

OIL AND GAS UPDATE



Welcome to the July 2003 issue of the **Oil and Gas Update**, the newsletter that provides training and activity updates related to oil and gas activity 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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Aboriginal Pipeline Group Signs Landmark Deal

Wednesday June 18, 2003 was a historic day for the people of the Northwest Territories as the Aboriginal Pipeline Group (APG) announced that it had signed a long-awaited funding deal with the Mackenzie Delta Producers Group and TransCanada Pipelines Ltd (TCPL).

The APG represents aboriginal groups along the Mackenzie Valley and the Producers Group (Imperial Oil, ConocoPhillips, Shell and ExxonMobil) owns the natural gas reserves in the Mackenzie Delta.

The commercial agreements allow the APG to be one-third owners of the pipeline project. 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 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 in its efforts to raise money for its share of the actual cost of pipeline construction. The pipeline is expected to cost over \$3 billion, of which the APG must raise \$1 billion. The Producers have promised to assist the APG, if necessary, to secure the

necessary funding.

With the agreements in place, the Producers and APG filed a Preliminary Information Package (PIP) for the Mackenzie Gas Project with the relevant regulatory authorities. The PIP includes preliminary information on environmental studies, public consultation, and pipeline route and size. The filing of the PIP is the initial step in the two and a half to three year process of getting approval to build the pipeline, which could be shipping gas south from the Mackenzie Delta by 2009.

It is proposed that the 1,300 kilometre pipeline will run underground from the Mackenzie Delta along the east side of the Mackenzie River to a point 65 kilometres south of the NWT/Alberta border. Billions of dollars will flow into the Northwest Territories and 6,000 to 10,000 jobs will be created during the three years of construction.

As Fred Carmichael, Chair of the APG, stated, "It's a bright future for the Northwest Territories. It's a great future for our children."



K.C. Williams, President of Imperial Oil and Fred Carmichael, Chief of Gwich'in Tribal Council at the Inuvik Petroleum Show
Photo courtesy of RWED

What is a PIP?

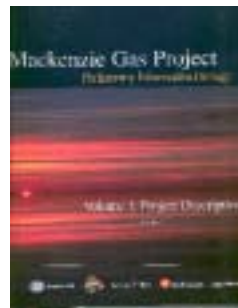
It was big news on June 18, 2003 when the Mackenzie Delta Producers Group and the Aboriginal Pipeline Group released the Preliminary Information Package (PIP) for the Mackenzie Gas Project. Since its release, many people are asking, "What is a PIP?"

The PIP is a document that contains preliminary information about the proposed Mackenzie Valley pipeline, including environmental studies, public communication and consultation, and the pipeline route, size and capacity. The PIP was submitted to the boards, committees and agencies that will be involved in the environmental assessment and regulatory processes regarding the pipeline. Sixteen regulatory authorities have worked for two years to develop a Cooperation Plan describing how they will avoid duplication and move the process along.

The PIP was the first step in a review process that could take three years to complete. The PIP only initiates the process within the Inuvialuit Settlement Region. A second application for a specific component of the overall pipeline will be submitted to the Mackenzie Land and Water Board in the near future in order to start the review process along the rest of the Mackenzie Valley.

The full environmental assessment will probably kick into top gear early in 2004 when it is expected that the pipeline proponents will file a full pipeline application. In the meantime, the relevant regulatory authorities have released a brochure that describes the Plan for Public Involvement.

If this all sounds very complicated, that's because it is! There will be hundreds of meetings and millions of pages of documents produced over the next few years while a thorough assessment of the pipeline is conducted. Only then, assuming the project is approved, will the proponents decide if they will construct the gathering systems and pipeline that will transport the natural gas 1300 kilometres from Inuvik to northern Alberta.



To view the PIP, please visit the Mackenzie Valley Environmental Impact Review Board website at www.mveirb.nt.ca. If you wish to view the Plan for Public Involvement, visit the Resources, Wildlife and Economic Development (RWED) website at www.rwed.gov.nt.ca.



Inuvik Petroleum Show

On June 18–19, Inuvik hosted the 3rd annual Inuvik Petroleum Show. The show was once again a huge success, with nearly 650 participants arriving from across the North and Western Canada. There was a lively atmosphere in town as every hotel, bed and breakfast and camp was full and visitors enjoyed northern entertainment each night.

