- i. A list of First Nations who were provided with Expansion specific information;
- ii. Copies of the plain language, Expansion specific information provided to First Nations contacted;
- iii. How and when information was provided to First Nations involved in the consultation process;
- iv. All dates and locations of activities and/or meetings undertaken throughout the consultation process;
- v. Names of individuals and/or groups contacted within the First Nation and lists of attendees at all meetings;
- vi. All documented records-of-decision, or minutes compiled throughout the consultation process by either the project proponent or the First Nation;
- vii. A summary of consultation efforts and outcomes including any information regarding potential adverse impacts to First Nations Traditional Rights and Uses;
- viii. Proposals for addressing the interests and/or concerns of First Nations involved in the consultation process (i.e. avoidance or mitigation);
- ix. Where agreement has not been reached with respect to avoidance or mitigation of potentially adverse impacts, written reasons be provided to the Crown;
- x. Any proposed follow-up with First Nations (if applicable); and
- xi. At the discretion of the Director, any other information that may be deemed necessary to determine the adequacy of consultation.

## Contact Information

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