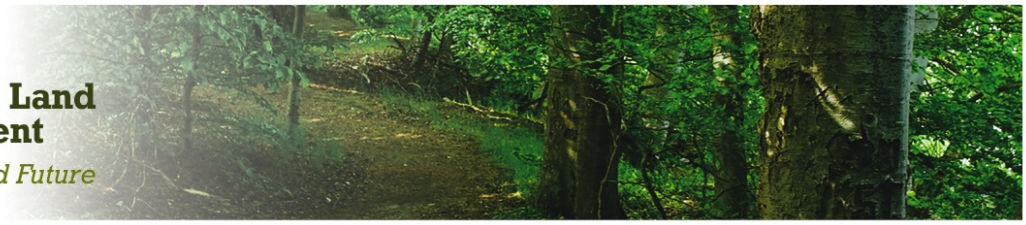


ILM Integrated Land Management

Shared Responsibility - Shared Future

ILM Success Story: Al-Pac-Opti/Nexen Integrated Planning

By mid-2008, phase one of Opti Canada Incorporated and Nexen Incorporated's Long Lake Project was anticipated to begin production. When fully operational, phase one of the Long Lake Project expected to produce 72,000 barrels per day of bitumen, translating to 58,500 barrels per day of high quality, premium sweet crude.

Like every major oil sands development, Long Lake was years in the making. Eight kilometres southeast of the Town of Anzac, the Long Lake site is located within Alberta's boreal forest and on public land managed under a long-term Forest Management Agreement by Alberta-Pacific Forest Industries (Al-Pac).

What was the issue?

In 2001, Don Pope, an Integrated Land Management Specialist with Al-Pac, received a copy of Opti and Nexen's environmental impact assessment report. After seeing where the oil and gas companies were proposing to site the Long Lake Project, Don contacted Opti and Nexen to discuss options for better integrating their activities.

At this time, integrated land management was a new concept and many companies were still exploring how to cooperatively plan with other land users.

How was the issue managed?

Since Al-Pac and Opti/Nexen were proposing to use the same land base – albeit for different purposes and at different times – the companies decided to use a coordinated corridor and footprint development approach to enable the Long Lake Project. This included locating the proposed oil sand project over Al-Pac's timber harvest footprint and entering into a road sharing agreement.

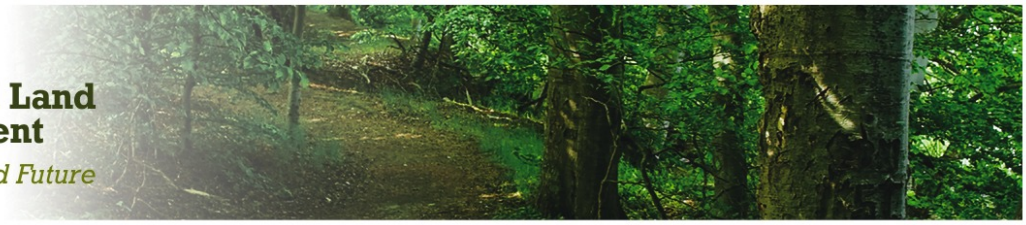
By integrating their land-uses, the companies would be able to reduce their industrial footprint and establish a more cooperative manner of doing business.

To make this initiative a reality, Al-Pac applied for and constructed the roads needed for the Long Lake Project based on an agreement with the oil and gas companies. Opti and Nexen benefited from this partnership by realizing cost savings and having their oil sands project advanced by several months.

Don Pope explains that since Al-Pac already had plans to harvest lands within the proposed project area in 2002/2003, they were able to retool their plans and prepare an integrated harvest design to include the anticipated Long Lake project footprint:

> "We just took one of our timber harvest units and placed it on top of where they needed to go."

Not only did this collaborative planning result in about 30% fewer harvested trees, but it enabled two industries to effectively share one footprint.



Who were the partners/collaborators for this project?

- Alberta-Pacific Forest Industries
- Nexen Incorporated
- Opti Canada Incorporated

What happens next?

Even once the Long Lake Project begins producing oil, Al-Pac's commitment to working with Opti and Nexen to manage their collective footprint in this area continues. Through their partnership, they will share resource data, develop reclamation and research plots and incorporate understory protection into the footprint area.

Over the past 10 years, Al-Pac has incorporated this integrated land management approach into its everyday business practices, often meeting with oil and gas companies in the early stages of their project planning to identify future opportunities for collaboration.

As Don suggests: "collaboration between forestry and oil and gas can work – you just have to be willing to pick up the phone to get the ball rolling."