

MINISTRY OF ABORIGINAL RELATIONS
AND RECONCILIATION
BRIEFING NOTE

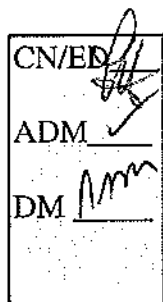
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I Prepared for the **INFORMATION** of Minister John Rustad, Minister of Aboriginal Relations and Reconciliation

II ISSUE: October 29, 2014 Meeting with Scott Wenger, Manager of Government Relations and Patrick Beatty, Government Relations Advisor at Suncor Energy

III BACKGROUND:



Suncor Energy (Suncor) has requested a meeting with Minister Rustad to provide a strategic overview of Suncor's initiatives in British Columbia.

Suncor is a Calgary based energy-company that specializes in the development of synthetic crude in the Alberta oil sands. In 2009, Suncor merged with Petro-Canada, creating Canada's second largest corporation in terms of market capitalization. Since the merger, Suncor has been divesting itself of unconventional assets in Alberta and British Columbia to focus on oil production. In 2010, Suncor sold the majority of its natural gas assets in the Montney Basin to Progress Energy, followed by additional sales in 2013.

IV DISCUSSION:

Suncor does have multiple interests in British Columbia that it may wish to discuss:

- **Oil and Gas Projects in Northeast British Columbia:** While Suncor has sold the majority of its natural gas assets in British Columbia, the company retains several tenures in the Horn River Basin area that have yet to be developed. In addition, Suncor has several conventional gas wells in production near Fort St. John.
- **Kinder Morgan Trans Mountain Pipeline Expansion:** Suncor is one of 13 companies with a contract to ship petroleum product through Kinder Morgan's expanded pipeline. Prior to the National Energy Boards' approval of Kinder Morgan toll plan for the expansion, Suncor had expressed concerns about the increased tolls.
- **Burrard Products Terminal:** This facility in Burnaby and Port Moody receives and stores finished petroleum products to prepare for distribution. In April 2013, one of the storage tanks at this facility had a leak, which released approximately 225 litres of bio-diesel, including two litres which entered the Burrard Inlet. At the time, Tsleil-Watuth First Nation called for a moratorium on additional pipelines and expressed frustration at being notified of the spill two days after it occurred.

V KEY MESSAGES:

- We welcome Suncor's continued investment in the British Columbia Economy.
- British Columbia has five heavy oil conditions that will need to be met for any new oil-related infrastructure (see Appendix One).
- Companies need to engage with First Nations early and often as part of their project development plans.
- Garnering support of First Nations is key to successful resource development in British Columbia.

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Appendix One

BC's Five Heavy Oil Conditions

British Columbia is committed to economic development balanced with environmental protection. To support this commitment, the "Requirements for British Columbia to Consider Support for Heavy Oil Pipelines" policy paper sets out five conditions that must be met before a heavy oil pipeline can be approved for operation in the province.

- Successful completion of the environmental review process. In the case of Enbridge, that would mean a recommendation by the National Energy Board Joint Review Panel that the project proceed;
- World-leading marine oil spill response, prevention and recovery systems for B.C.'s coastline and ocean to manage and mitigate the risks and costs of heavy oil pipelines and shipments;
- World-leading practices for land oil spill prevention, response and recovery systems to manage and mitigate the risks and costs of heavy oil pipelines;
- Legal requirements regarding Aboriginal and treaty rights are addressed, and First Nations are provided with the opportunities, information and resources necessary to participate in and benefit from a heavy-oil project; and,
- British Columbia receives a fair share of the fiscal and economic benefits of a proposed heavy oil project that reflects the level, degree and nature of the risk borne by the province, the environment and taxpayers.