



OIL AND GAS UPDATE

GNWT Pipeline Office to Open in Hay River

Yellowknife (June 25, 2004) - The Government of the Northwest Territories will open a Mackenzie Valley Pipeline Office in Hay River.

The decision, based on a recommendation by the Joint Cabinet/Standing Committee on Accountability and Oversight Pipeline Planning Committee, was made by Brendan Bell, Minister of Resources, Wildlife and Economic Development.

“The Mackenzie Valley Pipeline office will provide a comprehensive, coordinated GNWT planning approach to the pipeline project. It ensures all NWT residents benefit from the sustainable development of our natural resources,” said the Minister. “As a transportation hub, Hay River will play an important role in the supply route for the construction of the pipeline and associated

developments.”

The eight-person office will include a director, agreements and pipeline specialists, coordinators for interdepartmental planning and information and communications along with support and clerical staff.

The pipeline office will operate temporarily in Yellowknife until new staff is hired and office space is established in Hay River. It is expected to be fully operational in Hay River by April 1, 2005.

The Legislative Assembly approved funding for the Mackenzie Valley Pipeline office on June 2, 2004.

For more information, contact: Julia Mott, Coordinator, Cabinet Communications at (867) 669-2304.



Welcome to the 16th issue of *The Oil and Gas Update*, 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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Federal Government Approves ASEP Funding

In late June, the Federal Government informed the partners of the NWT Oil and Gas Aboriginal Skills and Employment Partnership Skills Development Strategy proposal of its approval. The Minister of Human Resources and Skills Development Canada (HRSDC), the Honourable Joseph Volpe, approved federal investment up to \$9,975,000 for Aboriginal skills development and training for employment in the NWT oil and gas industry.

The positive response to this proposal will result in a large number of Northwest Territories residents

receiving training that will allow them to participate in employment opportunities related to the oil and gas industry.

The partners involved in the development and implementation of this strategy are: Government of the Northwest Territories, Federal Government, Gwich'in Tribal Council, Sahtu Dene Council, Inuvialuit Regional Corporation, Deh Cho First Nations, Imperial Oil, ConocoPhillips Canada and Shell Canada Ltd. The total investment by all partners will be approximately \$13,000,000.

Exploration Call for Bids: Winning Bids in the Central Mackenzie Valley and Beaufort Sea/Mackenzie Delta

Parcel CMV-1 (90,632 ha more or less)
 Work expenditure bid: \$24,800,000.00
 Work deposit: \$6,200,000.00
 Issuance Fee: \$2,500.00
 Bidder: Northrock Resources Ltd. 32.5%
 Husky Oil Operations Limited 29.4775%
 EOG Resources Canada Inc. 26.3975%
 International Frontier Resources Corp. 5.0%
 Pacific Rodera Energy Inc. 6.625%
 Designated Representative: Northrock Resources Ltd.
 Exploration License: EL 423

Parcel No. CMV-2 (85,840 ha more or less)
 No bids were received for this parcel.

Parcel No. CMV-3 (80,608 ha more or less)
 Work expenditure bid: \$8,100,000.00
 Work deposit: \$2,025,000.00
 Issuance Fee: \$1,000.00
 Bidder: Paramount Resources Ltd.
 Designated Representative: Paramount Resources Ltd.
 Exploration License: EL 424

Parcel No. CMV-4 (27,488 ha more or less)
 Work expenditure bid: \$22,000,000.00
 Work deposit: \$5,500,000.00
 Issuance Fee: \$1,000.00
 Bidder: Petro-Canada 100%
 Designated Representative: Petro-Canada
 Exploration License: EL 425

Parcel No. CMV-5 (36,728 ha more or less)
 Work expenditure bid: \$8,100,000.00
 Work deposit: \$2,025,000.00
 Issuance Fee: \$2,000.00
 Bidder: Paramount Resources Ltd. 50%
 Apache Canada Ltd. 50%
 Designated Representative: Paramount Resources Ltd.
 Exploration License: EL 426

Parcel No. MD-1 (56,057 ha more or less)
 Work expenditure bid: \$61,883,000.00
 Work deposit: \$15,470,750.00
 Issuance Fee: \$2,250.00
 Bidder: Chevron Canada Resources 50%
 BP Canada Energy Company 50%
 Designated Representative: Chevron Canada Resources
 Exploration License: EL 422

For more information on the winning bids visit:
www.ainc-inac.gc.ca/oil/act/call/index_e.html

