

## PROJECTS & COMPANIES

Construction for Phase 3A was initially scheduled to start in 2010, with initial steam injection in 2012, and Phase 3B was to begin in 2012, with initial steam injection in 2014.

The Christina Lake project has an operational life of 25 years and, at peak,

will have production of 210,000 bpd of bitumen. Expected to be completed after 2014, reclamation of the project is expected by 2044.

MEG's application has brought back some good news to the Canadian oil patch. A majority of projects in the

Canadian west have either been postponed or delayed owing to the present financial meltdown. Companies, though, are now starting to make progress. ■

# Vista wins contract for Red Earth expansion

Calgary-based North Peace Energy Corporation has awarded a contract to Vista Projects to provide detailed and advanced engineering services for a 3,000 barrel per day expansion of its Red Earth project in northern Alberta.

The heavy oil project will use cyclic steam stimulation (CSS) and will be located in the Peace River area. North Peace Energy is already the owner of a pilot project and operates a two-well

horizontal CCS plant, with minimal production.

The goal of the project is to validate the economic and technical parameters of future commercial development and production of bitumen. North Peace Energy has a 100% working interest in 86,400 acres (349 square km) of Crown oil sands leases in the Peace area, which is estimated to hold recoverable reserves of up to 3.1 billion barrels.

about C\$90 million (US\$78 million), with the first barrel of oil due to be produced by late 2010. The acreage is believed to have the capacity to sustain commercial production of 30,000 bpd.

In early June, North Peace Energy announced the raising of C\$10 million (US\$8.6 million) on a bought-deal basis to part finance the Red Earth expansion project. The deal was underwritten by GMP Securities Partnership and Genuity Capital Markets.

"With oil prices swinging back to US\$70 [per barrel], we see the mushrooming of several small-sized heavy oil [or] oil sands projects in the province," said the Canadian Association of Petroleum Producers' (CAPP) vice president, Greg Stringham. "Just recently, the Algar project was revived too."

In mid-June, Calgary-based Connacher Oil & Gas announced it would reactivate its plan to go ahead with the Algar project, which is to use steam-assisted gravity drainage (SAGD) to produce 10,000 bpd of bitumen in northeast Alberta. The project is estimated to cost C\$359 million (US\$309 million). ■

"We look forward to applying our technical expertise towards this innovative project," said the founder and principal of Vista Projects, Alex Campbell.

He did not disclose either the project cost or the timeline for implementation. But, according to Calgary-based industry executives, the Red Earth project is estimated to cost

