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## **4.0 PUBLIC CONSULTATION**

### **4.1 Introduction**

KNOC is committed to consultation with its stakeholders about its development plans for the Expansion Project, and has initiated a thorough consultation program. Consultation provides stakeholders with an opportunity to learn about the project and how it may affect them, informs KNOC of the interests and concerns of its stakeholders, and allows KNOC to address those concerns during project planning. Consultation enhances relationships with KNOC's neighbours and contributes to responsible development.

In 2007, KNOC indicated that they would be seeking approval for the Initial Project. As detailed in its application for approval of the Initial Project, KNOC undertook an extensive consultation program prior to and throughout the regulatory review and approval process for that project. Throughout the consultation process associated with the Initial Project, KNOC made its stakeholders and potentially affected Aboriginal communities aware that eventually KNOC would also be seeking approval for the Expansion Project. In planning for the Expansion Project, KNOC has considered the input provided by stakeholders and potentially affected Aboriginal communities throughout its entire consultation efforts.

KNOC will continue to consult with stakeholders and potentially affected Aboriginal communities throughout the regulatory review and approvals process for the Expansion Project and beyond. KNOC understands that a successful consultation process requires ongoing communication with stakeholders and potentially affected Aboriginal communities through all stages of the project, from initial planning through to reclamation.

### **4.2 Goals and Objectives**

The objective of KNOC's consultation efforts is to provide all interested stakeholders and potentially affected Aboriginal communities, including trappers, industry, local residents, regulators and other parties who may be directly affected, an opportunity to participate in sharing of information, ideas, and concerns about the project. Also, KNOC wants to demonstrate to its stakeholders and potentially affected Aboriginal people that their input has been fairly considered in the company's development plans. Where possible, KNOC would like to resolve any issues that may arise in connection with the project and incorporate those resolutions into its plans.

Stakeholder consultation is an ongoing commitment of KNOC. The company will always endeavour to keep its stakeholders, and potentially affected Aboriginal communities constructively engaged through effective communication and action to address concerns.

## 4.3 Program Scope

### 4.3.1 Stakeholder Identification

KNOC has included relevant stakeholders and potentially affected Aboriginal communities in its consultation efforts. The following is a list of stakeholders and potentially affected Aboriginal communities with whom KNOC consults:

- *Alberta Government Agencies:*
  - Alberta Energy Resource Conservation Board;
  - Alberta Environment;
  - Alberta Health and Wellness;
  - Alberta Infrastructure and Transportation; and
  - Alberta Sustainable Resource Department.
  
- *Federal Government Agencies:*
  - Canadian Environmental Assessment Agency;
  - Fisheries and Oceans Canada;
  - Major Projects Management Office; and
  - Transport Canada (re: Navigable Waters).
  
- *Municipal Government Agencies:*
  - Community of Conklin;
  - County of Lakeland;
  - Regional Municipality of Wood Buffalo (RMWB); and
  - Town of Lac La Biche.
  
- *Neighbouring Stakeholders with Interest in Land:*
  - Trappers: Bill Martin.
  
- *Resource Development Companies, Subsurface Lease Holders and Others:*
  - Alberta-Pacific Forest Industries Inc. (AIPac);
  - Antelope Land Services Ltd.;
  - ARL Corporation;
  - BP Canada;
  - Canadian Coastal Resources Ltd.;
  - Devon Canada;
  - EnCana;
  - FCCL Oil Sands Ltd.
  - FortisAlberta;
  - MEG Energy;
  - Meridian Land Services Ltd.;
  - Nexen Inc.;
  - Opti Canada Inc.;
  - Pioneer Professional Services Group Inc.; and
  - Scott Land and Lease Ltd.

- *Aboriginal Communities:*
  - Beaver Lake Cree Nation;
  - Chard Métis Local #214;
  - Chipewyan Prairie Dene First Nation;
  - Conklin Métis Local #193;
  - Fort McMurray #468 First Nation;
  - Fort McMurray Métis Local #1935;
  - Heart Lake First Nation; and
  - Métis Nation of Alberta – Region 1.
  
- *Regional Service Providers:*
  - Aspen Regional Health;
  - Fort McMurray Construction Association;
  - Keyano College;
  - North Eastern Alberta Aboriginal Business Association;
  - Northern Lights Regional Health Authority;
  - Northern Lights School Division; and
  - RMWB Chamber of Commerce.
  
