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### **CHECK AGAINST DELIVERY**

Thank you Craig. Great information Peter, thank you for sharing that and thank you all for joining us tonight. It's great to see so many people here tonight wanting to know more.

I'm going to start by explaining how Cenovus gets the oil out of the ground in northern Alberta.

Then I'm going to address the concern we all share. The environmental impact of the oil sands. Peter discussed some of what Suncor is doing to address that and I'll build on his comments by using some Cenovus examples.

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At Cenovus, we tour over a thousand people through this oil sands operation each year. We hear a similar comment every time: "You should bring more people up here. It's nothing like what I expected to see."

I have personally toured numerous business, media, academic and political leaders through our oil sands operations. I have yet to meet anyone who has visited the oil sands and is not surprised by what they see. In a positive way.

Cenovus operates what's called in-situ oil sands projects. That means the oil we produce is buried too deep to be surface mined. We have to drill for it and then use pumps to get it to the surface.

The pictures I will show you represent the future of oil sands production in Canada. Eighty percent of the resource can only be produced by drilling for it.<sup>1</sup>

Right now, about half the oil produced from the oil sands is drilled. But, every year, the amount of oil produced this way is on the rise.

Eventually, the type of operation that you're looking at right now will be the most common sight.

It wasn't all that long ago that drilling in the oil sands was thought to be impossible. Just think about that for a minute. To make what you're seeing possible, we had to find a way to separate rock-hard oil trapped in the sand. And do it hundreds of metres underground. And then find a way to make that oil soft enough so it could be pumped to the surface. All with as little disruption to the land as possible.

Some very ingenious Canadians figured it out. And that's exactly what in-situ oil sands producers do today.

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<sup>1</sup> [Canadian Association of Petroleum Producers](#) *Oil sands Today: Recovering the Oil* (2014)

With incredible accuracy, we drill two horizontal wells, one directly above the other, deep under the ground.

We inject steam into the top well to melt the rock-hard oil and separate it from the sand. With the help of gravity, the melted oil then flows into the bottom well where it's pumped to the surface.

To limit our impact on the land, we drill several of those well pairs close together from pads. They reach out beneath the ground for hundreds of metres. That allows us to keep our surface disturbance to 5 - 10 percent of the total underground area that we're accessing.

And this is what that looks like in real life.

Cenovus is a leader in SAGD technology. The photos you've been looking at are of our [Christina Lake](#) operation. It was one of the first in-situ projects to fully implement this form of oil sands production beyond the pilot stage. That was just over a decade ago.

While drilling in the oil sands is still very much in its infancy, we've made huge advancements to the technology in just a few short years. Through innovation, we've already reduced our impact on land, air and water and we know we have lots of room to get even better.

One of our industry's biggest challenges is reducing greenhouse gas emissions. Natural gas is needed to generate the steam used to melt the oil. That produces emissions.

Technology has already helped the oil sands industry reduce per barrel greenhouse gas emissions by 28 percent since 1990.<sup>2</sup> Despite that progress, critics tend to use extremes. They paint the oil sands as the top cause of global warming. That is simply not the case.

The reality is that oil sands emissions account for just 1/700th of global greenhouse gas emissions.<sup>3</sup> Think about it. That's 0.1 percent. Does that mean we should stop trying to improve our environmental performance? Absolutely not. And we won't. But it's important to deal in facts and not rhetoric.

I'm proud to say that emissions from Cenovus's oil sands operations are comparable to the average barrel of oil that's consumed across North America. Our teams have had huge success in finding more efficient ways to produce oil and lower emissions. And we're working hard to achieve even greater reductions.

There's limitless potential for even greater innovation to improve oil recovery, reduce costs and minimize our future impact. Innovation unlocked the resource potential of the oil sands. And innovation will help solve the challenges we still face.

So, let's talk about water use. You've probably heard accusations that the oil sands are destroying the rivers in northern Alberta.

At the Cenovus oil sands operations, we use next to no fresh water for oil production. The water we use is salty and unfit for drinking or for agriculture. And we recycle that water over and over and over again. So do our peers. We're all searching for ways to reduce our water use even further.

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<sup>2</sup> [Canadian Association of Petroleum Producers](#): Environment Canada 2014

<sup>3</sup> [Canadian Association of Petroleum Producers](#): Environment Canada 2014 / United Nations Statistics Division

In the brief decade or so since drilling in the oil sands became economically viable, we've already achieved impressive results. And we've only just begun. There's so much opportunity ahead of us.

It's important that you know the Canadian oil and gas industry is among the most highly regulated in the world.<sup>4</sup> And we have some of the strictest reporting standards. Just try getting that same level of environmental information out of some of the world's other oil producing countries.

I am proud of our performance, we're trying all sorts of ideas to get more oil out of the ground at a lower cost and with a smaller environmental impact.

Now, I know this has maybe been a bit of a crash course on oil sands development. Hopefully I've given you a better understanding of what's going on in northern Alberta.

Just to give you a sense of how we're continually improving I'd like to show you one of our newest technologies, we think it's pretty cool, it's our [SkyStrat™ drilling rig](#).

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<sup>4</sup> [Alberta Government](#): *Oil Sands Regulations (2013)*