Information Sources

There are a number of valuable information sources available on the Internet related to oil and gas development in the Northwest Territories. The following websites are just a few of the many available:



Resources, Wildlife and Economic Development
www.rwed.gov.nt.ca



Mackenzie Valley Environmental Impact Review Board (MVEIRB)
www.mveirb.nt.ca



Aboriginal Pipeline Group
www.aboriginalpipeline.ca



Northern Gas Project Secretariat
www.ngps.nt.ca



Indian and Northern Affairs Canada / Affaires indiennes et du Nord Canada
 Indian and Northern Affairs -Oil and Gas Directorate
www.ainc-inac.gc.ca/oil

Welcome to www.careersinoilandgas.com
 a virtual career fair
 Careers In Oil and Gas
www.careersinoilandgas.com



Northern Pipeline Projects
www.northernpipelineprojects.com

Upcoming Conferences

Conference	Location	Dates
Far North Oil & Gas Conference	Calgary, AB	September 30-October 1, 2004
International Pipeline Conference	Calgary, AB	October 4-8, 2004
North American Gas Strategies	Calgary, AB	November 8-9, 2004

Sahtu Dene Council Joins the Aboriginal Pipeline Group

On June 23, 2004, the Sahtu Dene Council signed a business agreement giving them full participation in the Aboriginal Pipeline Group (APG). There are now three shareholders in the APG—the Gwich'in Tribal Council, Inuvialuit Regional Corporation and the Sahtu Dene Council.



Raymond Tutcho (SDC),
Nellie Cournoyea (IRC),
Fred Carmichael (APG),
Frank Andrew (SDC)
Photo courtesy of RWED

Department of Transportation

Although the Mackenzie Gas Project (MGP) may not begin mobilization of construction equipment until the winter of 2006 at the earliest, it can take at least two years to prepare road, airport, and marine infrastructure to accommodate the logistics demands of the project. In an effort to gain as much lead time as possible, the Department of Transportation (DOT) has organized meetings with Imperial Oil and their consultants, Colt/KBR, to discuss specific infrastructure issues. These meetings, supported by maps and lists of facilities and resources, focus on areas such as access roads, aggregate sites, and bathymetric work on adjacent water bodies.

In recognition the MGP may be just the tip of the iceberg with regard to oil and gas economic activity, the Department of Transportation has partnered with Transport Canada to study the indirect and induced economic impacts of the MGP on the NWT transportation system. The purpose of the study is to assess the total impact of the proposed northern gas pipeline and related activities including:

- Pipeline induced exploration and other economic activity;
- Direct, indirect and induced transportation impacts which can be expected from logistical support requirements for construction of the gas and liquids pipelines and related gas gathering systems, processing plants and production facilities; and,
- The ability of communities, both tax based and non tax based, and local transportation companies to meet existing transportation needs

as well as additional demands created by the pipeline activities be it direct, indirect or induced

A draft report is expected this Fall.

To coordinate this work, the Department of Transportation is establishing an MGP Transportation Working Group to prepare for the transportation related impacts and issues arising from the project. The working group will ensure that:

- Information related to the MGP is shared across the Department;
- Transportation issues, mitigation measures and requirements are identified in the socio-economic agreement negotiations between the proponent and the GNWT, in the environmental assessment phase of the MGP, and in any other relevant negotiations or agreements; and,
- DOT mitigation plans and actions related to the MGP are coordinated both within the Department and, to the extent possible, with the activities of other departments, governments and organizations.

The MGP Transportation Working Group is chaired by the Assistant Deputy Minister, Daniel Auger, with representation from all DOT regional superintendents and program directors. It also includes representation from the Mackenzie Valley Pipeline Office (RWED) as well as the federal government (Transport Canada), and the proponent (Imperial Oil). The group will convene monthly and will provide regular updates to the Deputy Minister, DOT. The ADM, Mr. Auger, is the main point of contact for all DOT pipeline-related activities.

Pipeline Productions & Operations Training Set to Begin

After a number of comprehensive marketing and recruiting activities, 20 applications were received for the Pipeline Operations Technical Training Program. This program begins with a one year Pre-technology at Aurora College in September 2004. It will allow participants to enter into a number of different programs at the Northern Alberta Institute of Technology (NAIT) and the Southern Alberta Institute of Technology (SAIT) to prepare for longer-term pipeline and production operations employment opportunities. Of the 20 applicants, ten have qualified for entrance into the Pre-technology program.