The Petroleum Show is a must for everyone involved in the northern oil and gas industry. The tradeshow was sold out with 110 booths representing service companies, Aboriginal Development Corporations, exploration companies, regulatory agencies and government departments.

Throughout the two days, leading panellists made presentations on a range of issues including business and employment opportunities,

exploration activities, health and social impacts of development and the regulatory approval process. Fred Carmichael, Chair of the Aboriginal Pipeline Group (APG), stole the show with his announcement that the APG had signed funding agreements with the Mackenzie Delta Producers Group and TransCanada Pipelines Limited.



Photo courtesy of RWED

The Mackenzie Valley pipeline project is moving ahead and people are already preparing for another big Petroleum Show next year in Inuvik. See you there!

Biophysical Research in the NWT

The Western NWT Biophysical Study is a proposal led by the GNWT to establish a research fund to support biophysical research. The Study focuses on areas of the Deh Cho, Sahtu, Gwich'in, and Inuvialuit regions that are likely to be affected by development activities. The Study was designed in consultation with aboriginal governments, the federal government, environmental non-government organizations (ENGOS) and industry stakeholders.

The rationale for the Study is that to make informed decisions for the future, which take advantage of economic and resource development while maintaining environmental integrity, decision makers must have current and detailed biophysical information on which to base their decisions. The stronger the information

base, the better decision makers will be able to guide resource development to maximize opportunities without compromising the environment. The biophysical information required for sound environmental decision-making in the western NWT, particularly as it relates to cumulative effects assessment, is currently incomplete.

Research conducted through the Study addresses the primary information needs for environmental assessment, regulation and management of developments in the Mackenzie Valley, long-term community based monitoring and includes research on the effects of developments on proposed and existing protected areas. Research funded through the Study is based on regionally identified priorities, considers

both traditional and scientific knowledge and is aimed toward building local capacity by providing opportunities for training and involving community members in the development and conduct of research.

During the 2002/2003 fiscal year, workshops were held in each region to obtain input from community representatives regarding key issues and concerns. The Study also helped to fund a comprehensive review of past research conducted in the western NWT in order to identify significant information gaps.

For more information on the Western NWT Biophysical Study, please contact Ray Case, Wildlife and Fisheries, RWED in Yellowknife at (867) 920-8067.

Training in the Inuvik Region

Crane Rigging

In late April, two participants took part in a two day crane rigging course. The training focused on a number of areas, including: job site considerations, machine selection, rigging selection and inspection, crane signals and rigging hardware. The training enables participants to work with mobile and overhead cranes.

Trades Access Program: Petroleum Industry Related

Beginning in September, Aurora College is offering an eight month Trades Access Program related to the petroleum industry. The program is targeted at residents of the Inuvik region who are interested in trades and do not currently have the academic skills needed to pass a trades entrance exam. The program includes: pre-trades, Bridging Employment Skills Training and the College Introduction to Trades and Technology. For more information, contact Aurora College at (867) 777-7817.

Heavy Duty Equipment Operator Course

Participants in Aurora College's Heavy Duty Equipment Operator Course are applying their skills while aiding in the landscaping of the Inuvik Golf Course. This hands-on experience will provide the participants with skills that are transferable to a variety of industries, including the petroleum industry. Employers who are interested in hiring a student from this program can apply for ECE's Training-on-the-Job wage subsidy program.

Future Training Programs at Aurora College's Aurora Campus...

WHMIS—Sept. 15

Transportation of Dangerous Goods—Sept. 15

Standard First Aid with Level 'B' CPR—Sept. 16-17

High Angle Rescue—Sept. 29-Oct. 1

Introduction to Gas Processing (PITS)—Oct. 20-21

Introduction to Pipelining (PITS)—Oct. 22-23

If you are interested in learning more about these programs, please contact Rory Voudrach at (867) 777-7839.

Training in the Sahtu Region

Pumpjack Repair Training

Two employees of Ledcor in Norman Wells recently took part in pumpjack repair training in Houston, Texas at the Lufkin Training Centre. These two individuals are the first in the NWT to take this type of training.



