

# MINING WORKS FOR CANADA

# OIL SANDS

S P E C I A L E D I T I O N

## ECONOMY

### Oil Sands Working for Canada

**T**HE ATHABASCA OIL SANDS REGION of northern Alberta is experiencing an unprecedented era of investment and expansion. But the economic impact of that development is being felt far beyond Alberta's borders. Many of the goods, materials and services used to construct and operate oil sands mines, in-situ projects and upgraders come from outside Alberta. In fact, governments, businesses and workers across Canada are benefiting from an industry that, increasingly, is an engine of economic growth for the entire country.

The most exhaustive study of this phenomenon to date comes from the Canadian Energy Research Institute (CERI). Released in 2005, the CERI study examined the economic benefits expected to flow from announced or planned oil sands development from 2000 to 2020, based on the existing

tax and royalty structure. The study assumed \$100 billion in investment, with total oil sands production tripling to three million barrels per day by 2020. Some key findings:

**Jobs:** The oil sands industry is expected to generate 5.4 million person years of employment in Canada, resulting in an estimated \$274 billion increase in labour income. Fully one-third of that new employment will be generated outside Alberta (including 19% in Ontario alone). And while the oil sector will see the largest degree of job growth, four out of every five jobs created is expected to occur in other sectors, such as manufacturing, retail and financial services.

**Government Revenues:** The oil sands industry is expected to generate \$123 billion in revenues for Canadian governments by 2020. This includes

*continued on page 2*



**PEOPLE**  
Albian Sands Supports  
'Community School'  
in Fort Chipewyan



**COMMUNITY**  
Suncrude's Successful  
Relationship with the  
Aboriginal Community

# Contents

## Economy

- 1 Oil Sands Working for Canada
- 3 Collaboration Key to Tackling Oil Sands Infrastructure Crunch

## People

- 4 Albian Sands Supports ‘Community School’ in Fort Chipewyan (Shell Albian)
- 4 Tackling the Recruitment Challenge (Suncor)
- 5 Women Thrive in Non-Traditional Roles (Syncrude)

## Community

- 6 Kept Promises: At the Heart of Syncrude’s Successful Relationship with the Aboriginal Community (Syncrude)
- 7 A Sound Investment Goes a Long Way (Suncor)

## Environment

- 8 GET WATER WISE—Conservation Efforts Surge in Fort McMurray (Shell Albian)

cover photo:  
Suncor Energy Inc.

### *Oil Sands Working for Canada continued from page 1*

royalties (which only the Alberta government receives) as well as personal, corporate, property and sales taxes. The largest portion, 41 percent (\$51 billion) will go to the federal government, followed by 36% (\$44 billion) to the Alberta government, and 9% (\$12 billion) to other provincial governments. Municipal governments will receive the remaining 15% (\$17 billion). In this way, revenues from oil sands development will be available to improve the quality of life of all Canadians—by helping to pay for public infrastructure and essential social services such as health care and education.

**Gross Domestic Product:** Oil sands activity is expected to boost total Canadian GDP by \$789 billion over the 20-year study period. The biggest growth (\$633 billion) is in Alberta, where the main value of the resources (i.e., investments and the value of oil sands output) is realized. But significant GDP increases will also occur in Ontario (\$101 billion), Quebec (\$8 billion) and the rest of Canada (\$45 billion). To cite just a couple of striking examples from the study, \$12.2 billion

of the total GDP increase will be generated in Ontario’s manufacturing sector and another \$18.9 billion in the province’s finance, insurance and real estate sectors.

It’s little wonder, then, that Sandra Pupatello, Ontario’s Minister of Economic Development and Trade, has been leading a series of trade missions to Alberta in recent months. In March, Pupatello, along with more than 130 Ontario manufacturers, traveled to Edmonton to participate in the National Buyer/Seller Forum, the foremost event for oil sands procurement.