- *Multi-Stakeholder Organizations:*
  - Cumulative Environmental Management Association (CEMA);
  - Oilsands Developers Group;
  - Regional Aquatic Monitoring Program; and
  - Wood Buffalo Environmental Association.

#### **4.3.2 Stakeholder Consultation**

The company provided public notice of the draft TOR for the project EIA in the following publications:

- Alberta Sweetgrass;
- Bonnyville Nouvelle;
- Calgary Herald;
- Calgary Sun;
- Cold Lake Sun;
- Edmonton Journal; and
- Edmonton Sun.
- Fort McMurray Today;
- Lac La Biche Post;

KNOG also delivered copies of the draft TOR's directly to the Aboriginal communities listed above.

The company has consulted using a variety of tools, including face-to-face meetings, community meetings, electronic, telephone and other communications, including a Plain Language Summary describing the Expansion Project. A copy of the Plain Language Summary and the Project Summary Table are attached as [Attachment 2 \(2-1 and 2-2\)](#).

Attachment 2 (2-3) contains the Aboriginal Consultation Plan. [Attachment 2 \(2-3\)](#) lists the public engagement consultation activities that have occurred to date regarding the project. During consultation activities, a variety of issues were raised by stakeholders. These issues are discussed in [Section 4.4](#).

#### **4.4 Issues and Mitigation**

This section summarizes the issues raised by stakeholders and potentially affected Aboriginal communities to date and the proposed mitigation described in this application that KNOC has or is proposing to implement.

##### **4.4.1 Aboriginal Communities**

Prior to submitting an application for approval of the Initial Project, KNOC has undertaken an extensive consultation program with the Aboriginal communities in the area. During this process issues and concerns related to the Initial Project were raised. KNOC has continued working with the Aboriginal communities to address the identified issues and concerns. The consultation activities have been ongoing and will remain so throughout the regulatory review and approvals process for the Expansion Project.

KNOC anticipates that many of the concerns raised by the Aboriginal communities during the Initial Project will also be raised about the Expansion Project. Identified concerns raised by the Aboriginal communities relate to potential effects to the biophysical environment, human environment, and traditional land use. Concern has also been expressed by Aboriginal communities about their lack of capacity to fully partake in the consultation program without support from KNOC. Furthermore, Aboriginal communities have expressed a desire to benefit from the project through economic and business opportunities.

Environmental concerns that have been raised include potential impacts to air, water, fish, vegetation, and wildlife. For example, prevalent concerns have been raised about potential impacts to Christina Lake, and cumulative effects. The environmental effects assessment associated with this application discusses potential effects to the environment, and identifies the steps that KNOC will take to mitigate potentially adverse effects and enhance positive effects. KNOC will develop the project in an environmentally responsible manner.

Aboriginal communities have indicated that traditional land use activities occur in the vicinity of the proposed project, and that they would like to work with KNOC to minimize effects to traditional land use. KNOC has indicated their willingness to work with Aboriginal communities to complete traditional land use studies. KNOC will make best efforts to minimize effects to traditional land use.

Aboriginal communities have also suggested that it is time consuming to participate in consultation processes and have requested that KNOC provide them with resources to facilitate their participation. KNOC has contributed resources to assist Aboriginal communities to participate in consultation processes. KNOC will continue to engage and consult with Aboriginal communities, and will continue considering requests for resources that will be used by Aboriginal communities to enhance their capacity to be engaged and consulted.

Interest has also been expressed with respect to monitoring programs to be established as part of the operational phase of the BlackGold Project. KNOC, together with regulatory authorities, will develop robust monitoring programs for the project. KNOC has also committed as part of its ongoing consultation, to keep stakeholders informed about its operations on an ongoing basis.

Aboriginal communities have expressed an interest in business opportunities for their members. KNOC has indicated that the tendering process will consider Aboriginal content in awarding contracts for work on its site. KNOC has encouraged the Aboriginal communities to provide information about their businesses that may be able to provide products and services to KNOC during construction and operations. KNOC expects that through this exchange of information and with competitive bid processes, Aboriginal businesses will have opportunities to benefit from the project.

