

Suncor's Early Land Acquisitions and its Future Growth Plans

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Suncor has a long history in developing the rich bitumen resource from the Athabasca oil sands deposit. As early as 1944, Mr. J. Howard Pew, chairman of the Board of Directors of Sun Oil Company, the predecessor of Suncor, was interested in the Alberta Tar Sands. He was deeply concerned about the prospects of a North American crude oil shortage and the increasing dependency on foreign sources. Development of the Athabasca oil sands could help alleviate this problem. In 1949, he instructed Mr. George Dunlap, who had been selected to manage Sun's newly created Canadian Production Division, to acquire a significant land position in the Athabasca oil sands.

The start of the acquisition process began in 1950 with a drilling program near Bitumount. The results showed that the geology was complicated and that the amount of overburden and quality of bitumen resource varied considerably between holes. Subsequent regional geological mapping by Mr. Fred Hamilton in 1951 identified Mildred-Ruth Lease No. 4 as prime acreage because of the rich tar sands and comparatively thin overburden cover. After complicated negotiations, Sun Oil Company acquired a 75% interest in Lease No. 4 in 1953. This lease was later renumbered to 86 and it eventually became the mine site for Great Canadian Oil Sand's (G.C.O.S.) oil sands plant that opened in 1967. Today, Suncor has a significant land position in Athabasca and is poised to expand its oil sands facility between 500,000 and 550,000 barrels of oil per day in 2010 to 2012.