

OIL AND GAS UPDATE

ABORIGINAL SKILLS AND EMPLOYMENT PARTNERSHIP (ASEP)

In Inuvik on October 3, 2003, the Honourable Jane Stewart, Minister of Human Resources Development Canada (HRDC) and the Honourable Ethel Blondin-Andrew, Secretary of State for Children and Youth announced the start-up of the Aboriginal Skills and Employment Partnership Fund (ASEP). ASEP is a five-year, 85 million dollar fund designed to assist aboriginal people to participate in employment opportunities that result from large-scale development projects.

The program is based on a partnership approach with significant funding contribution from the private sector, territorial government, and aboriginal communities. Interested applicants were required to develop a comprehensive

aboriginal human resources training-to-employment plan with a commitment from industry to provide a minimum of 50 long-term, sustainable jobs for aboriginal people.

A consortium of partners representing aboriginal groups, the oil and gas industry and the Government of the Northwest Territories have submitted a proposal based on the proposed Mackenzie Valley Pipeline Project. It is expected that a funding decision will be made by HRDC prior to March 31, 2004.

This funding, if received, will help to ensure that aboriginals have the skills required to take advantage of employment opportunities that a Mackenzie Valley pipeline will bring.



Welcome to the first issue of 2004. **The Oil and Gas Update** is an electronic newsletter that provides training and activity updates related to oil and gas development in the Northwest Territories. This newsletter is published quarterly by the Department of Education, Culture and Employment in partnership with the Department of Resources, Wildlife and Economic Development, Government of the Northwest Territories.

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APG UPDATE

The Aboriginal Pipeline Group (APG) represents aboriginal groups along the Mackenzie Valley. In June 2003, the APG signed commercial agreements with the Mackenzie Valley Producers Group (Imperial, ConocoPhillips, Shell and ExxonMobil) and TransCanada Pipelines (TCPL) that ensure northern aboriginal groups will own one-third of the Mackenzie Valley pipeline.

TCPL will lend the APG

approximately \$80 million to pay for its share of the "Project Definition Phase", or preliminary work. The APG does not have to repay the loan if the project does not move forward.

In return for the loan, TCPL, Canada's largest pipeline company, could end up with the crucial gas it needs to ensure its main pipeline system in Alberta stays full. The Producers Group also agreed to give TCPL the

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APG UPDATE (continued from page 1)

opportunity to acquire a five percent stake in the pipeline if a decision is made to proceed with construction.

The \$80 million from TCPL will also help the APG raise money for its share of the actual cost of pipeline construction. The pipeline is expected to cost over \$3 billion. The APG must raise \$1 billion. The Producers Group has promised to assist the APG, if necessary, to secure the required funding.

The APG will also receive \$16 million in contributions over six years from the GNWT, federal government,

industry and aboriginal partners. This was announced in August. The funding is being used to open offices in Calgary and the NWT and to hire professional staff.

Bob Reid was hired as President of the APG in November. The APG is now looking for a Vice President of Communications for a northern office.

The APG will be visiting communities along the pipeline corridor this winter to continue providing information about the project and to address any concerns that are raised.

BEAHR IS LOOKING FOR ENVIRONMENTAL MONITORS TO VALIDATE OCCUPATIONAL STANDARDS



BEAHR (Building Environmental Aboriginal Human Resources) is pleased to announce the development of National Occupational Standards (NOS) for Environmental Monitors. Environmental Monitors have been defined as individuals who observe the impact that human and industrial activities have on the environment, and communicate this information to various stakeholders. In this way, they help to lessen negative environmental impacts.

These ground-breaking standards will provide employers, practitioners and trainers with a blueprint of the skills and competencies required of a qualified Environmental Monitor. Once the standards are ratified, BEAHR will be developing curriculum and workshops to train Environmental Monitors, as a part of their Community-Based-Learning project. The purpose of this initiative is to provide Aboriginal communities with access to environmental training opportunities, and through partnerships with industry, employment opportunities.

