

JACKFISH PROJECT

VOL. 2—SPRING 2004

Devon Canada distributed the first Jackfish Project newsletter in November 2003 to parties who had been engaged in the public consultation process, or who had expressed a general interest in the project. Jackfish Project Updates will continue to be distributed on a regular basis. Please call our toll-free line at 1-888-232-7155 if you wish to be removed from the distribution list.

REGULATORY REVIEW PROCESS

When Devon Canada filed its Jackfish Project application in November 2003, Alberta Environment (AENV) and the Alberta Energy & Utilities Board (EUB) began their formal review process.

“Alberta Environment assigned an Environmental Impact Assessment (EIA) Review Team for the Jackfish Project Application,” says Devon’s Tim Robbie, Leader Environment. “The process for reviewing these types of applications is complex and involves a lot of individuals and groups. A considerable amount of data related to engineering, social and environmental considerations must be carefully reviewed for technical accuracy and completeness by teams of department specialists.”



Once the review of the Application was completed by AENV and the EUB, these agencies formally issued a combined Supplemental Information Request (SIR) to Devon on April 22, 2004. However, Tim explains that Devon continued to work closely with the regulators and stakeholders through the entire review process in preparation for the SIR response.

“Engaging in a collaborative approach is very important for a project of this size. By consulting on the potential information gaps or questions, we were able to schedule time for additional research and analysis, which helped both Devon and the regulators to keep the project and review process on track. This framework also ensured that the information provided – from facilities updates through environmental and technical studies – continued to fit into the framework of the original submission and enhance the technical evaluation. Devon responded to the SIR on May 25, 2004.”

In addition to working with AENV and the EUB, Devon continues to consult with communities, leaders and elders, and other interested parties to provide information and ensure questions are addressed.

COMMUNITY INPUT APPRECIATED

Feedback from local communities provided through the public consultation process helped Devon to develop the Application, and ongoing input continues to help guide the design of the project. Following the filing of the Application last November, Devon joined the communities of Janvier and Conklin to celebrate this milestone.

“We shared how discussions with the community were incorporated into the Application, and reviewed the findings of baseline and impact studies,” says Bee Schadeck, Senior Aboriginal Advisor. “It was a great opportunity to thank the community for their cooperation and enthusiastic participation in the environmental assessment.”



Greg Brady reviews Application at Conklin



Janvier event at Father Perin School

More than 100 people attended each of the two events, which were held November 22 and 23. The events included a presentation on the Application, and a question and answer session, topped off with dinner and entertainment by comedian Don Burnstick.

Bee notes that ongoing communication with the community is important in order for Jackfish to be a successful project. “We’re looking forward to reviewing the SIR responses with the community through the summer, and showing how their input, including environmental considerations, are reflected in the updated project layout.”

FOCUS ON THE ENVIRONMENT

Environmental Management

Devon conducted extensive sampling of soil, vegetation and historical resources that provided site-specific information related to the proposed facility layout for the Environmental Impact Assessment.



Tim Robbie

“We started our environmental baseline data collection well in advance of the facilities planning process,” says Tim Robbie, Leader Environment. “As a result, Devon was able to incorporate the findings in much of the engineering design of the facility. While we believe the information and design substantially addresses

environmental issues, we determined that some additional research would be beneficial prior to filing. As a result, we commissioned further wildlife studies to better understand the relationship between the land and some of its inhabitants.”

The Application was submitted as scheduled, with proposed sites for well pads, pipelines, access road and the central processing facility identified in order to determine potential environmental impact.

“This has been a very dynamic process,” explains Tim. “Since we filed in November, we’ve conducted additional environmental studies and made improvements to the facilities design that will reduce potential impacts.”

Wildlife

In the winter of 2003/2004 Devon undertook a wildlife monitoring program to assess the effects of geophysical and exploration well drilling on woodland caribou, moose, fisher, lynx, coyote and deer. The study compared the response of wildlife species in the active seismic clearing and well drilling to older activities conducted by another adjacent operator and a control area north of Christina Lake. Aside from woodland caribou, the other species did not avoid high use linear features. A local member of the community, acting as an assistant, made a significant contribution to the study. Details of the study are presented in the SIR.



