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YUKON ISSUES DRILLING PERMIT TO DEVON CANADA

WHITEHORSE – The Yukon government has authorized Devon Canada to begin drilling its first gas well in Eagle Plain. Yukoners may have seen the convoy of trucks on the Alaska Highway last week which were transporting the drilling rig to Eagle Plain.

The drilling program should last two to three weeks. Crews are expected to drill to a depth of 1,300 metres in their search for natural gas.

“This is an exciting time for us because we are beginning to see increasing oil and gas activity in the Yukon,” Energy, Mines and Resources Minister Archie Lang said. “The interest in the Yukon’s oil and gas potential is growing as the Mackenzie Gas and Alaska Highway Pipeline Projects move ahead. Until now, resources in North Yukon have remained ‘frontier’ or inaccessible because of their remoteness from market.”

Demand for natural gas in North America continues to grow, and northern gas is expected to play a significant role in meeting this demand. Yukon’s natural gas potential is estimated at 20 trillion cubic feet.

Construction of northern pipelines will encourage exploration of the Yukon’s eight basins and help move the Yukon’s natural gas to market. “The northern pipelines are pivotal to accessing these reserves and in stimulating economic development in the north,” Lang said. “We continue to work towards building a revitalized resource economy that is putting people and communities to work.”

In addition to jobs and new business contracts, the Yukon stands to benefit from additional royalty revenues if new reserves are discovered.

This is the first exploration well to be drilled in the Yukon in 20 years, and the second well licence issued to Devon in Canada since August. The first licence was issued last fall for a development well in the Kotaneelee gas field in Southeast Yukon.

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Contact:

Peter Carr
Cabinet Communications Advisor
(867) 667-8688
peter.carr@gov.yk.ca

Tara O’Donovan
Energy, Mines & Resources, Communications
(867) 667-5809
tara.odonovan@gov.yk.ca