

Illustration supplied

This is a conceptualized drawing of the facilities plan for the Taiga Cold Lake project being developed by Osum Oilsands Corp. The construction phase of the project will move forward once approval is given by the province's Environmental Resources Conservation Board. Osum is hoping to go into full production by 2014, said company vice-president Rick Walsh.

# Osum waits patiently to proceed with Taiga Cold Lake project

*At full capacity, project expected to produce 45,000 barrels of bitumen per day*

**KEITH LACEY**  
Nouvelle Staff

Patience is a virtue in all aspects of life and most certainly when you're a burgeoning new company hoping to become a key player in Alberta's thriving oil and gas industry.

Top brass with Osum Oilsands Corp. have been nothing but patient as they anxiously await final approval from the province's Energy Resources Conservation Board (ERCB) to begin construction on its Taiga Cold Lake Project.

"We're anxious and ready to go," said Rick Walsh, Osum's vice-president of project development. "We're waiting for the final approval from provincial regulatory bodies ... and we're quite excited."

Having fully delineated the leases for commercial requirements, completed comprehensive geo-statistical modelling and analysis, followed all procedures in submitting a detailed environmental impact assessment, filed official applications with provincial regulators, advanced subsurface optimization to an advanced level and completed front end engineering and design, the Taiga project is ready to proceed to the construction phase, said Walsh.

The company's final environmental impact assessment plan was forwarded to provincial authorities in December of 2009.

"Once we get that final approval from the regulatory authorities, we're quite prepared to pull our team in there and get to work," said Walsh.

Since acquiring lease agreements and advancing from a small technology company into a full production company over the past six years, Osum has been focusing on its Taiga Cold Lake project for most of the past three years, said Walsh.

To advance from acquiring lease agreements to going into full production is an

arduous task involving a lot of detailed work, but that's all part of the process in the oil and gas industry and you learn to be patient, even as anticipation builds, he said.

Osum is a relatively new player in the oil and gas industry in the Bonnyville-Cold Lake corridor and the company is looking forward to developing this major find, while also ensuring it is a good corporate citizen, he said.

The Taiga project is being developed as an outstanding example of oilsands development as key stakeholders have been approached and consulted in a meaningful way from day one, he said.

This philosophy has guided stakeholder engagement, corporate citizenship initiatives, operations and facilities design from the beginning, he said.

As an example, the company has received permission to develop 63 well pads, but has reduced that number by over 40 per cent to lessen the environmental impact, he said.

The company has committed to not using any fresh water for steam generation and water used will be recycled with a target of 90 per cent regeneration and on site waste disposal will keep traffic down in the area.

Once the Taiga project site is developed, a cogeneration plant will provide the majority of water and electricity "to become basically self sufficient" for years to come, he said.

The facilities will also include a vapour recovery unit to elim-

inate odours.

"We take this project and this region very seriously," said Walsh. "We really believe we can do this project with as low an impact as possible."

Osum has also committed to regenerating the development site "as we go" on an annual basis instead of waiting until the end of the project three decades down the road, he said.

"And we will be very respectful doing it," he said, adding the environmental impact for a project this size will be minimal compared to many others approved in Alberta over the past few years.

Because this is a major project that will produce an estimated 45,000 barrels of bitumen per day at full production, the economic impact of the Bonnyville-Cold Lake area will be significant, said Walsh.

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**Rick Walsh**  
Vice President of Project Development  
OSUM Oilsands Corporation

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**PROPOSED PAD LAYOUT AND PLANT LOCATION** A number of measures have been proposed to the facility's design to reduce impacts on the surrounding areas as much as possible. For example, by "doubling up" and in some cases "tripling up" on infrastructure associated with each well pad, Osum has been able to reduce the total number of proposed pads for the project from 63 to 36. In addition, we have attempted to follow existing cleared Rights of Way (ROWs) as much as possible. Pipelines and roads have been minimized as a consequence of these two design practices, resulting in an approximate net reduction of 25% to surface disturbance. Osum's team has endeavored to achieve balance in the proposed layout, positioning well pads for optimized oil recovery while minimizing proximity to water bodies and wetlands.

A progressive reclamation plan will also be included in the Taiga Project application to reduce the impact of the project at any one time. What this means is that not everything will happen at once. By the time the last succession of well pads are being constructed, many of the first wells drilled for the project will already have been abandoned with the reclamation process underway.

- |                                 |                                  |
|---------------------------------|----------------------------------|
| ■ Current Proposed CPF          | — CSS Pipeline and Road          |
| ■ Taiga Pads                    | ■ Source Water Pipeline and Road |
| ■ First Phase Pads              | — Other Existing Pipelines       |
| ■ Source Water Wells            | ■ CPF Access Road                |
| ■ Salt Cavern and Disposal Pad  | ■ Borrow Pit Access Road         |
| ■ Borrow Pit                    | ■ Major Roads                    |
| ■ First Phase Pipeline and Road | — Other Existing Roads           |
| ■ SAGD Pipeline and Road        | ▨ Provincial Park                |

## Taiga

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Not only will the company be spending tens of millions of dollars during the construction phase, with an estimated 600 to 800 work-

ers involved at various stages, but there will be an estimated 60 full-time production people on site once production begins and numerous other contractors and support staff hired as well, he said.

"The impact will be significant ... the life expectancy

of the project is roughly 25 to 30 years," he said.

Like many other in situ bitumen recovery projects in this area, Osum will initially use the Steam Assisted Gravity Drainage (SAGD) technique to extract deposits under-

ground. As the project develops, the plan is to incorporate Cyclic Steam Stimulation techniques further on down the road, Walsh said.

Walsh has been working in the oil and gas industry for the past 23 years, including the past decade heading up major

projects like Taiga.

Bringing a project of this size on stream continues to involve a mixture of patience, determination and excitement, he said.

"Being this close ... this is an exciting time for sure," he said.

The company is expecting

the good news from the ERCB to proceed with the construction phase of the Taiga project sometime in early 2012.

If everything goes smoothly during the construction phase, the long-term plan is to be in full production by 2014, he said.

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