Aboriginal communities have also raised issues with respect to cumulative effects of development within their traditional lands and the quality of direct consultation with government. Through its project design and mitigation measures described in this application, KNOC has endeavoured to minimize its environmental footprint. As a part of its consultation process, KNOC keeps regulators informed about stakeholder issues and the company's efforts to address these issues. KNOC is also supportive of direct government consultation with Aboriginal communities.

#### **4.4.1.1 Beaver Lake Cree Nation**

The Beaver Lake Cree Nation (BLCN) indicated their desire to negotiate a consultation plan, prior to participating in any other engagement or consultation activities with KNOC. KNOC has been proactive in attempting to negotiate a consultation plan with the BLCN since February 2008. Since that time, KNOC and the BLCN have endeavoured to negotiate an agreement. Negotiations for an acceptable agreement continue. KNOC has provided the BLCN with a plain language summary and project summary sheet describing the Expansion Project.

- On 14 May 2008, the Chief of the BLCN, on his own behalf and on behalf of all other BLCN beneficiaries of Treaty No. 6, and the BLCN filed a statement of Claim against Alberta and Canada arguing that Alberta and Canada has infringed its treaty rights, including the right to hunt, trap and fish. In part, the statement of claim argues that Alberta has granted leases or is in the process of granting leases and has authorized oil and gas related activities, forestry activities, mining activities, and other activities in the Core Traditional Territory in a manner that infringes its treaty rights. The KNOC project is proposed on lands that are within the area that the BLCN claims as part of its Core

Traditional Territory, as that territory is described in the Statement of Claim. The Statement of Claim specifically mentions 19,291 developments, including 50 individual developments by KNOC associated with the project (e.g., well licenses), that the plaintiffs claim have been authorized or are in the process of being authorized, which breach the obligation and honour of the Crown.

Notwithstanding this active litigation, BLCN indicated a desire to continue to consult with KNOC regarding the project. The BLCN has indicated that they would like to negotiate a Consultation Agreement before advancing the consultation process.

**KNOC Response:** The parties had multiple discussions about the agreement and exchanged multiple drafts. KNOC has indicated its willingness to continue negotiations and to consult with the BLCN, with or without a consultation agreement. KNOC will continue to provide BLCN with information about the project, and respond to issues and concerns that may be raised.

- In a meeting with KNOC regarding the Initial Project, the BLCN expressed concern about cumulative effects, including all roads in the area near KNOC's lease.

**KNOC Response:** Cumulative effects are a regional concern. KNOC has endeavoured to design the project in an environmentally responsible manner, having regard to the sensitivities of cumulative effects of all oil sands developments in the region. With respect to use of local roads, KNOC explained that its plans to use existing roads as much as practical.

- BLCN expressed an interest in business opportunities for band members.

**KNOC Response:** KNOC has indicated that its tendering process will consider Aboriginal content as an element in awarding contracts for work on its site. KNOC has encouraged the BLCN to provide information about its businesses that may be able to provide products and services to KNOC during construction and operations. KNOC expects that through this exchange of information and with appropriate tendering mechanism, BLCN businesses will have many opportunities to benefit from the project.

#### **4.4.1.2 Chipewyan Prairie Dene First Nation**

KNOC has had numerous discussions with the Chipewyan Prairie Dene First Nation Industry Relations Corporation (CPIRC) to advance the consultation process. KNOC has:

- joined the IRC as an associate member;
- funded a third party review of the environmental assessment for the Initial Project as requested by the CPIRC, and discussed the results of that review with the CPIRC;
- provided a plain language summary and project summary sheet describing the Expansion Project to the CPIRC;
- together with other industry participants, jointly funded a traditional foods study;
- discussed a process to complete a traditional knowledge study with the CPIRC;

- entered into negotiations with the CPIRC to develop a benefits agreement; and
- discussed CPDFN business capabilities.

Throughout the consultation process, the CPIRC has raised some concerns. The CPIRC:

- Expressed the importance of KNOC consulting with the CPDFN.

**KNOC Response:** KNOC recognizes the CPDFN as a potentially affected Aboriginal community, has signed a consultation agreement with the IRC, has joined the IRC, and will continue to consult with the CPDFN.

