

4.0 Project Schedule and Development Plan

4.1 CENTRAL PROCESSING FACILITY

The Expansion Project will include a new central processing facility (CPF) designed to a capacity of 5560 m³/d (35 000 bpd) of crude bitumen with a steam plant capacity (cold water equivalent) of 19 900 m³/d (125 000 bpd). JACOS' current understanding of reserves, reservoir characteristics, Demonstration Project performance and expected recovery rates using steam-assisted gravity drainage (SAGD) technology is expected to result in a plant life of 25 years (depending on the actual time for depletion of the wells). Construction of the CPF is expected to begin in the winter of 2011/2012 with initial site clearing and rough grading, and be completed by mid-2014. Initial production is targeted for late 2014, reaching full production in 2016.

New utilities and infrastructure will be constructed to supply the CPF with fuel gas, electrical power and makeup water. To minimize surface disturbance in the Project Area (see Section 1, Figure 1-4), these lines will be bundled into corridors and routed to parallel future phases of development, where practical. New underground product pipelines, to supply the CPF with diluent and ship diluted bitumen off site, will also be routed to parallel existing linear disturbance, where practical. The location of the CPF in the southeast quarter of Section 14, Twp 84, Rge 11, W4M was selected for its proximity to the initial resource scheduled for development and is centrally located to other depletion areas. A portion of space at the CPF has been reserved for future projects in anticipation of evolving regulatory requirements, such as carbon capture, or the potential need for future sulphur recovery.

4.2 INITIAL DRILLING

First production will come from 61 well pairs drilled from 10 wellpads (W01 to W10) in the B1 and BE-North depletion areas (see Figure 4-1). The initial drilling program will take about two years, beginning in the winter of 2011/2012. Over the Expansion Project's life, about 175 well pairs on about 26 wellpads are expected to be drilled.

Pipe racks, roads and infrastructure required to tie-in wellpads will be constructed nearby to minimize surface disturbance.

4.3 FUTURE WELLPADS

Future development phases will consist primarily of drilling additional wells, extending surface pipe racks and constructing new wellpads to maintain production levels at plant capacity. Average well production life is estimated to be about 13 years.

4.4 WIND DOWN

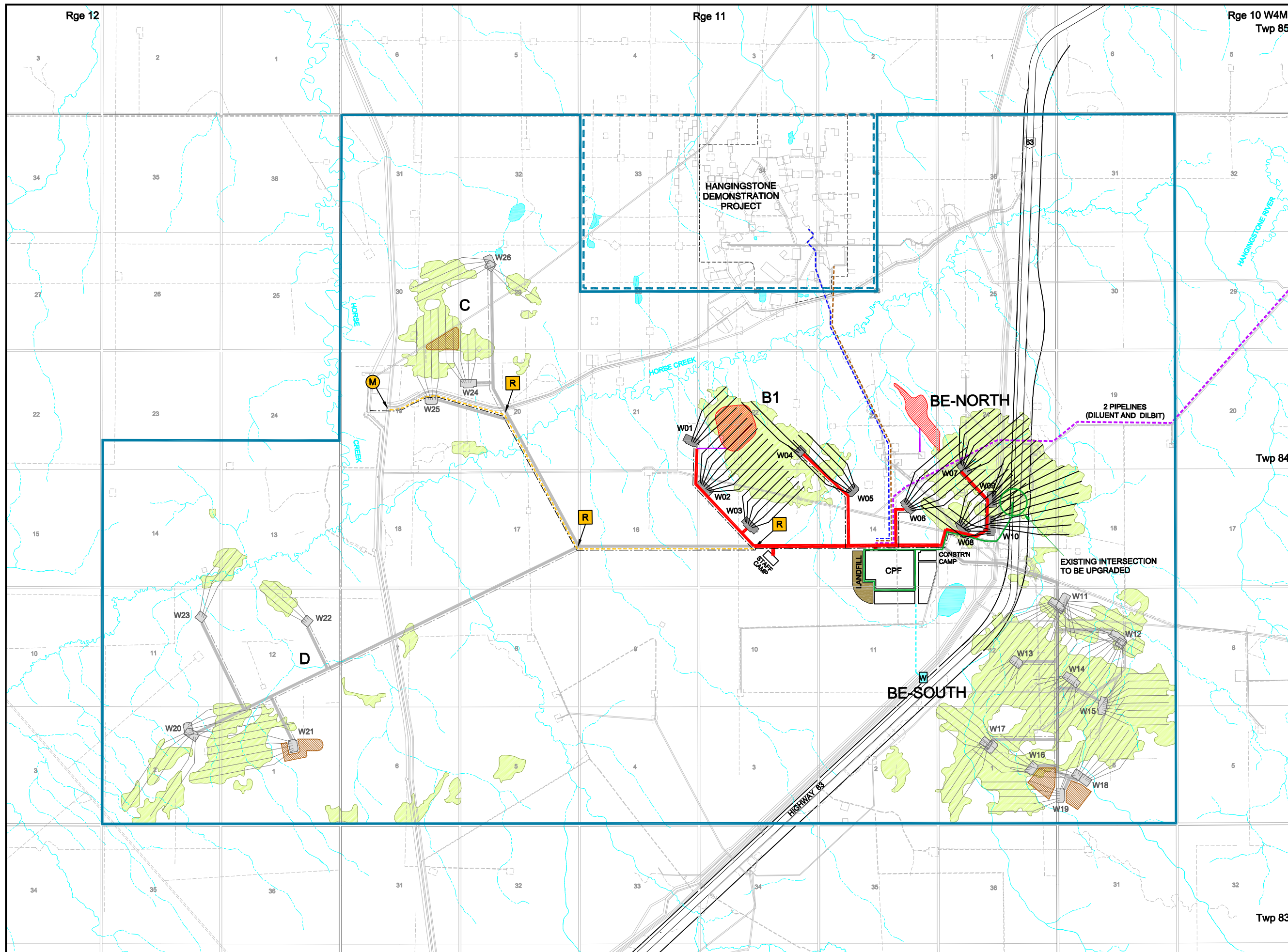
Wells will be abandoned as they become depleted. Reclamation of entire wellpads and their corresponding pipe rack segments will be undertaken after all of the wells on the pads have been abandoned. Wherever possible, equipment and facilities will be re-used for future phases of development. Table 4-1 shows the wellpad development sequence for the Expansion Project including the expected years of construction, start of production, end of production and reclamation.

