

December 10, 2015

ConocoPhillips Canada Resources Corp.

Sent Via Email:

**RE: Notice of Decision: Authorization Issued
OIL SANDS EXPLORATION PROGRAM: OSE150020**

Edmonton (Twin Atria)
2nd Floor, Twin Atria Building
4999 - 98 Avenue
Edmonton, Alberta T6B 2X3
Canada

tel 780-638-4491
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www.aer.ca

Dear Sir/Madam,

Based on the review of your Oil Sands Exploration program application dated **August 19, 2015** the Alberta Energy Regulator has completed its review of your request.

Pursuant to section 20(1) of the *Public Lands Act* and in accordance with the *Code of Practice for Exploration Operations* made under the *Environmental Protection and Enhancement Act*, **ConocoPhillips Canada Resources Corp.** is hereby authorized to enter upon and occupy the above described public lands for the purpose of conducting an oil sands exploration program, subject to the methods and environmental conditions outlined in the application.

As part of this authorization, **ConocoPhillips Canada Resources Corp.** must comply with the conditions outlined in the enclosed Schedule "A" as well as all other statutory provisions.

Please use the file number, **OSE150020**, on all related plan submissions and correspondence.

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 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 www.aer.ca under Applications & Notices: Appeals. Regulatory appeal requests should be emailed to the Regulatory Appeal inbox at [REDACTED]

Should you have any questions regarding the above decision, please contact the undersigned at AERSurfaceActivityApplication@aer.ca, quoting the disposition number.

Sincerely,

<original signed here>

Tom MacMillan
Manager Public Lands, North East Region
Alberta Energy Regulator

cc: Land Agent: Jade Longval
Email:

Larry Kuchmak
Alberta Energy Regulator
Email:

Alberta Culture
Email:

SCHEDULE “A”

1. 007 **IN THIS DOCUMENT**, unless the context indicates otherwise:

“**approval**” whenever required, must be in writing.

“**authority**” means: this document or the right to occupy public land granted by this document.

“**Authorizer**” means: the "Authorizer" duly designated under the *Public Lands Act*.

“**officer of the regulatory body**” means: an employee of the Regulatory body, responsible for the management of surface activity on the land.

“**Regulator**” means: Alberta Energy Regulator.

“**holder**” means: the recipient of the right to occupy public land granted by this document.

“**land(s)**” means: the specific land which the holder is authorized to occupy by this document.

“**Regulatory body**” means: the Department of Environment and Sustainable Resource Development or the Alberta Energy Regulator.

Payments required by this document are to be made payable to the

“**Government of Alberta**”

- a) The holder shall comply with all relevant laws in the Province of Alberta.
- b) A copy of this authority shall be retained on the job site during all phases of your activity, including, if applicable, preparation, construction, development, maintenance and abandonment.
- c) The holder shall not conduct any activity on the land where prior rights have been issued without the consent of the holder of these prior rights. A list of prior and subsisting authorizations and dispositions (prior rights)

issued on the quarter sections included in this authority can be purchased from Alberta Energy, Crown Land Data Support, Telephone: 780-422-1395, or the Alberta Energy Website: <http://www.energy.gov.ab.ca>.

Surface rights plot sheets showing active dispositions, and individual activity plans can be purchased from IHS, Main Floor, Petroleum Plaza, South Tower, 9915 – 108 Street, Edmonton, Alberta, T5K 2G8, Telephone: 780-413-3380, Fax: 780-413-3383 or Website: <http://www.petrosurveys.ca>.

