

BY E-MAIL ONLY

June 13, 2018

Matt Hulse
Lisa Tsessaze
Athabasca Chipewyan First Nation

**SYNCRUDE CANADA LTD.
APPLICATION NO. 1871794
AURORA NORTH TAILINGS MANAGEMENT PLAN
STATEMENT OF CONCERN NO. 30562**

Dear Matt Hulse and Lisa Tsessaze:

You are receiving this letter because you filed a statement of concern (SOC) on behalf of the Athabasca Chipewyan First Nation (ACFN) concerning the subject application filed by Syncrude Canada Ltd. (Syncrude). The Alberta Energy Regulator (AER) is appreciative of ACFN's contributions during the review of the application, including preparatory conversations and submissions for the Enhanced Review Process (ERP) technical meeting, your attendance at the ERP technical meeting on November 14 - 16, 2017, together with your closing submissions and your feedback on the draft approval conditions.

The AER has reviewed your SOC and feedback, along with the application, the applicable requirements, and relevant materials constituting the record of the application. The AER notes that after reviewing the draft approval conditions, ACFN provided detailed comments with outstanding concerns and key themes. The decision report on Syncrude's Aurora North Tailings Management Plan (TMP) application addresses many of the concerns you raised, such as the following:

- Syncrude's use of Composite Tailings (CT) technology. The AER's decision on the use of CT is found in the Composite Tailings Technology section of the decision report.
- fluid tailings inventory and pace of management is not in alignment with *Directive 085*. The AER's decision regarding fluid tailings inventory is set out in the Fluid Tailings Profiles and Project-Specific Thresholds section of the decision report.

- the use of end pit lakes (EPLs) as the final treatment for storage of fluid tailings. The AER's decision is found in the Water-Capping Technology and Alternative Technologies section, which prohibits Syncrude from placing any water, including industrial wastewater, above treated or untreated tailings for the purpose of creating a water-capped pit lake.
- unclear reclamation targets and Ready-to-Reclaim (RTR) criteria, including the potential implication of the use of gypsum for CT creation. The AER's decision is found in the Ready-to-Reclaim Criteria section of the decision report.
- lack of meaningful engagement with indigenous communities. The AER's decision on ongoing engagement is found in the Stakeholder and Indigenous Community Engagement section of the decision report.

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The AER notes that at the ERP technical meeting, Syncrude made commitments to ACFN regarding community engagement, sharing Base Mine Lake research, revisiting reclamation terms of reference, adding a Devonian assessment to the 2026 closure plan, and progressive reclamation of CT deposits.

In its SOC and feedback, ACFN also raised concerns or provided recommendations that are not part of the AER's decision on Syncrude's Aurora North TMP application, and therefore are not reflected in the attached decision report or approval. For matters related to policies and programs administered by the Government of Alberta, the AER intends to provide these concerns to the Government of Alberta.

In particular, you raised concerns with impacts on traditional land uses and the exercise of Treaty rights related to the approval and operation of the mine. Syncrude's Aurora North TMP application is an amendment of an existing approval. The decision report addresses such topics as setting thresholds under *Directive 085*, RTR criteria, and providing updated plans and information on tailings technology and deposits. In short, the approval deals with how tailings are managed on the existing approved mine site footprint.

This is an existing mine site and no new lands outside of Syncrude's lease will be used or impacted as a result of the Aurora North TMP amendment. There are no changes to Syncrude's Aurora North boundaries, nor is there any additional disturbance as a result of the Aurora North TMP amendment.

Based on the foregoing, the AER is of the opinion that the concerns outlined in ACFN's SOC have been addressed to the AER's satisfaction. Consequently, the AER has decided that a hearing is not required for the Syncrude Aurora North TMP.

As indicated in the decision report, the AER has issued the applied-for approval. This is your notice of that decision. A copy of the AER decision report, which includes the approval, is attached.

Under the *Responsible Energy Development Act* an eligible person may file a request for a regulatory appeal on an appealable decision. Eligible persons and appealable decisions are defined in section 36 of the *Responsible Energy Development Act* and section 3.1 of the *Responsible Energy Development Act General Regulation*. If you wish to file a request for regulatory appeal, you must submit your request in the form and manner and within the timeframe required by the AER. You can find filing requirements and forms on the AER website, <http://www.aer.ca/applications-and-notices/appeals>.

If you have any questions, contact Lonny Olsen, phone 403-297-3513 or e-mail Lonny.Olsen@aer.ca.

Sincerely,

<Original signed by>

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Paul Ferensowicz
Senior Advisor

Enclosure (1): (AER Decision Report)

cc: Richard Pelletier, Syncrude Canada Ltd.
AER SOC Coordinator
ACO
AER Indigenous Engagement
AER Fort McMurray Field Centre