In one of many success stories, Parmerit Inc., of Strathroy, Ontario, is reporting new sales of \$650,000—with more expected to come—as a result of the Edmonton trade mission. With 46 employees, Parmerit has enjoyed considerable success in the auto industry in the fields of custom machining and fabrication, electrical panel design and manufacture, computer programming support and mechanical design. Now, like so many others, the company is looking at the oil sands industry as an opportunity to diversify its customer base. ■

## Towards Sustainable Mining Performance Awards

The Mining Association of Canada’s oil sands members were honoured this year with six Towards Sustainable Mining performance awards for their achievements in the areas of external outreach and crisis management. Albian Sands, Suncor Energy and Syncrude are top performers in these areas.

### External Outreach

- Albian Sands Energy Inc.—Muskeg River Mine (Level 5)
- Suncor Energy Inc. (Level 5)
- Syncrude Canada Ltd. (Level 5)

### Crisis Management Planning

- Albian Sands Energy Inc. (corporate)
- Albian Sands Energy Inc.—Muskeg River Mine
- Syncrude Canada Ltd.

For more information on TSM and to read the full report please go to [www.mining.ca](http://www.mining.ca)



WITHIN THIS SPECIAL CANADIAN OIL SANDS EDITION OF THE MINING WORKS FOR CANADA NEWSLETTER, YOU WILL READ ABOUT SOME OF THE CHALLENGES AND SUCCESS STORIES THAT HAVE OCCURRED IN ONE OF CANADA'S MOST DYNAMIC AND EXCITING INDUSTRIES.

## Collaboration Key to Tackling Oil Sands Infrastructure Crunch

**T**HANKS TO NEWSPAPER FEATURES and national newscasts from Fort McMurray, Alberta, most Canadians have at least some appreciation of the challenges posed by the dramatic growth of the oil sands industry. What gets less ink and less airtime is the ongoing effort to find solutions.

The route to these solutions is collaboration—at least for the Regional Municipality of Wood Buffalo, the country's fastest-growing municipality and home to most of Canada's oil sands deposits. There, industry, public services, local government and local stakeholders are coming together to wrestle with some big issues. One of them is convincing government to invest in desperately needed infrastructure.

This investment was the focus of the Wood Buffalo Business Case 2005, an overview of the region's urgent need for public infrastructure and a five-year plan for the funding required to address the area's rapid, sustained growth. The business case, spearheaded by the Athabasca Regional Issues Working Group (RIWG), a non-profit industry-led association, outlined nine recommendations. Among them were more timely transfer of crown lands to the municipality, funding to address the region's critical infrastructure gaps, and better funding formulas and planning mechanisms to address high-growth regions in the province.

The business case went before Alberta's standing committee on energy and sustainable development in April 2005, successfully raising the government's awareness of these issues. In fact, the Alberta government released its own report on oil sands development, which acknowledged the need for special planning and support for growing regions like Fort McMurray. More recently, the government announced nearly \$400 million to address growth-related issues in the region, including support for new water and wastewater treatment facilities, affordable housing and health care.

This is in addition to several previous funding announcements: over \$700 million for highway improvements, a \$136 million interest-free loan to Wood Buffalo and over \$600,000 for new schools.

"I'm thrilled that the government of Alberta has recognized that Fort McMurray is unique and has responded to our needs," says Heather Kennedy, president of RIWG. "I now feel more confident that Fort McMurray will be a world-class city that matches the oil sands resource. I look forward to continuing to work with RIWG and our local leaders to ensure we have a sustainable community."

Kennedy, who is also Vice President of Operational Excellence at Suncor, and is currently on secondment to the Alberta Government as Assistant Deputy Minister to the Oil Sands Sustainable Development Secretariat, believes the business case was so effective largely because of the collaboration that went into it. Besides RIWG, which is funded by 24 members, 17 of them oil sands developers, other contributors were the Regional Municipality of Wood Buffalo, the Northern Lights Health Region, Keyano College and the three local school districts.