Moose studied in wildlife monitoring program

Surface Disturbance

Early in the environmental assessment process, Devon recognized there would be potential impact to old growth forest and wildlife. Incorporating recent detailed reservoir modelling, the original location for well pads was refined and re-located. The new locations completely avoid the old growth forest.

“Proposed sites for the well pads were selected based on best information available at the time of filing,” says Brian Harrison, Project Leader, Thermal Heavy Oil. “Additional reservoir delineation work was conducted after the application was filed to confirm the locations of the resource. Based on this information, we will be reducing disturbance to vegetation, soils and wildlife, as well as optimizing bitumen recovery.”

Brian explains that the number of well pads has been decreased to 19 from 23. Devon is also using existing disturbances for utility corridors and facility infrastructure, which will reduce ground disturbance by an additional 20 hectares.

“We have also been able to limit the stream crossings to two from the three originally proposed, in part by incorporating environmental impact data into facility optimization.”

Water

Groundwater assessments confirm a non-potable water source for use at the facility from the deep Grand Rapids Formation. (“Non-potable” or “brackish” means water that is not of a quality suitable for consumption or irrigation.)

The new facility layout will reduce the number of well pads and roads, resulting in reduced disturbance to the entire Sunday Creek basin.

Air Emissions

Due to geotechnical considerations and to avoid extensive soil disturbance, Devon re-aligned the proposed plant location from north/south to northwest/southeast. This adjustment improves the plant’s orientation to prevailing winds, and will reduce ground level emissions.

“Compared with the original location, maximum ground level emissions are reduced up to 72%,” explains Tim.

GETTING TO KNOW YOU...

Bee Schadeck, Senior Aboriginal Advisor

Every morning before beginning the work day, Bee Calliou-Schadeck takes time to meditate and appreciate the life she has made for herself.

“An elder once told me that my only job was to get up before sunrise, thank the Creator for the day and be grateful...I’m in heaven,” says Bee.

Bee is an Aboriginal Advisor for Devon Canada. The company’s operations are often within areas traditionally used by Aboriginal peoples, and Bee is responsible for helping to ensure their unique cultures, perspectives and values are considered and respected in Devon Canada’s operations.

A member of the Cree Nation, Treaty #6, Bee helps to initiate, build and maintain relationships between Devon and Aboriginal communities. Her duties also include educating employees and contractors about Canada’s



Bee Schadeck (left) and Nicole Janvier at 2002 Jackfish Open House

Aboriginal history, current events and emerging trends.

“I am currently focused on Devon’s Jackfish Project,” says Bee. “The Environmental Impact Assessment (EIA) process has stepped up the level of consultation and community input.”

Bee began her career as a lab technician in the oil and gas industry. During that time, Bee was asked to act as an Aboriginal liaison for the oil company. She studied First Nations community history, met with local elders and community leaders, and found success was based on trust and respect. In 1999, Bee became an oil and gas industry consultant. In

January 2004, she transitioned from a contract position to a full-time, permanent employee at Devon Canada.

Bee explains that in any area of operation, early and ongoing communication is so important. “Devon believes it is imperative to establish good relationships based on trust and integrity, and this is reflected in our corporate values. To me, integrity means that you listen, and you do what you say. It’s consistent. And when we work that way, we build trust. I respect those values. I lean on them every day.”

Outside of Devon, Bee teaches Aboriginal history to elementary, high school and college students. Bee explains that she enjoys inspiring youth. “This is my training. I am always studying because this job is so dynamic, and it’s so interesting. When you can find a job you love that means something to you, you never have to work a day in your life.”

SEISMIC LINE CLEARING: FROM THE 1980s TO JACKFISH

In the recent past, line clearing was usually conducted with dozer-type equipment. Blades rarely, if ever, were equipped to avoid surface disturbance. Equipment operators took pride in how long and straight they could cut a line.