BEAHR has identified two areas of specialization for Environmental Monitors: Regulatory and Research. Regulatory specialists monitor the activities of industry to ensure compliance with land use agreements or other environmental impact agreements. Research specialists assist technicians/technologists in monitoring various factors of the environment. For instance, they will assist with wildlife counts, surveys or sampling.

The initial pilot phase of this project was completed in a joint partnership with BEAHR and the Government of the Northwest Territories, Department of Education, Culture

and Employment. Through several profile, validation and ratification meetings, competency statements that detail the required skills and knowledge of Environmental Monitors in the Northwest Territories (NWT) were drafted and ratified. BEAHR then invited Environmental Monitors from other regions to validate the standards through a series of focus groups held in Iqaluit, St. John's, Saskatoon, and Calgary. These standards are now ready to be ratified by Environmental Monitors across Canada through an online ratification process.

BEAHR is currently looking for Environmental Monitors across Canada to review the standards online and provide feedback to ensure that the standards developed are representative of Environmental Monitors nationally. The standards will be available for review from January 19th until February 27th, 2004. Interested individuals can complete the review at www.beahr.com/emnos. You will need to complete a quick registration, and then you can begin. The registration allows you to save your progress, and complete the review as you are able. If you have any questions please contact Carolyn at cholbrow@beahr.com or at (403) 233-0748 ext 236.

If you would like to learn more about BEAHR partnerships and initiatives please feel free to contact BEAHR or visit their website at www.beahr.com

To obtain information on the NWT standards development process or to obtain a copy of the NWT occupational standards for Environmental Monitor or Environmental Technical Assistant, please contact: Colleen Proctor, Coordinator Occupational Certification at (867) 920-8866 or colleen_proctor@gov.nt.ca.

MACKENZIE VALLEY GAS PROJECT REGULATORY UPDATE

The Mackenzie Gas Pipeline project spans two approval and regulatory regimes in the Northwest Territories. There is one regime in the Inuvialuit Settlement Area and another for the rest of the Mackenzie Valley.

Inuvialuit Settlement Area: The filing of the Preliminary Information Package (PIP) by the Mackenzie Valley Producers Group in June triggered the regulatory review process. The Environmental Impact Screening Committee is reviewing it now and is likely to refer it to the Environmental Impact Review Board for review. As outlined in the Cooperation Plan, it is likely that the review board will refer the proposed project to a panel review under the *Canadian Environmental Assessment Act (CEAA)*.

Mackenzie Valley: Following a preliminary screening, triggered by the submission of applications for a land use permit and water licence for project activity located at the Camsell Bend, the Mackenzie Valley Land and Water Board has referred the project to the Mackenzie Valley Environmental Impact Review Board for an environmental assessment. It is likely the review board will refer the project to a panel review.

Joint Panel Review: It is expected that a Joint Panel Review under the *CEAA* will take place once both review

boards make their recommendations. It would be done in cooperation with the Inuvialuit Environmental Impact Review Board, the Canadian Environmental Assessment Agency and the Mackenzie Valley Environment Impact Review Board. It could start as early as May 2004. The Cooperation Plan projects that the approval and regulatory phase process may take about three years. Timing will also depend upon the Mackenzie Valley Producers Group's actions.

GNWT Role: The Government of Northwest Territories is involved in all phases of the Environmental Assessment and regulatory processes. The GNWT continues to coordinate preparatory work to promote the interests of residents, government, aboriginal organizations and communities as they relate to the approval and regulatory process of the proposed project. Information related to all activities associated with the approval and regulatory process is being gathered now. This includes regional and community capacity to participate effectively in the process.

Work is also being done to ensure social and economic impact assessment is completed effectively and efficiently in the best interests of all NWT residents.

WINTER OIL AND GAS ACTIVITY 2003/2004

There will be a slight decrease in the level of oil and gas exploration and development activities across the NWT this winter with the only exception being in the Sahtu region.