"RIWG also prepared a business case in 2002, but we did that on our own," says Kennedy. "The 2005 effort was strengthened by the input from other stakeholders. As an industry group, RIWG does a good job compiling growth projections for indicators such as oil sands production, jobs and capital expenditures. The other stakeholders were able to contribute a much wider perspective by speaking to the gaps in public infrastructure and civic services and how those gaps are going to constrain oil sands development. As a result of this input, we were able to mount a stronger advocacy effort, and we're starting to see the results." ■



Heather Kennedy is Vice President of Operational Excellence at Suncor, and is currently on secondment to the Alberta Government as Assistant Deputy Minister to the Oil Sands Sustainable Development Secretariat.

## Albian Sands Supports ‘Community School’ in Fort Chipewyan

**F**OR THE SECOND YEAR IN A ROW, Albian Sands Energy has stepped up as the lead corporate sponsor of the Family Resource Centre at the Athabasca Delta Community School, with a pledge of more than \$15,000.

Situated in the remote community of historic Fort Chipewyan in Northern Alberta, inaccessible by road for part of the year, the Athabasca Delta Community School is a unique institution.

“It’s the only school in Fort Chipewyan and we call it the ‘community school’, because it’s an outlet for the entire community,” said Edmund Crame, Athabasca Delta Community School Vice Principal.

The school caters to approximately 250 students from kindergarten through to Grade 12. The facilities, which received a Governor General’s Award for Architecture in 1986, are also designed to support continuing education and recreation programs for this community of 1,200 people located on the edge of the Canadian Shield on the northwest shore of Lake Athabasca.

And the Family Resource Centre is the heart of this community.

The Family Resource Centre started as part of the Government of Alberta’s Initiative for School Improvement with the aim of strengthening school ties and bridging the gap between school and community. The Centre is designed to act as a hub between the two, bringing traditional knowledge and practices back into the school, while extending an understanding of the school and its work back out into the community.

“There is a disconnect, particularly with the older generation, with respect to their understanding of school education and what it is today,” said Crame. “The Family Resource Centre helps us reach out to them and make up the ground that’s been lost through the legacy of the

residential school system. Because of the nature and history of the community here, education must be a shared responsibility between both the school and the larger community it draws from.”

Funding to the Centre, which is staffed by full-time coordinator, Dawn Waquan, helps purchase incentives and prizes for students who demonstrate positive actions, such as perfect attendance or good behaviour, which reinforce a commitment to stay in school. The Centre also offers study hours to students, prizes for writing contests, and access to a television and DVD player.

For the wider community, the Centre offers fun educational and recreational programs that the whole family can benefit from such as ‘Literacy Nights’, and parenting skills seminars for new mothers.

“Ongoing support to the Family Resource Centre is one way that Albian Sands can contribute to efforts to build a strong and healthy community in Fort Chipewyan over the long-term,” said Albian Sands Community Affairs Representative May-Britt Jahelka. ■

## Tackling the Recruitment Challenge

**T**HERE’S NO SHORTAGE of new things happening, but there’s certainly a shortage of people at Suncor. On any given day at Oil Sands, there are over 300 positions that need to be filled.

With the hottest job market in Canada, and about 10 per cent of our workforce nearing retirement, the company loses a few more employees every week. And, in addition to the current job openings, there are all kinds of new positions being added to support Suncor’s ambitious growth plans.

Suncor’s recruitment team has a big job filling all those positions. “We’re working to recruit new employees on many fronts, from looking locally, to across Canada, to going outside of the country,” says human resources manager Marion Boyd. “It’s a never-ending challenge.”





Marion Boyd, Human Resources Manager, Suncor Energy Oil Sands

*“We’re working to recruit new employees on many fronts, from looking locally, to across Canada, to going outside of the country.”*

At the same time as the company is actively looking for people to fill positions that are open right now, Marion says Suncor is also thinking about the longer-term future. That means participating in apprenticeship and training programs and partnering with others such as the Community Careers Co-operative, Keyano and Northern Alberta Institute of Technology (NAIT). It also means investing in the next generation of Aboriginal employees through scholarships, work placement and training programs.

“We want to make sure young people in our communities have opportunities to get the skills that will be needed by the oil sands industry in the years ahead,” says Marion.

