



## Parsons Lake Gas Field Development

Discovered in 1972 by Gulf Canada, a predecessor to ConocoPhillips, the Parsons Lake natural gas field is estimated to contain about 2.3 trillion cubic feet of raw recoverable natural gas, or enough to heat all the gas heated homes in Canada for almost two years.

The proposed Parsons Lake gas conditioning facility location is in the Mackenzie Delta, about 75 kilometres northeast of Inuvik and 55 kilometres southwest of Tuktoyaktuk. The Parsons Lake gas field is owned 75% by ConocoPhillips and 25% by ExxonMobil.

### HOW WILL THE PARSONS LAKE NATURAL GAS FIELD BE DEVELOPED?

The Parsons Lake field has two main gas pools, located about three kilometres under the land surface. The largest pool is located to the north of and beneath the lake, and a smaller pool is located south of the lake. An initial well pad and a gas conditioning facility (the north pad) are planned for near the north end of the lake. A second, simpler, satellite well pad (the south pad) is planned to be built later, south of the lake.

Wells will be drilled directionally from the north and south pads to reduce the area of land disturbed. In the future, it may be necessary to construct one or more satellite well pads to reach natural gas not accessible from either of the two initial pads.

- One south pad, consisting of three to seven production wells
- An elevated flow line from the south pad to the north pad

Access to the field will be by winter access road and air in winter, and by air in the summer.

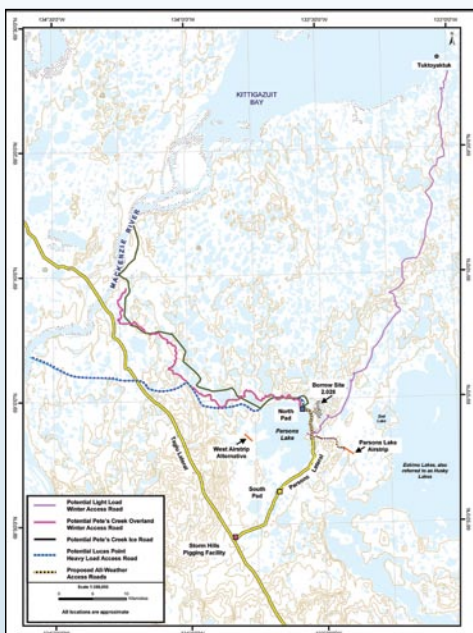
### WHEN WILL DRILLING AND CONSTRUCTION BEGIN AT THE PARSONS LAKE NATURAL GAS FIELD?

Subject to regulatory approvals, and the owners' decision to proceed with development, construction of the north pad is expected to start in 2011. Drilling is expected to start in 2012 and continue into 2015. Construction of the north pad facility is expected to start in 2013 and to be completed in 2014.

### HOW WILL THE PARSONS LAKE NATURAL GAS FIELD BE OPERATED?

The operation and monitoring of the Parsons Lake gas field will be in two stages. Initially, the facility will be manned 24 hours per day. Eventually, operations and maintenance staff will work during the day and sleep onsite at night and be available on an on-call basis if needed.

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### WHAT PRODUCTION FACILITIES WILL BE BUILT AT THE PARSONS LAKE NATURAL GAS FIELD?

The key components for Parsons Lake development are:

- One north pad, consisting of:
  - Nine to 19 production wells
  - Flow lines
  - Two disposal wells
  - A gas conditioning facility
  - A permanent camp
  - A relief well pad
  - An on-site emergency flare, required for safety reasons

## HOW WILL CONOCOPHILLIPS CONTINUE TO KEEP THE COMMUNITY INVOLVED?

Since coming to the North in the early 1960s (as Gulf Canada), ConocoPhillips has learned to respect the unique character of the North.

During the Company's exploration activities, ConocoPhillips has benefited from advice and direction from Delta communities and local people. That dialogue will continue during the design, construction and operations of the proposed development.

ConocoPhillips is eager to listen to and communicate with Northerners.

ConocoPhillips Canada is committed to the principle of sharing benefits with Northerners through employment, training, and the local purchase of goods and services.

## WHAT EMPLOYMENT AND BUSINESS OPPORTUNITIES WILL BE AVAILABLE?

Work during the four year construction period will be both seasonal and year-round.

Jobs will range from unskilled and semi-skilled to highly technical positions and those requiring many years of oil and gas industry experience. Preliminary estimates of job opportunities for the Parsons Lake Phase I development include about:

- 400 construction jobs, during the period of greatest activity
- 205 jobs for drilling and completions

Most jobs will require workers to live in a camp at or near the Parsons Lake site. The number of individual jobs available may differ from those estimated above depending on final design and construction and drilling plans.

Direct employment for long-term operations at Parsons Lake is expected to start with about 19 full-time jobs.

ConocoPhillips Canada works with northern businesses and organizations to communicate opportunities and requirements and to identify and assist in building business capability.

The greatest number of business opportunities relating to Parsons Lake development will be available during the initial four year construction and drilling period.

Other opportunities will continue to flow throughout the estimated 25-year operating life of the project.

Northern businesses that work with ConocoPhillips Canada must meet or exceed ConocoPhillips' safety, environmental, technical, cost and quality standards and comply with its benefits commitments.

For more information on the Parsons Lake Gas Field Development or the Mackenzie Gas Project, please visit our website at:

[www.mackenziegasproject.com](http://www.mackenziegasproject.com)

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|----------------------|----------------|
| 1 Helicopter Pad     | 6 Drill Pad    |
| 2 Camp               | 7 Flare Stacks |
| 3 Operations Centre  | 8 Tank Farm    |
| 4 Utilities          | 9 Airstrip     |
| 5 Future Compression |                |



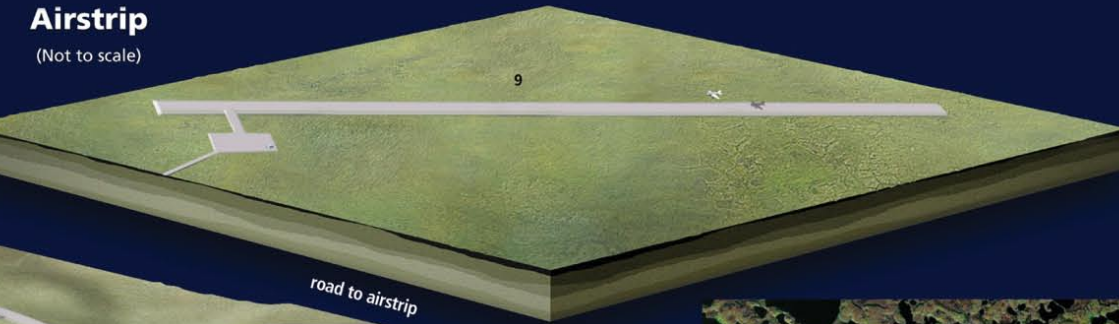
### Parsons Lake South Pad

(Not to scale)

# Parsons Lake Development

April 2007

**Airstrip**  
(Not to scale)



**Parsons Lake North Pad**

