



File 3205-M093-4  
17 July 2003

The Honourable David Anderson, M.P., P.C.  
Minister of the Environment  
Terrasses de la Chaudière  
10 Wellington Street  
Hull, QC K1A 0H3

Dear Minister,

### **Referral of the Proposed Mackenzie Gas Project to a Panel Review**

Imperial Oil Resources Ventures Limited<sup>1</sup> has filed a project description or Preliminary Information Package with the National Energy Board and a number of other federal departments and agencies with environmental assessment and regulatory responsibilities for a proposed Mackenzie Gas Project. The Preliminary Information Package describes plans to develop three existing natural gas fields in the Mackenzie Delta, a gathering system to take produced gas from the wellhead to processing facilities near Inuvik, and a transit pipeline from the Inuvik area to northern Alberta where it would connect to existing facilities. The proposed project involves, as its base case, development of up to 40 wells, about 176 km of small diameter gathering line, processing facilities near Inuvik, approximately 500 km of small diameter pipeline to carry liquids, and approximately 1300 km of mainline pipeline for natural gas. In the next 8-12 months, the Board anticipates that it will receive Development Plan Applications under the *Canada Oil and Gas Operations Act* for the production facilities and a s. 52 application under the *National Energy Board Act* to construct and operate the pipeline.

The Board has determined that it is a Responsible Authority with respect to this project pursuant to the *Canadian Environmental Assessment Act* (CEA Act), and has also determined that an environmental assessment of the effects of development of the fields and construction of the pipelines is required.

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<sup>1</sup> Acting on behalf of the consortium of Imperial Oil Resources Ventures Limited, the Aboriginal Pipeline Group, ConocoPhillips Canada (North) Limited, Shell Canada Limited, and ExxonMobil Canada Properties.

The Board, in conjunction with Indian and Northern Affairs Canada, the Canadian Environmental Assessment Agency, and nine other agencies with responsibilities in the Northwest Territories, released a *Cooperation Plan for the Environmental Impact Assessment and Regulatory Review of a Natural Gas Pipeline through the Northwest Territories* in June 2002, in anticipation of this large and complex project. That Plan describes how the various agencies propose to coordinate their activities to eliminate duplication, enhance public participation, and enhance efficiency and effectiveness in the review. A cornerstone of the Plan is the agreement by all agencies involved that the upstream field development and pipeline components of the project should be considered as one project for the review and that the review would, if agencies agreed, take place at the panel level.

In accordance with the *Federal Coordination Regulations*, Fisheries and Oceans Canada, Natural Resources Canada, Environment Canada, and Indian and Northern Affairs Canada have identified themselves as likely Responsible Authorities for some aspects of the proposed project. Pursuant to paragraph 21(b) of the CEA Act, the Board has decided to refer this project to you for consideration by a review panel.

As described in the *Cooperation Plan*, the referral of this project to you for consideration by a review panel is the initial step in the alignment of the environmental impact assessment processes of the Responsible Authorities under the CEA Act with those of the Inuvialuit pursuant to the Inuvialuit Final Agreement and with those of the agencies subject to the *Mackenzie Valley Resource Management Act*.

Yours truly,



Kenneth W. Vollman

cc Minister of Fisheries and Oceans  
Minister of Natural Resources  
Minister of Indian Affairs and Northern Development  
Deputy Minister of the Environment  
President, Canadian Environmental Assessment Agency  
Parties to the Cooperation Plan