- Provided a summary of their objectives and priorities in relation to KNOC. Three CPDFN objectives and concerns were identified:
  - environmental and social impacts on the First Nation;
  - economic opportunities and financial compensation for impacts of KNOC's activities; and
  - long-term co-operation, communication and monitoring of measures for mitigating environmental impacts and realization of economic opportunities.

**KNOC Response:** KNOC is working with the CPDFN to develop a plan, acceptable to both parties, designed to address these concerns. KNOC will continue to advance discussions with the CPIRC to determine approaches that will address these concerns in ways acceptable to both parties. As a part of this process, KNOC and the CPDFN are negotiating a benefits agreement.

- Requested that Management and Solutions in Environmental Sciences (MSES) complete a third party review of the application KNOC submitted to AENV and ERCB for the Initial Project. KNOC funded this third party review. The review focused on the following disciplines: hydrology, hydrogeology, water quality, fisheries, wildlife and wildlife habitat, vegetation, soils, air quality, biodiversity, community consultation and traditional land uses, and follow-up programs. The third party review identified a number of concerns including those related to:
  - the regulatory review process;
  - the level of detail contained in the application;
  - the methods used to complete the environmental assessment;
  - the role of traditional ecological knowledge in the assessment;
  - quality of groundwater regimes within close proximity to the KNOC operations;
  - potential effects to Christina Lake;
  - potential impacts to wildlife;
  - potential impacts to fisheries;
  - potential impacts to water quality;
  - impacts to CPDFN Treaty Rights and Traditional Resource Use; and
  - adequacy of proposed monitoring programs.

**KNOC Response:** KNOC provided a detailed response to the third party review in writing, and during a meeting with the CPFN IRC and MSES. KNOC's responses addressed the majority of CPIRC's environmental concerns with respect to the project. KNOC informed the CPDFN IRC that some of the concerns raised in the review were outside of the purview of KNOC and were better addressed by the Alberta Government. There were unresolved concerns with respect to First Nation's Aboriginal and Treaty Rights that could potentially be impacted by the Project.

- Expressed a desire for KNOC to consult with trappers in the area.

**KNOC Response:** KNOC is consulting with the trapline lease holder whose lease overlaps with the KNOC leases.

- Expressed concerns about cumulative effects in the Christina Lake watershed because there are several active projects and proposed expansions in the area.

**KNOC Response:** This concern is a regional development issue. KNOC has endeavoured to design the project in an environmentally responsible manner to minimize any effects on the Christina Lake watershed, having regard for the sensitivities of cumulative effects.

- Expressed interest in having Traditional Ecological Knowledge utilized in assessing potential project effects.

**KNOC Response:** KNOC has reviewed existing information to identify relevant Traditional Knowledge and Traditional Land Use information. KNOC is negotiating with the CPDFN to complete a Traditional Knowledge and Traditional Land Use Study. KNOC plans to utilize the results of that study in assessing the environmental impacts of the Expansion Project, and in project planning. KNOC had hoped that the study results would be available to incorporate into this application. However negotiations to complete the study have not been completed. KNOC will incorporate the results into supplementary filings, and project planning when they are available.

- Expressed concern about the quality of groundwater regimes within close proximity to the KNOC operations.

**KNOC Response:** KNOC has proposed a groundwater monitoring program for the project, the details of which will be determined in consultation with AENV.

- Expressed a desire to benefit from the Expansion Project, by securing work on the project for their joint venture and community member owned businesses.

**KNOC Response:** KNOC has indicated that its tendering process will consider Aboriginal content as an element in awarding contracts for work on its site. KNOC has encouraged the CPDFN to provide information about its businesses that may be able to provide products and services to KNOC during construction and operations. KNOC also attended the CPDFN Trade Show, which showcased the CPDFN joint venture

businesses, and businesses owned by members of the CPDFN. KNOC expects that through this exchange of information and with competitive bid processes, CPDFN businesses will have opportunities to benefit from the project.

#### **4.4.1.3 Fort McMurray #468 First Nation**

KNOC had discussions with the Fort McMurray #468 First Nation (FMFN) IRC and with the FMFN Chief and Council in connection with the project. Discussions focussed on KNOC joining the IRC and developing an effective consultation process. KNOC has provided the FMFN IRC with a plain language summary and project summary sheet describing the Expansion Project.