In September 2005, the Pipeline Operations Technical Training Program will offer a second intake. Those individuals who did not meet the minimum qualifications for acceptance into the first intake of the program are encouraged to upgrade their skills and reapply for the September 2005 intake.

Throughout the NWT, people interested in the Pipeline and Production Operations Apprenticeship Program wrote trades entrance exams as part of the application process. A total of 41 applications were received for the Pipeline Production Operations Apprenticeship Program. Twenty-one of these applicants have been short-listed and will be interviewed by TransCanada Pipelines and Imperial Oil Resources for positions as Apprentice Electricians, Heavy Duty Mechanics and Millwrights.

For more information about these programs, please contact:

Rory Voudrach
 Coordinator, Pipeline Operations Training
 (867) 777-7839
POTC@auroracollege.nt.ca
 Or visit the POTC website at:
www.auroracollege.nt.ca/potc

Municipal and Community Affairs

The Department of Municipal and Community Affairs (MACA) is aware that the development of the Mackenzie Gas Project (MGP) and other resource development projects will likely have a significant impact on a number of NWT communities. MACA is working in partnership with community governments to identify these impacts and opportunities, and assist communities to prepare for them.

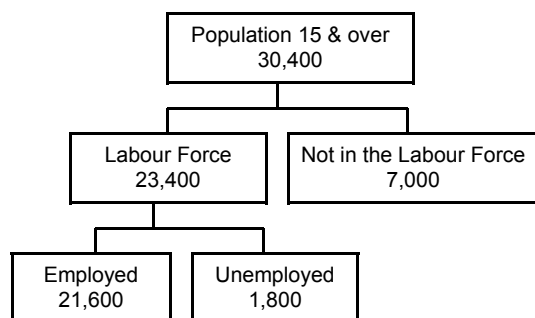
In 2003, MACA established the Resource Development Task Team (RDTT) in order to provide advice and recommendations on minimizing the potential negative impacts of resource development projects, and to maximize the benefits of the projects to communities. In addition to departmental staff from both regional offices and headquarters, MACA has invited the Local Government Administrators of the Northwest Territories (LGANT) to participate in order to provide operational input and advice.

The RDTT has developed a community action tool-kit to assist communities in planning for and

identifying issues and impacts related to resource development. To complement the tool-kit, specific community profiles are being developed for each community. The profiles that have been created to date have provided MACA and the community with base-line information about the community's infrastructure and its capacity, which can then be used to assess potential resource development impacts and opportunities.

In the months to come, MACA will continue to support communities by working closely with the affected communities and by ensuring community government needs are identified and addressed through the environmental assessment and review processes. Should you have any questions regarding the impact of resource development on your community, please contact the MACA office in your region.

NWT Labour Force Activity—June 2004



For June 2004, Statistics Canada estimates that of the 30,400 residents 15 years of age and older in the Northwest Territories, some 21,600 persons were employed. This represents an employment rate of 71.1%. Overall, NWT employment levels increased by 300 between May 2004 and June 2004.

For June, there were some 1,800 persons unemployed in the Northwest Territories, unchanged from the previous month. The overall NWT unemployment rate for June stood at 7.7%. This compares with an unemployment rate for Canada of 6.8%.

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, 567 higher for 2004 compared to the same period in 2003.

Source: NWT Bureau of Statistics. *Labour Force Activity—June 2004*
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
Jun-04	30,400	23,400	21,600	1,800	7,000	77.0	7.7	71.1
May-04	30,300	23,000	21,300	1,800	7,300	75.7	7.8	70.1
Apr-04	30,400	22,700	21,600	1,100	7,700	74.7	4.8	71.1
Mar-04	30,300	22,300	21,000	1,300	8,000	73.6	5.8	69.3
<i>Previous years:</i>								
Jun-03	29,700	22,600	20,800	1,800	7,100	76.1	8.0	70.0
Jun-02	29,400	22,100	20,800	1,300	7,300	75.2	5.9	70.7
Jun-01	29,700	23,000	20,900	2,100	6,700	77.4	9.1	70.4

Source: NWT Bureau of Statistics. *Labour Force Activity—June 2004*

Regional Contacts

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

Fort Simpson (Deh Cho Hall)	695-7334
Fort Smith (Sweetgrass Building)	872-7425
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	875-5561
Fort Simpson	695-7450
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

Dave Nightingale—Resources, Wildlife and Economic Development (867) 920-8954, dave_nightingale@gov.nt.ca