Compared to last year, the expenditures on exploration activity are expected to decline by about 25 per cent to approximately \$140 million. There are plans to drill 15 to 20 wells in the NWT. The Mackenzie Gas Project is also planning to conduct geotechnical programs in the Sahtu and Gwich'in Regions to collect granular and geological information along the pipeline route.

Mackenzie Delta: Chevron and EnCana are each drilling one exploratory well in the region this winter. Each company also has plans to conduct a seismic program. The Mackenzie Gas Project has commenced a geotechnical program in the Gwich'in Settlement Region.

Central Mackenzie: Partners Apache Canada and Paramount Resources will follow up on their successful

program last winter by drilling approximately four wells near Colville Lake. EnCana and Northrock Resources have received approvals to drill wells south of Tulita. The Mackenzie Gas Project will conduct a geotechnical program near Fort Good Hope.

Deh Cho: Anadarko Canada will drill one new well, re-enter two others near Fort Liard and continue preliminary work on a gathering system and pipeline. Chevron plans to drill two wells near Liard and continue to expand its current production. The Mackenzie Gas Project may not proceed with its geotechnical program in the Deh Cho region this winter.

Paramount Resources continues to develop its current production facilities in the Cameron Hills, south of Kakisa near the Alberta-NWT border. Paramount will be drilling five wells and is considering a 3D seismic program.

INUVIK REGION

OIL AND GAS TRAINING OPPORTUNITIES (FEBRUARY TO MARCH 2004)

The following programs are being offered this winter at Aurora College's Aurora Campus:

Chainsaw Safety (PITS)

Intended for all workers engaged in seismic line construction activities, this course provides participants with petroleum industry standard chainsaw safety training. This course includes one day of in-class work and one day of field training. Topics include: personal protection, chainsaw maintenance and handling, safe falling, limbing and bucking practices.

* February 10-11

* February 12-13

Workers Hazardous Materials Information Systems (WHMIS) Fundamentals

This half day course covers the basics of WHMIS, providing workers with the general knowledge and skills to work safely around hazardous materials. This course covers worker education, workplace labelling and material safety data sheets (MSDS).

* February 25

Transportation of Dangerous Goods (TDG)

This course is intended for shippers, carriers and receivers of dangerous goods. Upon completion of this half day dangerous goods training course, participants will understand their responsibilities, be able to use dangerous goods reference material and meet the basic

training requirements of the regulations.

* February 25

Standard First Aid with Level 'B' CPR

This two day program provides candidates with a basic theoretical and practical knowledge of first aid procedures so they can apply first aid in emergency situations both on and off the job.

* February 26-27

Workers Hazardous Materials Information Systems (WHMIS) Fundamentals

* March 17

Transportation of Dangerous Goods (TDG)

* March 17

Standard First Aid with Level 'B' CPR

* March 18-19

For more information about any of these programs, contact Rory Voudrach, Industrial & Oil /Gas Training Coordinator at 867-777-7839.

WINTER PROJECTS IN THE INUVIK REGION

Proponent	Nearest Community	2D Seismic	3D Seismic	Drilling	Other Projects	Estimated Budget	Direct Employment
Chevron Canada (BP/ Burlington)	Inuvik, Aklavik, Tuktoyaktuk (Ellice Island)		Taktuk Program (270 km ²)	1 exploratory well (EL 404)	Winter Roads	\$20M	50
EnCana (ConocoPhillips/ Anadarko)	Tuktoyaktuk/ Inuvik (Richards Island)	Corral Bay (50 km)		1 exploratory well (EL 384)	Winter Roads	\$20M	50
Mackenzie Gas Project	Gwich'in Settlement Region			Geotechnical Program		\$6M	?
TOTALS:		50 km	270 km²	2 Wells		\$46M	100

DEH CHO REGION

WINTER PROJECTS IN THE DEH CHO (FORT LIARD & CAMERON HILLS)