The FMFN:

- Suggested that KNOC should join the IRC.  
**KNOC Response:** KNOC has agreed in principle to join the FMFN IRC as a non-producing member. The FMFN IRC has not yet sent KNOC the FMFN IRC agreement. When the FMFN IRC sends a mutually acceptable agreement, KNOC will join the FMFN IRC.
- Expressed interest in securing business opportunities for band members and band owned companies with the project.  
**KNOC Response:** KNOC requested that the FMFN provide them with a list of businesses supported by the community. KNOC has also indicated that its tendering process will consider Aboriginal content as an element in awarding contracts for work on its site. KNOC has encouraged the FMFN to provide information about its businesses that may be able to provide products and services to KNOC during construction and operations. KNOC expects that through this exchange of information and with competitive bid processes, FMFN businesses will have opportunities to benefit from the project.
- Explained that the First Nation is dealing with many issues as a result of cumulative effects associated with oil and gas developments in the region, including, specific concerns about traffic and price of gas.  
**KNOC Response:** This concern is a regional development issue. KNOC has endeavoured to design the project in an environmentally responsible manner, having regard to the sensitivities of cumulative effects of all oil sands developments in the region.
- Questioned how KNOC will deal with wastewater produced by the project.  
**KNOC Response:** Wastewater will be trucked off-site for treatment and disposal at an approved facility.

#### **4.4.1.4 Heart Lake First Nation**

KNOC had discussions with the Heart Lake First Nation (HLFN) Consultation Office (HLFNCO) and HLFN Chief and Council in connection with the project. Discussions focussed on development of an effective consultation process. KNOC has contributed funds to the HLFNCO to facilitate effective consultation. KNOC has also funded a traditional knowledge study. A plain language summary and project summary sheet describing the Expansion Project has been provided.

The HLFNCO and members of the HLFN:

- Expressed their desire for KNOC to develop a positive relationship with the HLFN and HLFNCO and for KNOC to provide financial support to the HLFNCO.

**KNOC Response:** KNOC continues to work with HLFN and HLFNCO to develop a positive and mutually beneficial relationship. To that end, KNOC has engaged and consulted with the HLFN and HLFNCO and has provided payment for services rendered by the HLFNCO. KNOC has also indicated a desire to work with HLFN businesses and has developed a community investment policy.

- Expressed interest in securing business and employment opportunities resulting from the KNOC BlackGold Project and Expansion Project.

**KNOC Response:** KNOC requested that the HLFN provide them with a list of businesses supported by the community. KNOC has also indicated that its tendering process will consider Aboriginal content as an element in awarding contracts for work on its site. KNOC has encouraged the HLFN to provide information about its businesses that may be able to provide products and services to KNOC during construction and operations. KNOC expects that through this exchange of information and with competitive bid processes, HLFN businesses will have opportunities to benefit from the project.

- Expressed concern about impacts to hunting and trapping. In particular they asked whether there are restrictions, during various Project(s) phases, regarding access to the project area, and general development area for hunting/trapping by the HLFN people.

**KNOC Response:** Access to the KNOC leases will remain available for the practice of traditional uses but for restrictions associated with safety considerations for people within close proximity to industrial areas.

- Expressed concern about impacts to fishing. In particular they raised concerns about possible watershed contamination when brackish water is returned to underground water sources, and asked whether there were certainties that contamination could not happen. They also questioned how KNOC could ensure that disposal water will not migrate into the potable water supply or affect surface water.

**KNOC Response:** Brackish water is not returned to underground water sources. Source water is treated at the CPF and waste streams are disposed of at licenced facilities off-site.

- Expressed concern about the health of fish spawning in creeks and rivers in the vicinity of the project area. The Elders explained that muskeg is an invaluable natural filter that purifies water, and expressed concern that the removal of muskeg to allow for roads and industrial facilities may affect the purity of the water in lakes, streams, creeks and rivers. They are also concerned about the health of water and fish. They asked about efforts to reclaim or avoid muskeg areas.

**KNOC Response:** Disturbance to wetland areas is minimized as a part of the project design. Surface water regimes are directed around the project footprint to sustain natural water flows. Minimum setbacks of 100 m from surface waterbodies with defined bed and bank are maintained wherever practicable. Stormwater runoff is managed on-site. Before release to the natural environment, stormwater is tested to ensure that it meets necessary water quality guidelines. Process affected water is recycled back into the process. These activities will be monitored as a part of ongoing operations.