- d) The holder shall contact the registered trapper, if any trapping areas (TPA) have been issued on the quarter sections included in this authority, at least TEN DAYS PRIOR TO COMMENCING ANY ACTIVITY. This must be done by registered mail and we recommend personal communication follow-up. The trapper's name and address may be obtained from Alberta Energy, Crown Land Data Support (Telephone: 780-422-1395). For other information concerning registered traplines, contact the Client and Licensing Service, Environment and Sustainable Resource Development, Edmonton, Alberta (Telephone: 780-427-5185) upon receipt of this approval. The holder may be responsible for any damage to traps, snares or other improvements.
- e) Where applicable, the Regulatory body may, in addition to any other charges, assess a further charge of 50 cents per acre (\$1.24 per hectare) on every acre or part acre in this authority to fund the Trapper's Compensation Program. Classification of lands can be obtained from Alberta Energy, Crown Land Data Support, Telephone: 780-422-1395 or the Alberta Energy Website: <http://www.energy.gov.ab.ca>.
- f) The holder is responsible for obtaining any necessary federal, municipal and other permits and approvals with respect to this authority.
- g) The holder agrees to hold harmless the Regulatory body from any and all third party claims, demands, or actions for which the holder is legally responsible, including those arising out of negligence or willful acts by the holder or the holder's employees or agents. This hold harmless shall survive this Agreement.

- h) The holder shall indemnify and save harmless the Regulatory body from any and all claims, actions, suits, or similar proceedings commenced by any competent regulatory body against the holder or the Regulatory body in connection with the activity or holder's use of the land, including without limitation the local municipality, any other department or agency of the Alberta Government or the Government of Canada.
- i) The holder shall, at its own expense and without limiting its liabilities herein, insure its operations under a contract of General Liability Insurance, in accordance with the *Alberta Insurance Act*, in an amount not less than \$2,000,000 inclusive per occurrence, insuring against bodily injury, personal injury and property damage including loss of use thereof. The holder shall provide the Regulatory body with acceptable evidence of all the insured prior to the commencement of the work and shall promptly provide the Regulatory body with a certified true copy of each policy upon request.
- j) This authority is granted subject to further amendment by the Regulatory body, in its sole discretion.
- k) The holder shall furnish proof, upon request, that the holder has complied with any and all of the provisions of the holder's disposition in a form and time required by the Regulatory body.
2. 078 The holder shall contact and advise the officer of the Regulatory body of its intentions:
- prior to entry upon the lands, for a stated purpose,
 - prior to any additional construction during the term of this authority,
 - at the completion of operations, and
 - upon abandonment of this activity.
- ██████████ AER North East Region, Field Office, ██████████
3. 999 Prior to the commencement of any activity, the holder shall arrange and hold a meeting with the officer of the Regulatory body to discuss site specific operating conditions, which may include access, creek crossings, timber salvage and wildlife concerns.

4. 175 The holder shall comply with the operating conditions of this approval, together with the Caribou Protection Plan AERCPP-COPRC Surmont 2015/2016-23 including any government directives, guidelines, policies and legislation referenced in the Caribou Protection Plan.
5. 098 Trails are not to exceed the following maximum width: 7 metres.
6. 229 For wildlife management purposes, access control is required on main access to the program during all phases of operations. Contact the officer of the Regulatory body for further information.
7. 084 Unless otherwise approved in writing by the officer of the Regulatory body, the holder shall ensure that drill sites for oil sands exploration shall not exceed **(80) metres x (90) metres (2), (70) metres x (70) metres (24), (80) metres x (80) metres (3), (70) metres x (90) metres (3).**
8. 998 On sites where mechanical mulching methods are utilized to clear forest cover, the holder shall ensure that fine woody debris (wood chips) is managed as per *Directive SD 2009-01 Management of Wood Chips on Public Land*.
9. 997 When a new access approaches a road, the holder shall construct a line at an appropriate angle (45 degrees) to eliminate a continuous line of sight. The holder shall dispose of all debris on the doglegs in a manner as directed by the officer of the Regulatory body.
10. 133 Activities shall not result in the deposition or placement of debris, soil or other deleterious materials into or through any watercourse and/or water body, or on the ice of any watercourse and/or water body.
11. 099 Where materials are available, rollback shall be applied as follows unless alternative methods can be supported by Regulated Industry Standards and are approved by the officer of the Regulatory body:
 - a) Place rollback across the entire width for a distance of at least 200 metres from all points of intersection with roads and permanent watercourses.

