

Consultation on Taiga project

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A Calgary-based oil sands development company, Osum Oil Sands Corp., will develop an in situ project on a lease it owns further near Cold Lake.

Justin Robinson, Osum communications manager, said that they are still in the early stages of the consultation project.

The company has had informal consultations with mayors and reeves in the area, as well as the environmental group, LICA. Next, in an effort to be sensitive to any community concerns, they are seeking feedback from the general public. More information about the project is available on the Osum web site.

A town hall meeting is scheduled for Dec. 3, people can ask questions and voice their concerns about Osum's Taiga project. A Ukrainian dinner, now custom for the region's oil and gas companies, will be served.

"We are looking at a project as large as 35,000 barrels per day for the next 30 years," said Robinson, in an interview with The Sun last week. "That has a fairly significant impact on the community."

Delineation drilling is planned for the area this winter. None of the leases are near a lake.

Osum has 100 per cent ownership of 29 net sections directly adjacent to Imperial Oil's Cold Lake project, where that oil giant has produced heavy oil since the 1960s and now averages 154,000 barrels per day.

Osum had its plans to develop oil under nearby Marie Lake cancelled after area residents objected to its proposal to use a vertical shaft and horizontal tunnels and wells 500 metres below the lake to tap an estimated 252 million barrels of recoverable reserves. Osum has since cancelled and rescinded, and walked away from the Marie Lake project altogether.

The company hopes to begin production at its Cold Lake leases in 2013.

Public disclosure of the Taiga project has not yet been released, but is expected soon, prior to the town hall meeting.

Cost estimates were not shared, but indications are that development in the Cold Lake area has a distinct price advantage over doing so closer to Fort McMurray. The Cold Lake area is not as stressed as Fort McMurray in terms of labour and labour costs.

Robinson said that the company is exploring the use of cyclic-steam injection on its leases and also see an opportunity for steam assisted gravity drainage (SAGD).

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