- Explained that they have noticed a decrease in song birds in the Heart Lake area and throughout their Traditional Territory. They explained that they have also noted that the local avifauna is dominated by ravens and magpies. The Elders have attributed the loss of song birds to air pollution as a result of industrial activity. The HLFN has indicated that there is an initiative to develop a strategy to protect lands and nesting grounds in the general development area of the Project. They indicated that other resource developers in the region are supportive of the initiative and asked if KNOC would support it. The HLFNCO also asked if there are other planned strategies to address the decrease in bird populations generally, and song birds in particular.

**KNOC Response:** The EIA completed for the project does not disclose any material impacts of the project to local bird populations. If regional initiatives are developed with respect to this specific issue, KNOC will investigate its participation in such initiatives.

- Expressed concern about the safety of traditional foods that they consume and asked whether there would be impacts to plant life in the vicinity of the project.

**KNOC Response:** The EIA concluded for the project does not disclose any material impacts to plant life in the vicinity of the project.

- Recognized that government and regulatory agencies require a review of Historical Resources associated with the project area, and asked whether there are survey and field work efforts on behalf of KNOC to avoid potential impacts to TLU sites.

**KNOC Response:** KNOC will require sign-off by Alberta Culture and Community Spirit (ACCS), pursuant to the *Historical Resources Act* as a part of the provincial authorizations required for the project. KNOC has also acquired TLU information from HLFN for incorporation into the EIA completed for the project.

- Expressed concern about SO<sub>2</sub>, NO<sub>x</sub>, and CO<sub>2</sub> emissions and their impacts on plants and wildlife. They also have concerns that these emissions can travel long distances and negatively affect ecosystems beyond the Project(s) area.

**KNOC Response:** The EIA completed for the project requires a robust assessment of all air emissions associated with the project. The project design includes technology selections to minimize air emissions such that the resultant regional air quality is within applicable guidelines.

- Explained that they are concerned about ‘land settling’. They explained that they understand that oil is removed from the ground, while sand and clay layers remain intact, but still had questions about the impacts of settling after the pressure has been added and gases removed.

**KNOC Response:** As a part of the Initial Project application review, KNOC conducted a ground settling study which concluded that ground settling will not occur as a result of the proposed development.

- Expressed concern about cumulative effects of seismic lines, roads, power line corridors and other infrastructure. They suggested these developments create fragmented habitat and reduce the amount of wildlife available and the movement patterns of wildlife and birds. They also explained that there is an increased activity of non-native hunters in the area.

**KNOC Response:** The project includes best practice mitigation measures with respect to maintaining wildlife movement through and around the project area. The project also includes mitigation measures to address access management both during operation and post-reclamation.

- Expressed concern about pressure build-up in the reservoir impacting surface structures.

**KNOC Response:** As a part of project design, steam injection pressure will not exceed reservoir fracture pressure. Reservoir pressures will be monitored on an ongoing basis.

- Explained their understanding that KNOC plans to recycle between 90-95% water recovery rate of water used on site once in production. They asked what KNOC plans to do to minimize groundwater withdrawal.

**KNOC Response:** KNOC’s groundwater make-up requirements are described in the project application. The water recycle systems minimize the amount of make-up water required to sustain operations.

- Expressed their understanding that KNOC is not required to re-create pre-disturbance ecosystems. They expressed concern that the reclaimed landscape will lack biodiversity of its pre-disturbance state and about the long-term stability of created landforms and the ability to restore landscape biodiversity. They also expressed concern about the lack of microscopic organisms that create a healthy ecosystem.

**KNOC Response:** KNOC's commitment for final reclamation is to re-establish a landscape that is of equal capability to that which existed prior to the project development.

- Explained that moose are an important food resource for HLFN band members, and expressed concern about moose getting contaminated.

**KNOC Response:** KNOC explained that, due to the small size of the project with air emissions less than ambient ground level objectives, moose are not expected to be affected. This is reflected in the wildlife section of the environmental assessment for the Expansion Project

- Expressed overall concern with respect to potential impacts on hunting lodges, wildlife, plant harvesting and lakes and rivers and expressed a desire to work with KNOC to mitigate impacts.