12. 996 Temporary crossings on all watercourses, must be by a fill using snow and ice materials only. Unless otherwise directed by the officer of the Regulatory body, the fill must be completely removed prior to spring break up.
13. 139 Where crossings have been removed, the bank or shoreline of all affected watercourses and/or water bodies shall be immediately stabilized and/or alterations or modifications to the bank or shoreline shall be restored.
14. 136 All crossings shall maintain fish passage. Crossings shall be compliant with Alberta Environment's Code of Practice under the Water Act, Water (Ministerial) Regulation.
15. 995 The holder shall utilize the lands only during frozen or dry ground conditions.
16. 087 The holder shall utilize the land only for temporary undeveloped access. If surface disturbance is necessary, or if permanent access is required, the holder shall contact the officer of the Regulatory body regarding routing, salvage and construction requirements.
17. 994 Any activity on the land during adverse ground conditions must be suspended if the activity is likely to cause unacceptable damage to vegetation or soil as may be determined by the holder or the officer of the Regulatory body.
18. 993 Prior to entry on the land, the holder shall steam clean all equipment, including seeders.
19. 992 The holder shall strip and pile the topsoil separately from any fine woody debris (wood chips) and subsoil in such a manner that it can be distributed evenly over the disturbed area when operations have been completed. Where topsoil is less than 15 centimetres, conservation shall include the topsoil plus part of the upper subsoil up to a total depth of 15 centimetres (unless considering chemically unsuitable).
20. 151 Soil and surface erosion and sedimentation shall be prevented and controlled on all disturbed lands.
21. 991 The holder shall not dispose of drilling waste off lease without a further disposition or letter of authority under Section 20 of the *Public Lands Act*.

22. 160 The holder shall utilize impermeable tanks to collect all liquid effluents and dispose of at an authorized disposal facility.
23. 990 Drilling waste sumps are not permitted on core hole sites. The holder shall apply for a common sump location in consultation with the inspecting officer of the Regulatory body. Prior to commencement of operations, the holder shall have any sumps approved under a Mineral Surface Lease (MSL).
24. 121 All woody debris and leaning trees must be slashed, limbed and bucked flat to the ground unless otherwise approved by the officer of the Regulatory body. The length of slashed woody debris shall not exceed 2.4 metres.
25. 125 The holder shall salvage all merchantable timber.
26. 124 Decks of merchantable timber, prior to transfer to the salvage recipient, shall be legibly and permanently marked with a disposition number.
27. 899 The holder shall cut, keep down and destroy all noxious and restricted weeds and control noxious weeds as per the *Public Lands Act*.
28. 162 In addition to complying with Federal, Provincial and local laws and regulations respecting the environment, including release of substances, the holder shall, to the Regulatory body's satisfaction, take necessary precautions to prevent contamination of land, water bodies and the air with particulate and gaseous matter, which, in the opinion of the Regulatory body in its sole discretion, is or may be harmful.
42. 108 On Forested, Grassland, Peatland and Riparian area, Assisted natural recovery is allowed on high erosion sites, or sites prone to weeds, or agronomic invasion, or padded sites (forested and peatland). Seed mixes are to be free of species listed in the Weed Control Act. Seed mixes are to be free of all agronomic species (excepting those identified for assisted recovery techniques). A seed certificate (under the rules and regulation of the Canada Seeds Act) for each species shall be provided to the regulatory body prior to seed mix approval.
- a) On forested, peatland and riparian areas, assisted natural recovery can be used for planting woody species for the purpose of accelerated reclamation. The woody species must be native to the Natural Subregion

and follow the Alberta Forest Genetic Resource Management and Conservation Standards.