The recruitment team’s latest initiative was a partnership with the Regional Health Authority and the education sector in a cross-Canada job fair, visiting communities in areas where industries are in decline. “There are many skilled people who live in places where the local mill or mine has downsized or shut down,” says Marion. “We can offer them an opportunity for a new start by inviting them to come and work with us.”

While the ongoing manpower shortage continues, recruitment efforts are paying off, with over 450 new full-time employees in 2006 and that number expected to rise in 2007. ■

## Women Thrive in Non-Traditional Roles

OUTSIDE A PUMPHOUSE in Syncrude’s North Mine, Kellee Frye is studying the polished surface of a twisted piece of metal with the furrow-browed intensity of an Egyptologist trying to divine crumbling hieroglyphics on an ancient tomb.

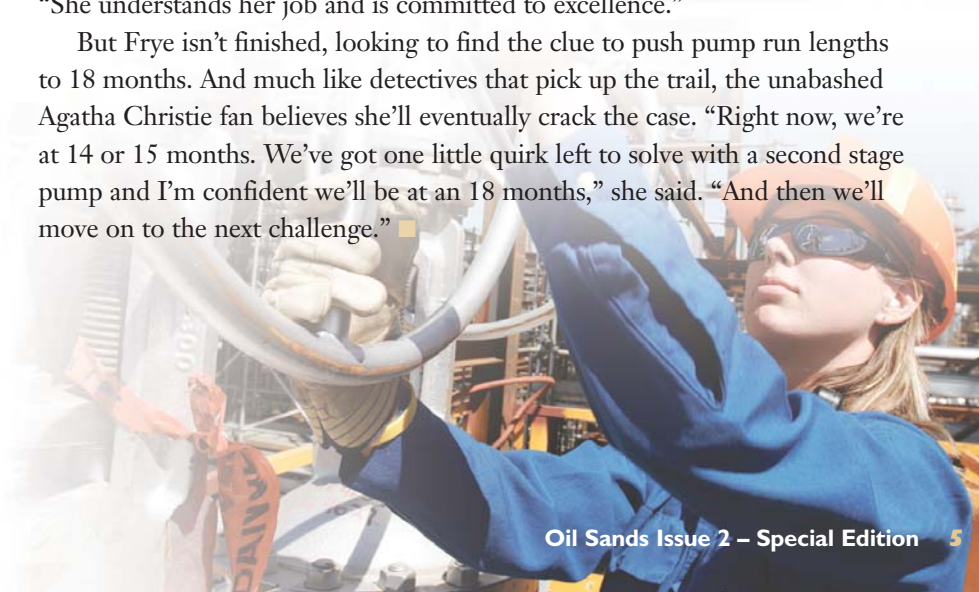
The metal, which looks like an oversized washer, is an impeller, a vital component in the giant pumps in Syncrude’s hydrotransport system. “Twice a year, we open up our pumps. We do a major overhaul of all of their components once a year,” said Frye, as Syncrude’s Fixed Plant Maintenance pump reliability specialist for the past five years. “Six months later, we’ll do a check up on it and internal wear thickness test.”

The workplace environment and challenges that confront Frye are very jarringly different from 20 years ago, when she joined Syncrude as an administrative assistant. “Syncrude was a great company to work for but I really wanted to work with my hands so I decided to become an apprentice millwright,” said Frye, the first female millwright at Syncrude and the first woman to go through the apprenticeship program at the local Keyano College. “I decided to write my pre-apprenticeship exam and got 89 per cent. I stapled the results to my transfer request.”

Eighteen years later, Manager Jason Coady—who has overseen the system’s maintenance for the past two years—is glad Frye decided to follow her instincts. Frye’s ability to unlock the secrets of how to prevent slurry (oil sand mixed with water) wearing down the metal and neoprene innards of pumps has improved run lengths from four months to one year. “Kellee is an excellent example of the kind of employee who has allowed our two hydrotransport trains to set records for availability in the past two years,” Coady said. “She understands her job and is committed to excellence.”

