

AGREEMENT

for Coordination of the Regulatory Review of the Mackenzie Gas Project

BETWEEN:

- AND: THE INUVIALUIT LAND ADMINISTRATION and INUVIALUIT LAND ADMINISTRATION COMMISSION**
- AND: THE NATIONAL ENERGY BOARD**
- AND: THE NORTHWEST TERRITORIES WATER BOARD**
- AND: THE MACKENZIE VALLEY LAND AND WATER BOARD**
- AND: THE GWICH'IN LAND AND WATER BOARD**
- AND: THE SAHTU LAND AND WATER BOARD**
- AND: THE DEPARTMENT OF FISHERIES AND OCEANS**
- AND: THE DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT**
- AND: ENVIRONMENT CANADA**
- AND: GOVERNMENT OF THE NORTHWEST TERRITORIES**
- AND: TRANSPORT CANADA**

Hereafter, collectively, "the Parties"

PREAMBLE

WHEREAS the Parties have statutory responsibilities based on the authorities listed in Schedule I to this Agreement with respect to the Regulatory Review of a northern gas pipeline project through the Northwest Territories,

AND WHEREAS the Parties wish to implement the provisions of the *Cooperation Plan for the Environmental Impact Assessment and Regulatory Review of a Northern Gas Pipeline Project through the Northwest Territories*, while ensuring that Regulatory Reviews are in compliance with their statutory responsibilities and consistent with land claims implementation legislation,

AND WHEREAS the Parties wish to avoid unnecessary duplication, contribute to clarity and certainty, and facilitate the efficient use of resources in the timely delivery of their respective regulatory responsibilities,

AND WHEREAS the Project will be subject to public regulatory hearings pursuant to the *NEB Act*, the *NWT Waters Act*, and the *MVRM Act*,

AND WHEREAS Parties may have regulatory responsibilities without conducting public hearings,

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

Cooperation Plan means the *Cooperation Plan for the Environmental Impact Assessment and Regulatory Review of a Northern Gas Pipeline Project through the Northwest Territories* prepared by the Northern Pipeline Environmental Impact Assessment and Regulatory Chairs Committee in June 2002.

Environment means the components of the Earth and includes;

- a) land, water and all layers of the atmosphere
- b) all organic and inorganic matter and living organisms
- c) the interacting natural systems that include components referred to in a) and b).

Government includes the Governor in Council, the federal Minister as defined in section 2 of the *MVRM Act*, and responsible ministers as defined in section 111 of the *MVRM Act*.

Inuvialuit has the meaning set out in section 2 of the Inuvialuit Final Agreement.

ISR means the Inuvialuit Settlement Region as defined in section 2 of the Inuvialuit Final Agreement

Joint Review Panel means the Joint Environmental Impact Assessment Review Panel as contemplated in the Cooperation Plan and established pursuant to an agreement between the Minister of the Environment, the Mackenzie Valley Environmental Impact Review Board and the Inuvialuit.

Mackenzie Valley has the meaning set out in section 2 of the *MVRM Act*.

Mackenzie Valley Land and Water Board, for the purposes of this agreement, includes the Gwich'in Land and Water Board and the Sahtu Land and Water Board.

MVRM Act means the *Mackenzie Valley Resource Management Act*.

Mitigation includes action for the control, reduction, or elimination of an adverse impact of the Project on the Environment, and, in the Mackenzie Valley, on wildlife harvesting, the social and cultural environment and heritage resources.

NEB Act means the *National Energy Board Act*.

NWT Waters Act means the *Northwest Territories Waters Act*.

Project means a proposed Northern gas development and pipeline project as contemplated in the Cooperation Plan and, more particularly, the Mackenzie Gas Project as described in the Preliminary Information Package submitted by Imperial Oil Resources Ventures Limited.

Regulatory Review means the evaluation of regulatory applications related to the Project filed pursuant to the legislation listed in Schedule 1.

2. PURPOSE OF THE AGREEMENT

- 2.1 The purpose of this Agreement is to
- (a) coordinate the Regulatory Reviews of the Project by the Parties as contemplated by the Cooperation Plan and as allowed by law,
 - (b) avoid unnecessary duplication and seek process efficiency in the Regulatory Review of the Project by the Parties,
 - (c) contribute to clarity, certainty and timeliness in the Regulatory Review process,
 - (d) enhance public participation in the Project review.

3. CONSOLIDATED INFORMATION REQUIREMENTS

- 3.1 The Parties have contributed to and assisted in the development of Consolidated Information Requirements for the Environmental Impact Assessment and Regulatory Review of a Northern Gas Pipeline Project. The Parties agree that these requirements will be made available publicly and will describe the information needed by the Parties to undertake the analysis of, and to make their respective regulatory decisions on, the Project applications. Following the submission of applications, the Parties may have additional information requests based on the specific details of the various applications.