Proponent	Nearest Community	2D Seismic	3D Seismic	Drilling	Other Projects	Budget	Direct Employment
Anadarko (Paramount)	Fort Liard / Nahanni Butte			1 new well (Netla A-77) 2 re-entries (Arrowhead-K35, F56)	70 km winter road Pipeline Studies	\$10M	80
Chevron Canada (Purcell)	Fort Liard			2 development wells (3K-29, 2M-25)		\$20M	50
Mackenzie Gas Project (Delayed)	Wrigley, Jean Marie River, Trout Lake, Fort Simpson				Geotechnical Program		
Paramount Resources Ltd.	Cameron Hills (70 km south of Kakisa)		75 km ² (500 km linear)	5 wells (1 drilling rig, 1 service rig)	Gathering system	\$10M	100
TOTALS:			75 km²	6 Exploratory Wells 2 Development Wells 2 Re-entries		\$40M	230

PIPELINE OPERATIONS TRAINING PROGRAM

The Mackenzie Gas Project and Producers Group have identified potential pipeline and field operations employment opportunities that would accompany a Mackenzie Valley Pipeline.

The Pipeline Operations Training Committee (POTC) was formed in 2002 as a partnership of the Federal and Territorial Governments and industry. The industry partners include: Aboriginal Pipeline Group, ATCO Frontec, Enbridge, Imperial Oil Resources Limited, TransCanada Pipelines Limited, Shell and ConocoPhillips. The POTC has been hard at work trying to finalize last-minute details before embarking on a recruitment campaign later this winter. The Pipeline Operations Training Program is set to begin its first intake of students and apprentices in September 2004.

This training program will give Northwest Territories residents an opportunity to train for potential pipeline operations employment opportunities.

Training opportunities in the Pipeline Operations Training

Program have been identified for the following positions:

Position	
Production/Field Operator	25
Mechanic/Millwright	5
Electrical/Instrumentation	8
Engineering Technology	13
Total	51

The trades training positions will take the form of apprenticeships. Individuals in the Production/Field Operator and Engineering Technology positions will be trained through a one-year Pre-technology Program at Aurora College, followed by a two-year technical training program at the Northern Alberta Institute of Technology (NAIT) or the Southern Alberta Institute of Technology (SAIT).

For more information, please contact Krista Rivet at (867) 920-6384 or krista_rivet@gov.nt.ca.

SAHTU REGION

WINTER PROJECTS IN THE SAHTU

Proponent	Nearest Community	2D Seismic	3D Seismic	Drilling	Other Projects	Budget	Direct Employment
Apache / Paramount Resources	Colville Lake			4 Exploratory Wells (EL 399, EL 414 , Nogha– 2 rigs)	70 km of access roads	\$25M	100
EnCana	Tulita (Begadeh-J66)			1 Exploratory Well (Oil)	60 km of access roads	\$6M	50
Northrock Resources	Tulita			1 Exploratory Well (Oil)	75 km of access roads	\$15M	50
Mackenzie Gas Project	Fort Good Hope, Norman Wells, Tulita				Geotechnical Program	\$10M	?
TOTALS:				6 Exploratory Wells		\$56M	200

ENVIRONMENTAL MONITOR TRAINING

A four day environmental monitoring training program was held in Tulita from November 4 - 7, 2003. The program was run by Northern EnviroSearch Ltd. and was based on the draft NWT Occupational Standards for Environmental Monitors. A total of 18 people were trained, five from Norman Wells and 13 from the Tulita District.

Some of the topics covered during the four days of training included:

- * Overview of seismic and drilling
- * Communication, workplace qualities and skills
- * Land use permits and water licences
- * Compliance monitoring
- * Safety
- * Land skill and local knowledge
- * Monitoring—clearing, construction and camps, fuel/ hazardous materials and reclamation
- * Monitoring seismic, drilling and pipelines
- * GPS navigation

Program funding was provided by the Departments of Education, Culture and Employment and Resources, Wildlife and Economic Development. Upon completion of the course, all of the students received a GPS courtesy of Northrock Resources Ltd.