Today, of course, neither government nor industry approve of these practices.

“Pressure mounts every day to do more with less, do it safely and keep costs down,” says Doug Schmidt,



Cut line—circa 1980s Conklin Community School Field Trip

Devon’s Data Acquisition Coordinator. “These are facts of life, which present unique challenges to employees, contractors and exploration and production companies.”

During the winter of 2002/2003, Devon Canada conducted a high-



Cut line—April 2003

resolution 3-Dimensional survey over the Jackfish Project area.

“The Jackfish survey was designed with source and receiver lines tightly spaced in order to image shallow targets. To better plan the survey, Light Detection and Ranging (LIDAR) images of the surrounding area were obtained,” explains Doug. “These LIDAR images were used to determine detailed topography—they also clearly indicate the footprint left by cut lines circa 1980 and 2000, and well leases from previous years.” (See image on page 4.)

SEISMIC LINE CLEARING (cont.)

It also demonstrated the effectiveness of low impact seismic techniques.

Doug explains that in the Jackfish Project, line widths of 4.5 meters would have resulted in increased timber damage, loss of habitat and long-lasting evidence of a relatively short-term project. The decision to use mulchers and hand cutting was based on several factors such as economics, corporate environmental responsibility and Devon's commitment to the use of best practices.

Line preparation began with a detailed knowledge of the project area. This was acquired by exhaustive ground scouting, use of local traditional knowledge, existing aerial photography and finally LIDAR imaging.

Line locations were pre-flagged by surveyors using pre-plot coordinates derived from the survey design. GPS kept pre-flaggers on line with instructions to avoid - to the extent possible - stands of merchantable timber, water bodies such as beaver dams, or topography not conducive to small vehicular travel.



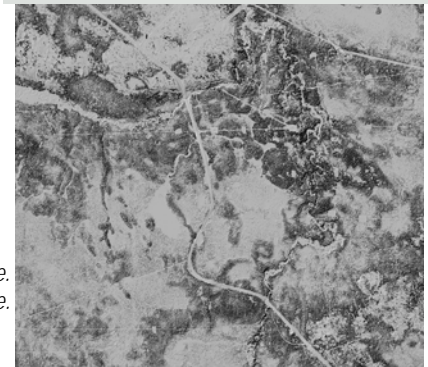
Recording crew worker drilling geophone hole

“By incorporating these new techniques, we were able to minimize the impact to land by reducing line widths, using smaller drilling equipment and heli-assist recording techniques,” adds Doug.

Nov. 2002—Jackfish Project area LIDAR image. Roads, leases and 1980 cut lines are clearly visible.

How does LIDAR work?

LIDAR (LIght Detection And Ranging) is a rapidly emerging technology for determining the shape of the ground surface plus natural and man-made features. It uses the same principle as radar. The LIDAR instrument, which can be deployed by a fixed or rotary winged aircraft, transmits light out to a target. The light interacts with and is changed by the target. Some of the light is reflected/scattered back to the instrument where it is analyzed. The change in the properties of the light enables some property of the target to be determined. The time for the light to travel out to the target and back to the LIDAR is used to determine the range of the target. LIDAR data produces Digital Elevation Models (DEMs), which can be used to create high-resolution visual images.



JACKFISH PROJECT HIGHLIGHTS

- ⇒ **Location:** 15 km southeast of Conklin, Alberta in Townships 75 and 76, Ranges 6 and 7 W4M.
- ⇒ **Working Interest (WI):** Devon holds 100 percent WI in the lands associated with the Jackfish Project.
- ⇒ **Cost:** \$550 million Canadian over the 25-year life of the project.
- ⇒ **Reserves:** Over 300 million barrels.
- ⇒ **Production:** 35,000 barrels per day.
- ⇒ **Employment:** 400 construction jobs, 35 permanent full-time jobs related to operations, 17 contract positions, and 38 regional economic spin-off jobs.
- ⇒ **Timeline:** well-pair drilling & facilities construction—late 2004/early 2005 (pending regulatory approval); first steam & production—2007; full production—2008.



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