But Frye isn’t finished, looking to find the clue to push pump run lengths to 18 months. And much like detectives that pick up the trail, the unabashed Agatha Christie fan believes she’ll eventually crack the case. “Right now, we’re at 14 or 15 months. We’ve got one little quirk left to solve with a second stage pump and I’m confident we’ll be at an 18 months,” she said. “And then we’ll move on to the next challenge.” ■

*It is estimated that the oil sands will create a total of 240,000 new jobs across Canada by 2008.*



## Kept Promises: At the Heart of Syncrude's Successful Relationship with the Aboriginal Community

**S**YNCRUDE HAS DELIVERED on the pledge by Frank Spragins, its first president, to ensure the First Peoples of Wood Buffalo share in the opportunities of the oil sands by becoming the largest industrial employer of Aboriginals in the country and providing more than \$1 billion in contracts to Aboriginal-owned companies since 1992.

But Syncrude's success goes beyond awards and numbers for Doug Golosky. "Syncrude looked further ahead than most other companies by helping out local companies," said the Métis businessman, a welder who started Clearwater Welding in 1986 and has since become one of the biggest contractors in the region. "They felt it was important to give locals opportunities. When we had questions, they pointed us in the right direction."

One of the founders of the Northeastern Alberta Aboriginal Business Association, Golosky said Syncrude gave chances to Aboriginal businesses to prove themselves rather than providing free rides. "Syncrude set the standards and we had to adapt to them as contractors," said Golosky,

*"When people show a willingness to help out by contributing to community activities, it helps build that positive relationship."*

whose family dates back in Fort McMurray to 1903. "Today, we can compete with anybody because we were given the opportunity."

Those kinds of stories please Fort McKay First Nation Chief Jim Boucher, who sees them as tangible signs that Syncrude has kept its commitments in providing education, training, employment and business development opportunities for Aboriginals. "Syncrude has been exemplary in making and keeping its commitments with the Aboriginal communities in this region. Other companies and organizations could learn a lot from them," said Boucher, who worked on the Mildred Lake construction site as a teenager in



the 1970s. “Right from the start, Syncrude has been very inclusive in their policies towards Aboriginals. That hasn’t always been the case in the energy industry in this province.”

For Boucher, though, Syncrude’s track record of kept promises goes well beyond offering employment opportunities. Developing skills through sponsorship of the Keyano College Aboriginal Transition Program to prepare students for university and playing a key role in starting the Alberta Aboriginal Apprenticeship Program provides people with opportunities for success. “It is really surprising to deal with an organization that gets things done so quickly,” said Boucher, first elected chief in 1986. “Not only are they willing to help, they make decisions a lot more quickly than other organizations, such as the government, where bureaucracy tends to slow things down.”

As the nearest neighbour to the Mildred Lake plant, the Fort McKay First Nation also appreciates Syncrude’s investments in new technology to minimize its environmental impact in the region. “My grandparents had a trap line on Syncrude’s lease and their cabin was located where the Extraction plant is today,” said Boucher. “It was a big change to see the oil sands plants come here but we’ve established a positive relationship to work through issues, including environmental impacts.”

As a good neighbour, Syncrude also takes the opportunity to invest in community activities and projects. In 2006, the joint venture distributed \$910,000 through its Aboriginal Community Investment Program, which went towards supporting everything from Treaty Days to child care facilities. “When people show a willingness to help out by contributing to community activities, it helps build that positive relationship,” said Boucher. “Syncrude has always been happy to support our cultural, recreational and community activities. It shows they are here for the long term.”

Syncrude’s commitment was recently honoured by a gold medal from the Progressive Aboriginal Relations Program of the Canadian Council for Aboriginal Business. ■



## A Sound Investment Goes a Long Way

**W**HAT DO ALBERTA’S BOREAL FORESTS, wetland in southern Ontario and a bike path enthusiast in Commerce City, Colorado, have in common?

They are beneficiaries of the Suncor Energy Foundation’s community investment in environmental initiatives. In 2006 alone, the Foundation invested about \$2 million in organizations that oversee environmental projects, involve citizens in environmental issues, or strengthen the environmental community.