**KNOC Response:** The environmental assessment completed for the project indicates that there are no adverse environmental effects associated with these resources arising from the development of the project. Therefore, no additional mitigation, other than that included in the design of the project is required. Applicable monitoring and mitigation is included in the Expansion Project design.

- Expressed concern that Korea and not Alberta and Canada will benefit from the development.

**KNOC Response:** The economic benefits for the development for Alberta and Canada are reflected in the work and employment created by the development. In addition, KNOC will be subject to the law of the province and country regarding payment of royalties and taxes.

- Explained that they want to focus on business relationships, capacity building and traditional knowledge and traditional land use concerns.

**KNOC Response:** KNOC agreed to fund a traditional knowledge and traditional land use study, which was completed by the HLFNCO. KNOC will also continue to discuss business relationship and capacity building with the HLFNCO.

#### **4.4.1.5 Chard Métis Local #214**

KNOC has been working with the Chard Métis Local #214 (Local #214) and other proponents of SAGD development in the area to develop a consultation process. KNOC has indicated that they are prepared to engage and consult with the Local #214 when an effective consultation process is developed.

The Local #214:

- Explained that Local #214 members are impacted by developments at Christina Lake and should be consulted by KNOC.

**KNOC Response:** KNOC is prepared to engage and consult with Local #214.

- Expressed concern that dealing with industry takes a lot of time, and distracts the Board of Directors of the Local #214 from dealing with community issues.

**KNOC Response:** KNOC will continue to work with the Local #214 representatives to develop an ongoing consultation strategy that meets the community's needs and is sensitive to the workload faced by the community and its Board due to the current pace of oil sands development.

- Expressed an interest in KNOC using specific local companies.

**KNOC Response:** KNOC has indicated that its tendering process will consider Aboriginal content as an element in awarding contracts for work on its site. KNOC has encouraged the Local #214 to provide information about its businesses that may be able to provide products and services to KNOC during construction and operations. KNOC expects that through this exchange of information and with competitive bid processes, Local #214 businesses will have opportunities to benefit from the project.

#### **4.4.1.6 Conklin Métis Local #193 and Conklin Community**

KNOC has had numerous discussions with the Conklin Métis Local #193 (Local #193) to advance the consultation process.

Local #193 explained to KNOC that they are working with the Conklin Community Association and other companies operating or proposing to operate SAGD projects and other developments near Conklin, to develop the Conklin Resource Development Advisory Committee (CRDAC). The CRDAC has a mandate to develop and implement Consultation Action Plans, which will determine a process for consultation with residents of Conklin, for developers. The CRDAC is composed of representatives of the Local #193 and the Conklin Community Association, with proponents of SAGD projects in the area funding and assisting with the initiative. KNOC has been an active partner in funding and participating in the CRDAC.

The CRDAC has provided direction to the developers, including KNOC, in regards to how they wish to be engaged and consulted. The CRDAC has asked that KNOC participate in the CRDAC process, participate in trade shows, community coffee houses, and issues identification processes organized and hosted by the CRDAC. KNOC has participated in these processes.

KNOC is working with the CRDAC to develop a Consultation Action Plan, which will detail the activities to be completed by the CRDAC and KNOC to ensure that effective and meaningful consultation is completed. KNOC and the CRDAC have agreed in principle to the Consultation

Action Plan and are in the process of finalizing it. KNOC has provided the CRDAC with a plain language summary and project summary sheet describing the Expansion Project.

The CRDAC and residents of Conklin have:

- Not raised any specific concerns about the proposed KNOC activities. General concerns about the impacts of development have been raised. In particular, raised concerns include those related to:
  - housing;
  - impacts to Christina Lake;
  - lack of policing in Conklin; and
  - disturbances to Wasassi (an area important to residents of Conklin on the shores of Christina Lake).

**KNOC Response:** KNOC has agreed to fund and participate in the CRDAC and will work through the CRDAC to assist the residents of Conklin to address these concerns.

- Expressed an interest in signing a benefits agreement with KNOC that will cover consultation, environmental, socio-economic, and traditional knowledge components.