Having certified pumpjack repair persons working for Ledcor will help to eliminate the need for southern contractors to travel to the NWT to do this type of work.

Oilfield Training

This training program provides participants with an introduction to working in an oilfield. The training focuses on a variety of areas including: equipment familiarization, WHMIS and First Aid. It is anticipated that 12-20 participants will take part in this training.

Once trained, these individuals will form a labour pool from which employers can hire oilfield workers.

Training in the Deh Cho Region

Trades Access Program

A trades access program is currently in progress in Fort Providence. It began in June and will continue until August. The program is aimed at preparing participants to write trades entrance exams. In late July, the eight program participants will write their trade entrance exams.

Class 1 Driver Training

Class 1 Driver Training is planned for Fort Providence this year, allowing six participants to obtain a Class 1 licence. The dates for this program have not been set.

Environmental Monitoring Standards

The Canadian Council for Human Resources in the Environment Industry (CCHREI) and the Aboriginal Human Resource Development Council of Canada, have partnered to Build Environmental Aboriginal Human Resources (BEAHR). Funded by Human Resources Development Canada, BEAHR is committed to increasing Aboriginal employment in the environment sector. The Department of Education, Culture and Employment has partnered with the BEAHR Project as well as various partners and stakeholders throughout the NWT to develop occupational standards for environmental monitors and environmental technical assistants.

The standards for environmental monitors include core competencies such as: local knowledge, land skills, safety, technical equipment, personal qualities and communication skills, combined with descriptions of land use activities and the role of the environmental monitor.

The standards for environmental technical assistants include the same core competencies with the

remainder of the document focusing on the skills required to assist researchers and scientists in areas of technical work including: air and water quality testing, wildlife surveys and climate change.

A final draft of the documents will be available for circulation and comment by mid-August to approximately 80 individuals and organizations who have been involved in the project.

If you are interested in receiving a copy of the draft standards, please contact Colleen Proctor at (867) 920-8866 or colleen_proctor@gov.nt.ca. Comments on the document must be received no later than September 22, 2003.

Gabe Andre, Elder from Tsiigehtchic and Roland Kikoak, Environmental Monitor from Tuktoyaktuk
Photo courtesy of ECE



NWT Labour Force Activity – June 2003



For June 2003, Statistics Canada estimates that of the 29,700 residents 15 years of age and older in the Northwest Territories, some 20,800 persons were employed. This represents an overall employment rate of 70.0%. Overall, NWT employment levels increased by 200 persons between May 2003 and June 2003.

For June, there were some 1,800 persons unemployed in the Northwest Territories, which is an increase of 100 from May. The overall NWT unemployment rate stood at 8.0% for June. This compares with an unemployment rate for Canada of 7.2% in June.

On a year to date basis for the January to June period, the number of employed persons in the Northwest Territories has been, on average, 183 higher for 2003 compared with the same period in 2002.

Source: NWT Bureau of Statistics. *Labour Force Activity, June 2003*

Labour Force Activity January to June 2003—Northwest Territories

	Population 15 & Over	Labour Force	Employed	Unem- ployed	Not in the Labour Force	Partic- ipation Rate	Unemp- loyment Rate	Employ- ment Rate
Jun-03	29,700	22,600	20,800	1,800	7,100	76.1	8.0	70.0
May-03	29,700	22,300	20,600	1,700	7,400	75.1	7.6	69.4
Apr-03	29,700	21,800	20,400	1,400	7,900	73.4	6.4	68.7
Mar-03	29,700	22,000	20,400	1,600	7,700	74.1	7.3	68.7
Feb-03	29,700	22,000	20,700	1,300	7,700	74.1	5.9	69.7
Jan-03	29,700	22,200	20,900	1,300	7,500	74.7	5.9	70.4

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

Regional Contacts

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

Fort Simpson (Deh Cho Hall)	695-7334
Fort Smith (Sweetgrass Building)	872-7217
Hay River (Courthouse Building)	874-9200
Inuvik (1st Floor 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...

Krista Rivet—Education, Culture and Employment (867) 920-6384, krista_rivet@gov.nt.ca

Robert Redshaw—Resources, Wildlife and Economic Development (867) 920-8954, robert_redshaw@gov.nt.ca