

PRICE, COST, AND POLICY: THE DEVELOPMENT OF ALBERTA'S OIL SANDS FROM THE 1960'S TO THE PRESENT.

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Abstract

Canada's oil sands are located in the north-eastern part of Alberta in the Athabasca, Peace River and Cold Lake areas which cover 140,200 square kilometres of the province and contain about 1.7 trillion barrels of bitumen in place, of which approximately 173 billion barrels are economically recoverable using current technology. The Government of Alberta has taken an active role in unlocking the vast petroleum resource contained in oil sands and in encouraging its development by the private sector. The commercial operations started in 1967 with a single project producing 45,000 barrels of bitumen per day and grew to 101 projects producing over 1.3 million barrels of bitumen per day in 2008. This presentation will provide an overview of the economic climate of these times and present chronologically and in considerable detail the evolution of the oil sands tenure and royalty regimes in Alberta from the 1960's to the present. It will explain the development of the Provincial Energy Strategy and conclude with an outlook of the future of oils sands in Alberta.