Such investments mirror Suncor’s commitment to reducing their environmental impact by helping others bring environmental programs and education to life, particularly in the regions where they operate. For example, the Foundation is involved in a multi-year commitment to Project Webfoot, a national wetland and environmental education program run by Ducks Unlimited Canada that allows students in the Regional Municipality of Wood Buffalo to take part in a wetland ecosystem study. The Foundation also supports Alberta’s RiverWatch Science Education Program, which encourages students to take action to improve water quality and conservation, and the Boreal Habitat Conservation Initiative, created to protect habitat in northern Alberta. In addition, the Foundation supports a number of projects in Ontario and Colorado aimed at conserving and reclaiming natural habitat, as well as enhancing recreational use. ■

**For more information on Suncor’s community investment activities, visit [www.suncor.com/community](http://www.suncor.com/community).**

## GET WATER WISE Conservation Efforts Surge in Fort McMurray

**T**HE REGIONAL MUNICIPALITY of Wood Buffalo (RMWB) is on its way to becoming more water conscious after securing exclusive support from Albian Sands Energy for a new Water Conservation Education and Awareness program.

During an event held September 12 at the Fort McMurray Water Treatment Plant, Mayor Melissa Blake announced Albian's \$100,000 investment toward the development of a strategic water management plan for the RMWB and implementation of the plan's first phase. "We are indeed pleased with Albian's willing partnership on this important environmental management and protection initiative. With municipal water infrastructure currently operating at capacity, conservation becomes an important priority," said Mayor Blake. "We are hoping this program will be a first step in getting residents and businesses in our region to look more carefully at reducing their water use in the future."

Mayor Blake, accompanied by RMWB Chief Administrative Officer Bill Newell and Albian Chief Operating Officer Chris Jones, toured the water treatment facility as part of the event.

Albian's Environment Team Lead for Expansion Operations, Samantha James has been working on this initiative with the RMWB for the past year, and spearheaded the company's involvement with the water conservation initiative. "Long-term sustainability of water resources and water quality is an increasing concern in our community," said James, who recommends simple tips for conserving water at home, such as buying low-flush toilets and low-flow showerheads, turning the water off while brushing your teeth and implementing water efficient landscaping.

The water awareness program targets RMWB residents in hopes of achieving three goals: change basic consumption habits related to water use;



Fort McMurray Mayor Melissa Blake was joined by Albian COO Chris Jones (left) and RMWB Chief Administrative Officer Bill Newell during an event to announce a new Water Conservation Education and Awareness Program, which received \$100,000 in funding from Albian Sands.

increase understanding of municipal resources; and realize environmental benefits through water conservation.

"As part of Albian's commitment to sustainable development, we are actively working to reduce and manage our own water use at our operations," said Chris Jones. "It just made sense for us to get involved with this initiative and promote water conservation beyond our own site."

Increased water recycling at Albian facilities will reduce freshwater draws from the Athabasca River by as much as 10 million cubic metres per year. Albian uses recycled water in the gland water system and is constructing a cooling tower to eliminate the need for river water in the cooling process. Pumping capacity to move water from the tailings pond back into the process continues to increase, and thickeners used in Albian's process allow for warm water recycling, reducing the area needed for settling clay and silt in the tailings pond.

Albian is also committed to the development and commercialization of non-segregated tailings, which replaces water trapped in void spaces between sand grains with clay and silt particles.

As James explained, the Water Conservation Education and Awareness program complements Albian's existing water conservation efforts. "While industry has a responsibility on an industrial scale to optimize use of the water in their process, it is every bit as important to make smaller changes on a larger residential population base which can have as big or bigger an impact on water conservation overall. Every drop counts!"

Residents of the RMWB can expect to see water conservation educational materials and programs introduced this fall. ■



### How to Contact Us

#### Mining Works For Canada

1105 – 350 Sparks Street  
Ottawa, Ontario K1R 7S8  
613 233-9391

[www.miningworks.mining.ca](http://www.miningworks.mining.ca)