4. PUBLIC HEARINGS

- 4.1 The Parties who are required to, or decide to, hold public hearings as part of their regulatory processes and decision-making for the Project agree to cooperate in the scheduling of their public hearings so as to facilitate the participation of the public and to coordinate the various hearing processes.
- 4.2 Recognizing that each Party has its own legislative mandate and processes, the Parties will, where practical, hold their public hearings in the same location and venue and within the same time period. At any one location, hearings by different Parties will be sequential, not concurrent. For example, if both environmental assessment and regulatory hearings are required in Norman Wells, the schedule would provide for an agreed number of days of Joint Review Panel hearings, followed by or following an agreed number of days of National Energy Board hearings, followed by or following an agreed number of days of Mackenzie Valley Land and Water Board hearings.
- 4.3 The Parties recognize that it may not be necessary for all Parties to hold hearings in all locations. For example, the Northwest Territories Water Board will only hold hearings in the ISR, and the Mackenzie Valley Land and Water Board will only hold hearings in the Mackenzie Valley.

5. ENVIRONMENTAL IMPACT ASSESSMENT

- 5.1 The Parties will use the Report of the Joint Review Panel and other evidence introduced through the Joint Review Panel process to support their regulatory decisions as they relate to environmental matters, and they will use their best efforts to eliminate unnecessary duplication in review of environmental issues in the regulatory proceedings.

- 5.2 The Parties will take the Report of the Joint Review Panel and any other materials from the Joint Review Panel process that they believe relevant into the record of their regulatory processes under their respective legislation and rules and procedures, to build a sound record of environmental information and recommendations upon which to base their regulatory decisions.
- 5.3 Where their respective legislation provides, the Parties are obliged to act in conformity with those recommendations of the Joint Review Panel that are relevant to their mandate and are accepted by Government.

6. LICENCES, LEASES AND PERMITS

- 6.1 The Parties agree to use their best efforts to develop consistent minimum standards for licences, leases and permits. These may include, for example, consistent depth of cover for buried stream crossings, consistent limits for Total Suspended Solids during an open cut river crossing, regionally appropriate and consistent depths of snow cover before winter equipment movement begins.
- 6.2 The Parties agree to coordinate, where possible, the timing of issuance of their licences, leases and permits.

7. RULES OF PROCEDURE

- 7.1 The Parties agree to review their rules of procedure for public hearings jointly to ensure that public hearings by the various regulators will be conducted in as consistent a manner as possible.

8. NORTHERN GAS PROJECT SECRETARIAT

- 8.1 The Parties agree that a Northern Gas Project Secretariat (NGPS) will be created to provide administrative, communications, technical and logistical support for the coordination of Regulatory Reviews.
- 8.2 The organizational structure of the NGPS will be set out in a Memorandum of Agreement between the National Energy Board, the Mackenzie Valley Land and Water Board, the Northwest Territories Water Board, the Department of Indian Affairs and Northern Development, the Canadian Environmental Assessment Agency, the Inuvialuit, and the Mackenzie Valley Environmental Impact Review Board.

- 8.3 As part of its logistical support role, the NGPS will provide services related to transportation and accommodation, public hearing venues, translation, recording, and other functions related to the efficient running of public hearing processes.
- 8.4 As part of its administrative role, the NGPS will provide a single entry point into the Project review processes for participants and the public. The Secretariat will be responsible for information management and the establishment of public information centres. The NGPS will assist in effective communications with the public. It is anticipated that the NGPS will support the work of all panels contemplated through the Cooperation Plan and ensure that resources are available as required, that information is distributed efficiently, and that schedules are met.
- 8.5 As part of its technical role, the NGPS will ensure that the professional services required by the Parties are available as and when required and that they are functioning appropriately to meet the needs of the Parties.
- 8.6 While the structure of the NGPS has not been fully planned at this time, it is anticipated that the NGPS will comprise a small core group responsible for the four areas of logistics, administration, communications, and technical support. Staff in these areas will be assisted by staff of the Parties, thereby drawing upon local expertise to achieve the most efficient and effective use of resources.

9. TECHNICAL SUPPORT

- 9.1 The Parties may agree to create a technical support team to assist the Parties throughout the Regulatory Review of the Project. The team will comprise qualified individuals chosen for their specific technical expertise and retained under secondment, contract or other means of service provision. Members of the team would provide technical expertise and specialist advice on an as-needed and as-requested basis to the Parties during Regulatory Review of the Project.
- 9.2 The Parties agree that the individuals providing technical support would be free of conflict of interest with respect to any of the participants in the Joint Review Panel proceedings or in proceedings before the Parties.

10. PUBLIC REGISTRY and PUBLIC INFORMATION CENTRES

- 10.1 Some of the Parties are required by law to maintain a publicly available registry of records relating to the review of the Project
- 10.2 Public information centres will be established at locations to be agreed by the Parties.
- 10.3 The public information centres will retain paper copies of documents related to the review of the project and will provide access for the public to an electronic database of documents and information related to the Project.
- 10.4 The concept of the electronic public registry will be developed in the near future by staff specialists in Information Technology. Ideally, it will be web-based and accessible through the Internet. The electronic database will be maintained by the NGPS and will comprise information filed with all of the Parties.