**KNOC Response:** KNOC is engaged in negotiations with the CRDAC about a benefits agreement.

#### **4.4.1.7 Fort McMurray Métis Local #1935**

KNOC has had numerous discussions with the Fort McMurray Métis Local #1935 (Local #1935). KNOC has provided them with a plain language summary and project summary sheet describing the Expansion Project. KNOC and Local #1935 have also agreed to develop a consultation action plan, which identifies the activities which will be undertaken by both Local #1935 and KNOC to ensure that effective and meaningful consultation is completed with Local #1935.

- Explained that Local #1935 is understaffed and overwhelmed with applications and requires resources

**KNOC Response:** KNOC and Local #1935 have agreed in principle to a consultation action plan.

- Expressed a desire to benefit from the Expansion Project, by securing work on the project for their joint venture business.

**KNOC Response:** KNOC has indicated that its tendering process will consider Aboriginal content as an element in awarding contracts for work on its site. KNOC has encouraged the Local #1935 to provide information about its businesses that may be able to provide products and services to KNOC during construction and operations. KNOC expects that through this exchange of information and with appropriate tendering mechanism, Local #1935 businesses will have opportunities to benefit from the project.

#### **4.4.1.8 Métis Nation of Alberta – Region 1**

KNOC has had discussions with the Métis Nation of Alberta – Region 1. KNOC has provided the Métis Nation of Alberta – Region 1 with a plain language summary and project summary sheet describing the Expansion Project.

The Métis Nation of Alberta – Region 1 has:

- Indicated that they want KNOC to consult with them. They also indicated that they do not have a consultation policy and are unsure of how they want to be consulted.

**KNOC Response:** KNOC will continue to provide the Métis Nation of Alberta – Region 1 with information about the Expansion Project, and will respond to issues and concerns that are raised.

- Expressed interest in having Métis businesses secure business opportunities from both the Initial and Expansion projects.

**KNOC Response:** KNOC has indicated that its tendering process will consider Aboriginal content as an element in awarding contracts for work on its site. KNOC has encouraged the Métis Nation of Alberta – Region 1 to provide information about Métis businesses that may be able to provide products and services to KNOC during construction and operations. KNOC expects that through this exchange of information and with appropriate tendering mechanisms, Métis business will have opportunities to benefit from the project.

#### **4.4.1.9 Bill Martin – Trapper**

Mr. Martin is the only holder of a trapline overlaying the project area. KNOC is working with Mr. Martin with respect to impacts on his trapline arising from the company's activities on its oil sands leases. Mitigation for these impacts, such as compensation and opportunities for Mr. Martin's business, has been discussed. For example, in February 2008, Mr. Martin was contracted by KNOC to cut and clear fire wood from the KNOC site and deliver that fire wood to members of the Conklin community.

### **4.4.2 Other Stakeholder Engagement**

#### **4.4.2.1 Regional Issues Working Group**

KNOC became a member of the Oilsands Developers Group (OSDG) in January 2008 and is participating in the Southern Athabasca Oil Sands Producers Committee of OSDG. Membership and active participation in other multi-stakeholder organizations and processes are being reviewed by KNOC on an ongoing basis and the company will consider participation in these organizations in the future as its business plans are advanced.

#### **4.4.2.2 Keyano College**

In a meeting with representatives of Keyano College, opportunities for involvement with the college were discussed. The interests of the college included understanding the needs of the company with respect to necessary skills for employees and workers on the KNOC site and a timeline for when those skilled workers would be required. This information will help Keyano College with defining its own future needs and development plans. The parties agreed to continue to communicate with each other and further investigate opportunities to work together.

#### **4.4.2.3 Fort McMurray Construction Association**

The Fort McMurray Construction Association identified interest in maximizing opportunities for local businesses with the project. KNOC and the Association agreed to continue to work together to share information including the use of the Regional Economic Development (RED) link so that local businesses are aware of the available opportunities.

### **4.5 Future Consultation Plans**

KNOC will continue to consult with stakeholders and potentially affected Aboriginal communities on an ongoing basis throughout the regulatory approval process and thereafter. As progress is made to address stakeholder concerns, KNOC will provide updated information to regulatory authorities.

Consultation activities will be designed to provide all stakeholders with an opportunity to be engaged in an open and inclusive dialogue about the company's development plans and positive ways to address concerns stakeholders may have relating to those plans.

Stakeholder consultation activity will be recorded in a consultation database and maintained by KNOC on an ongoing basis.