Overall, the training was viewed as very successful.

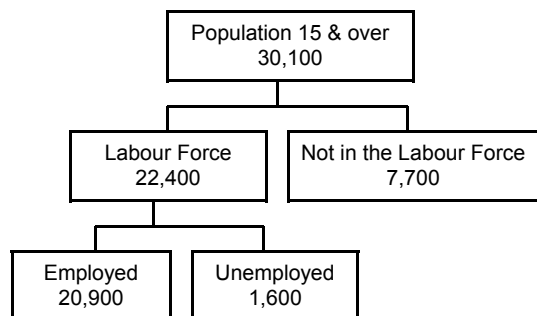
SUBMERGED ARC METAL WELDING TRAINING

Three certified welders from NTCL are being provided a unique training opportunity which will address specialized welding techniques in the area of submerged arc metal welding processes. Upon successful completion of this program the welders will obtain recognized certification from the Canadian Welding Bureau.

The Departments of Education, Culture and Employment and Resources, Wildlife and Economic Development have partnered with industry to support this training. It directly addresses the building of a local skilled workforce that will allow a northern company to diversify in the area of manufacturing/fabrication to include the steel winter road bridges in the NWT.

This training will take place from January to March 2004. The link to oil and gas is indirect in that it will improve transportation systems - giving a northern company an opportunity to build the capacity of a local workforce in order to compete for northern contracts and build better transportation systems.

NWT LABOUR FORCE ACTIVITY—DECEMBER 2003



For December 2003, Statistics Canada estimates that of the 30,100 residents 15 years of age and older in the Northwest Territories (NWT), some 20,900 persons were employed. This represents an employment rate of 69.4%. Overall, NWT employment levels increased by 100 between November 2003 and December 2003.

For December, there were some 1,600 persons unemployed in the NWT, which is an increase of 100 persons from November. The overall NWT unemployment rate for December stood at 7.1%. This compares with an unemployment rate for Canada of 7.0%.

On a year-to-date basis for the January to December period, the number of unemployed persons in the NWT has been, on average, 108 higher for 2003 compared with the same period in 2002.

Source: NWT Bureau of Statistics. *Labour Force Activity—December 2003*
For more information, visit: www.stats.gov.nt.ca

NORTHWEST TERRITORIES LABOUR FORCE ACTIVITY

	Population 15 & Over	Labour Force	Employed	Unem- ployed	Not in the Labour Force	Partic- ipation Rate	Unemp- loyment Rate	Employ- ment Rate
Dec-03	30,100	22,400	20,900	1,600	7,700	74.4	7.1	69.4
Nov-03	30,000	22,200	20,800	1,500	7,800	74.0	6.8	69.3
Oct-03	29,900	22,700	21,200	1,500	7,300	75.9	6.6	70.9
Sep-03	29,900	22,900	21,300	1,500	7,000	76.6	6.6	71.2
<i>Previous years:</i>								
Dec-02	29,700	22,500	21,200	1,300	7,200	75.8	5.8	71.4
Dec-01	29,700	22,400	20,300	2,100	7,200	75.9	9.4	68.8

Source: NWT Bureau of Statistics. *Labour Force Activity—December 2003*
For more information, visit: www.stats.gov.nt.ca

REGIONAL CONTACTS

Career Centres and Canada-NWT Service Centres Education, Culture and Employment

Fort Simpson (Deh Cho Hall)	695-7334
Fort Smith (Sweetgrass Building)	872-7217
Hay River (Courthouse Building)	874-9200
Inuvik (Perry Building)	777-7323
Norman Wells (Government Building)	587-2566
Yellowknife (Joe Tobie Building)	766-5100

Resources, Wildlife and Economic Development

Hay River	874-6702
Fort Simpson	695-2231
Fort Smith	872-6400
Inuvik	777-7102
Norman Wells	587-3503
Fort Liard	770-4300
Yellowknife (Scotia Centre)	920-8691



Comments or Questions? Contact...

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