

Court of King's Bench of Alberta

Citation: CNOOC Petroleum North America ULC v ITP SA, 2026 ABKB 202

Date: 20260317
Docket: 1701 07427
Registry: Calgary

Between:

CNOOC Petroleum North America ULC

Plaintiff

- and -

ITP SA, Sunstone Projects Ltd, and Wood Group Canada, Inc

Defendants

- and -

Surerus Pipeline Inc and Stresstech Engineering Inc and Thurber Engineering

Third Party

**Ruling on Costs
of the
Associate Chief Justice
D.B. Nixon**

I. Introduction

[1] This is a ruling on costs following my decision in *CNOOC Petroleum North America ULC v ITP SA*, 2024 ABKB 607 [the “*Adjournment Application*”] wherein I gave leave to the parties to speak to costs if they could not otherwise agree. The parties could not agree.

II. Background

[2] Sunstone Projects Ltd and Wood Group Canada (“Wood Group”) applied for an adjournment from the initial scheduled trial date of September 2025, arguing that the discovery of documents was such an intensive exercise that the original date was no longer workable. As described in the decision, although CNOOC Petroleum North America ULC (“CNOOC”) initially opposed any delay, it eventually conceded that a delay would be necessary. The parties had attempted to negotiate a new trial date but this was not successful.

[3] Wood Group applied for the adjournment to be *sine die*, so as to address potential interlocutory applications, service *ex juris* on third parties; the exchange of expert reports, and the time necessary to conduct mediation. It argued that the earliest that a trial could occur would be in mid-October 2026.

[4] CNOOC argued that a delay of approximately four months, which would have led to a trial beginning in January 2026, was an appropriate amount of time to resolve these issues. CNOOC strongly opposed that the adjournment be *sine die* as that could militate against proceeding with the pre-trial steps with the necessary urgency.

[5] In the *Adjournment Application*, I determined that an adjournment to October 13, 2026 would be appropriate in this case. I rejected that the adjournment should be *sine die*, as this would be too open and uncertain as trial date: *Adjournment Application* at para 31.

III. Issue

[6] I must determine whether costs should be ordered in favour of Wood Group against CNOOC following the results of the *Adjournment Application*.

IV. Analysis

A. The Law of Costs

[7] The framework for determining costs is set out in the *Alberta Rules of Court*, Alta Reg 124/2010 (the “*Rules*”). The default rule is that a successful party to an application is entitled to an award of costs against the unsuccessful party payable forthwith, subject to the Court’s general discretion under *Rule* 10.31; *Rule* 10.29(1); *McAllister v Calgary (City)*, 2021 ABCA 25 at paras 21-22.

[8] There are no particular constraints or rules relating to the application of these general rules. Determining costs fits within the broad discretion the Court has in making a costs award as per *Rules* 10.31 and 10.33. This discretion is of course subject to the need to act judicially on the facts of the case: *McAllister* at para 18.

[9] The primary purpose of a costs award is to partially indemnify the successful party for either defending a claim that proved unfounded or in pursuing a valid legal right: *McAllister* at

para 33. Under *Rule* 10.31(1), the trial judge holds considerable discretion in determining what constitutes reasonable and proper costs: *Barkwell v McDonald*, 2023 ABCA 87.

[10] The costs award need not be based on Schedule C, and Schedule C is not a mandated default method: *McAllister* at para 54. However, Schedule C does, in certain situations, have the “advantage of providing parties with greater certainty as to their exposure to costs, it is simple, efficient, and inexpensive to apply, and in many cases avoids the need for lengthy inquiries into and assessment of the appropriate level of costs”: *Barkwell* at para 53.

[11] The overriding issue is proportionality and reasonableness: *Barkwell* at paras 57 and 58.

B. Application of the Law to the Facts

[12] Wood Group has argued that it was substantively successful in its application. Although it had argued for the adjournment to be *sine die*, it had acknowledged during the hearing and in a proposed timeline in its brief, that it could see the earliest date as being mid to late October 2026. The request for it to be *sine die* was due to the interlocutory issues involving affiliated entities. Wood Group argues that it was nevertheless substantively successful in its adjournment application as well as revising the dates of the complex case litigation plan, and as such costs should follow.

[13] CNOOC emphasises that Wood Group had argued that the adjournment should be *sine die* and had not succeeded on that point. CNOOC also highlights the negotiations it had had with Wood Group prior to the application and suggests that the application was not actually necessary. All of this leads to CNOOC concluding that in this case it was a matter of mixed success and that both parties should bear their own costs.

[14] Based on my review of the evidence and the law, I find that Wood Group is entitled to its costs. I make this determination because I find that Wood Group was substantively successful in the application. Recognizing that CNOOC and Wood Group did attempt to come to a mutually acceptable date outside of the application, and encouraging that the parties continue to work together so as to reduce applications before the Court, I had found that the four month delay leading to a January 2026 date proposed by CNOOC was not a workable date. I do not find that the fact that Wood Group had sought the adjournment on a *sine die* basis precludes their entitlement to costs in this case.

V. Conclusion

[15] Based on my review of the evidence and analysis of the law, I find that Wood Group was successful in the *Adjournment Application* and is entitled to costs. These costs will be Column 5 of Schedule C on a multiple of four. I make this determination because that is the regular tariff employed and agreed to by the parties throughout these proceedings.

[16] I thank the parties for their submissions throughout.

Dated at the City of Calgary, Alberta this 17th day of March 2026.

D.B. Nixon
A.C.J.C.K.B.A.

Appearances:

Jeffrey E. Sharpe K.C., Andrew F. Sunter, Robert Martz, Susan J. Fader and Kylan Kidd
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Randall Block K.C. and Andrew Pozzobon
Borden Ladner Gervais LLP
for the Defendant, ITP SA

Munaf Mohamed K.C., Michael Mysak and Mathieu LaFleche
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for the Defendants Sunstone Projects Ltd. and Wood Group Canada, Inc.

Mr. W. Dyck observing
for the Third Party Stresstech Engineering Inc