IN WITNESS WHEREOF, the Parties to this Regulatory Agreement have signed on the 22nd day of APRIL, 2004.

FOR THE INUVIALUIT LAND ADMINISTRATION and
INUVIALUIT LAND ADMINISTRATION COMMISSION

FOR THE NATIONAL ENERGY BOARD

FOR THE MACKENZIE VALLEY LAND AND
WATER BOARD

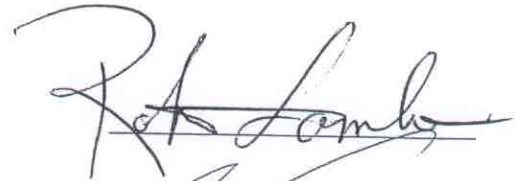
FOR THE GWICH'IN LAND AND WATER BOARD

FOR THE SAHTU LAND AND WATER BOARD

FOR THE NORTHWEST TERRITORIES WATER BOARD

The block contains five handwritten signatures, each written over a horizontal line. From top to bottom, the signatures are: 1. A cursive signature that appears to be 'Allan E...'. 2. A cursive signature that appears to be 'Kenneth Vallin'. 3. A cursive signature that appears to be 'D. Theod...'. 4. A cursive signature that appears to be 'M...'. 5. A cursive signature that appears to be 'John W...'. The signatures are written in black ink on a white background.

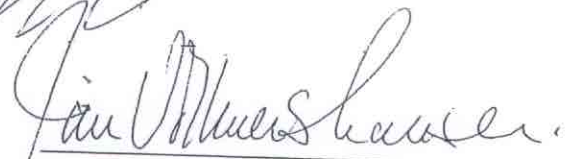
FOR THE DEPARTMENT OF FISHERIES
AND OCEANS

Handwritten signature of Robert Lamb in black ink, written over a horizontal line.

FOR THE DEPARTMENT OF INDIAN AFFAIRS
AND NORTHERN DEVELOPMENT

Handwritten signature in black ink, written over a horizontal line.

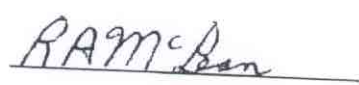
FOR ENVIRONMENT CANADA

Handwritten signature of Jim Mueshauer in black ink, written over a horizontal line.

FOR THE GOVERNMENT OF THE NORTHWEST
TERRITORIES

Handwritten signature in black ink, written over a horizontal line.

FOR TRANSPORT CANADA

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SCHEDULE 1

Legislative Mandates

The Inuvialuit Land Administration and Inuvialuit Land Administration Commission, the National Energy Board, the NWT Water Board, the Mackenzie Valley Land and Water Board, the Department of Fisheries and Oceans, the Department of Indian Affairs and Northern Development, Environment Canada, Transport Canada, and the Government of the Northwest Territories (various departments) have statutory responsibility for administering, respectively:

- the Inuvialuit Final Agreement (IFA)
- the National Energy Board Act (NEBA), the Canada Oil and Gas Operations Act (COGOA), Canada Petroleum Resources Act (CPRA)
- the NWT Waters Act
- the Mackenzie Valley Resource Management Act (MVRMA)
- the Fisheries Act, the Oceans Act
- the Territorial Lands Act, the Federal Real Property Act, the Arctic Waters Pollution Prevention Act
- Canadian Environmental Protection Act, Migratory Birds Convention Act; Species at Risk Act
- National Energy Board Act (Section 108), Navigable Waters Protection Act
- Commissioner's Lands Act, Explosives Use Act, Forest Management Act, Public Health Act, Safety Act

SCHEDULE 2

Project Description

The Cooperation Plan was based on two potential project scenarios (see section 2.1. of the Cooperation Plan). Based on the recent submission of a Preliminary Information Package by the Mackenzie Gas Project proponents (18 June 2003), Scenario 1 now appears likely to proceed. Note also that the Aboriginal Pipeline Group has joined the Producers' consortium.

"Potential natural gas development in the NWT includes field development and gathering systems in the Inuvialuit Settlement Region (ISR) and the construction of a pipeline through the Mackenzie Valley to southern Canada.

To better understand the development scenarios, the Agencies heard presentations from the Mackenzie Delta Gas Producers (December 2000) and the Alaska Gas Producers Pipeline Team (May 2001). The presentations described possible major gas field development and pipeline projects. Both producer groups emphasized that they were in the process of conducting feasibility studies, and that aspects of the project scenarios may change. The Chairs considered the two scenarios described below in the development of the Cooperation Plan.

Scenario 1: Mackenzie Delta Route

ConocoPhillips, ExxonMobil, Imperial Oil, and Shell are studying a stand-alone Canadian Mackenzie Delta project. The project would have an anticipated throughput rate of 0.8 – 1.2 billion cubic feet per day and would involve:

- gas fields developed concurrently at Taglu (Imperial Oil), Niglintgak (Shell) and Parsons Lake (ConocoPhillips and ExxonMobil)
- a gathering system to take gas from these fields to the Inuvik area for processing
- a large-diameter pipeline with associated facilities up the Mackenzie Valley to southern Canada.