4.5 PROJECT CLOSURE

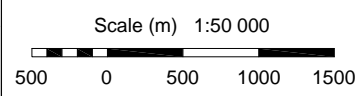
Final production is expected in 2039 after 25 years of operation. Final reclamation of the CPF and operating infrastructure will commence thereafter.

4.6 OVERALL PROJECT SCHEDULE

A high-level overall project schedule is shown in Figure 4-2.



- Legend:**
- Existing Roads, Pipelines and Powerlines
 - Project Area
 - Demonstration Project Area
 - Water Disposal Pipeline
 - Source Water Pipeline
 - New Access Road
 - Initial Pipe Rack and Road Corridor
 - Future Pipe Rack and Road Corridor
 - Fuel Gas Pipeline
 - Product Pipeline
 - Initial Powerline
 - Future Powerline
 - Proposed Borrow Pit Access
 - Future Hot Bitumen Line (Section 3.3.2)
 - Net Pay 15 m
 - M Meter Station
 - R Pipeline Riser Site
 - W Source Water Well
 - W8 Wellpad - Initial Development
 - W24 Wellpad - Future Development
 - Initial Wellbore
 - Future Wellbore
 - Proposed Initial Borrow Pit
 - Proposed Future Borrow Pit
 - BE-NORTH Depletion Area



Drawn By:
TLI

Date:
2010-04-06



**Figure 4-1
Development Map**

Twp 83

Twp 84

Rge 10 W4M
Twp 85

Rge 11

Rge 12

Table 4-1: Wellpad Development Sequence

Depletion Area	Wellpad	LSD	# Well Pairs	Construction	Start Production	Stop Production	Reclamation Complete
B1	W01	08-21-84-11 W4M	4	2012	2014	2030	2035
B1	W02	13-15-84-11 W4M	8	2012	2014	2030	2035
B1	W03	06-15-84-11 W4M	6	2012	2014	2030	2035
B1	W04	01-22-84-11 W4M	2	2012	2014	2030	2035
B1	W05	14-14-84-11 W4M	5	2012	2014	2030	2035
BE-North	W06	10-14-84-11 W4M	7	2013	2014	2028	2033
BE-North	W07	04-24-84-11 W4M	7	2013	2014	2028	2033
BE-North	W08	12-13-84-11 W4M	6	2013	2014	2028	2033
BE-North	W09	14-13-84-11 W4M	7	2013	2014	2028	2033
BE-North	W10	11-13-84-11 W4M	9	2013	2014	2030	2035
BE-South	W11	16-12-84-11 W4M	16	2016	2017	2034	2039
BE-South	W12	10-07-84-10 W4M	11	2016	2017	2033	2038
BE-South	W13	07-12-84-11 W4M	5	2019	2020	2035	2040

Table 4-1: Wellpad Development Sequence (Cont'd)

Depletion Area	Wellpad	LSD	# Well Pairs	Construction	Start Production	Stop Production	Reclamation Complete
BE-South	W14	04-07-84-10 W4M	8	2020	2021	2035	2040
BE-South	W15	03-07-84-10 W4M	8	2020	2021	2036	2041
BE-South	W16	07-01-84-11 W4M	5	2022	2023	2037	2042
BE-South	W17	11-01-84-11 W4M	9	2021	2022	2037	2042
BE-South	W18	04-06-84-10 W4M	10	2022	2023	2039	2044
BE-South	W19	06-06-84-10 W4M	6	2024	2025	2039	2044
D	W20	15-02-84-12 W4M	10	2027	2028	2039	2044
D	W21	10-01-84-12 W4M	5	2029	2030	2039	2044
D	W22	10-12-84-12 W4M	3	2027	2028	2039	2044
D	W23	16-11-84-12 W4M	3	2026	2027	2036	2041
C	W24	12-20-84-11 W4M	5	2026	2027	2039	2044
C	W25	10-19-84-11 W4M	4	2026	2027	2039	2044
C	W26	12-29-84-11 W4M	6	2025	2026	2039	2044