44. 900 The holder shall provide to the Regulatory body within 60 days of March 31 each year of this program until a reclamation certificate is issued, an Annual Report (**submitted electronically to AERSurfaceActivityApplication@aer.ca**) indicating
- a) requirements consistent with Section 7.1.5 of the Code of Practice for Exploration Operations made under the Environmental Protection and Enhancement Act,
 - b) the area of new disturbance cleared and/or utilized as approved under this program,
 - c) any sites added to the program including the authorization issued by the Regulator,
 - d) the total area of lands within the program intensively used (disturbed),
 - e) a listing of all core hole sites or accesses converted to disposition under the *Public Lands Act*,
 - f) the total area of lands within the program cleared but not explored to date and intent for completion, and
 - g) any other pertinent information relevant to this program.
45. 902 Upon completion of the exploration programs on public lands, charges for timber damage, if applicable, will be assessed in accordance with the current schedule (Timber Damage Assessment Table).
46. 235 The holder shall complete reclamation, including line and site clean-up, soil stabilization and wood debris handling progressively and concurrently with operations.
47. This authorization is approved subject to the methods and environmental conditions outlined in Schedule 1 version dated **September 11, 2015** and Schedule 2 version dated **September 11, 2015**.

48. This authorization is approved subject to activity outlined on the Program Map version dated **August 19, 2015**.
49. 903 The authorization, when issued, will be for a term as indicated effective from the date of this authority.

Term: 5 Years

Two years for operation with an expiry on December 09, 2017

Three years for reclamation with an expiry on December 09, 2020

Appendix I

inquiries 1-855-297-8311
24-hour
emergency 1-800-222-6514

1. Reporting the discovery of historic resources

Pursuant to Section 31 of the *Historical Resources Act*, should any archaeological, paleontological, historic period resources or Aboriginal traditional use sites of a type described below be discovered during the conduct of activities associated with the program, staff of the Heritage Division of Alberta Culture (Telephone: 780 431-2300) are to be contacted immediately. It may then be necessary for the Heritage Division to issue further instructions regarding the documentation of these resources.

2. Post development impact assessment audits

Pursuant to Section 37(2), of the *Historical Resources Act*, the Heritage Division of Alberta Culture may require a post development impact assessment audit in the spring and/or summer of the following year and annually until the program is closed.

3. Aboriginal traditional use sites that Alberta Culture consider as historic resources under the *Historical Resources Act*

Aboriginal traditional use sites that are considered by Alberta Culture to be historic resources under the *Historical Resources Act* include but may not be limited to the following:

- historic cabins remains
- cabins (unoccupied)
- ceremonial plant or mineral gathering sites
- ceremonial sites/spiritual sites
- cultural or community camp sites
- gravesites
- historic settlement(s)/Homestead(s)
- historic sites
- oral history sites
- trails
- wickiup/sweat lodge sites

This listing updates the list on pages 5 and 6 of *Tourism, Parks, Recreation and Culture Guidelines for First Nations Consultation on Resource Development and Land Management* (referred to as the ACCS Consultation Guidelines), Part V of Alberta's *First Nations Consultation Guidelines on Land Management and Resource Development*, dated November 14, 2007.

Appendix II

inquiries 1-855-297-8311
24-hour
emergency 1-800-222-6514

All water use must be in compliance with the *Water Act*. Online applications for the temporary diversion of water (TDL) can be submitted to the Alberta Energy Regulator (AER) through WATERS, which can be accessed at <http://www.aer.ca/> (click System & Tools).

Unless exempt under the *Water (Ministerial) Regulation*, the holder shall comply with the *Code of Practice for Watercourse Crossings* under the *Water Act*.

For additional information on the *Water Act* and water management please visit the AER at: <http://www.aer.ca/applications-and-notice> or contact the AER Customer Contact Centre: Inquiries@er.ca or 1-855-297-8311.