

# THE MGP EXCHANGE

## MACKENZIE GAS PROJECT

Issue 2 – November 2002

### QUESTIONS AND ANSWERS ABOUT THE PROJECT

Not everyone has been able to attend the community meetings that have been held since March 2002 to discuss the Mackenzie Gas Project (MGP). In the spirit of open communication, we have included some of the questions raised at these meetings and our answers.

**Q: Will you consult with us before going ahead with this project?**

**A:** Yes, we want to consult with community members to get your input and feedback. By doing this early, we can incorporate community feedback into our project decisions. We also want to hear your thoughts on what is the best way to get input from each community.

One of the things we've done, in response to your earlier input, is open regional offices staffed by people who know the area and the community. We are also in the process of hiring community representatives in 14 additional communities.

**Q: Have you started gathering environmental information?**

**A:** Yes, we are using both Western science and traditional environmental knowledge to expand our understanding. We have already gathered information available from previous pipeline efforts and we are also carrying out our own studies. Local people are helping our environmental consultant, TeraAGA. Their participation gives us a better understanding of the land, water, air and animals, and the way people are living on the land.

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### WHAT IS THE MACKENZIE GAS PROJECT?

*This proposed project links natural gas fields in the Mackenzie Delta with a pipeline that would carry the gas to market over a 500-kilometre route through the Mackenzie Valley to Norman Wells. At Norman Wells the natural gas would be separated into liquids and compressed gas. From there, an 800-kilometre pipeline would transport the natural gas to existing pipeline systems in northern Alberta. Other shippers would be able to gain access to the proposed Mackenzie Valley pipeline.*

*The developers of the Mackenzie Gas Project are Imperial Oil Resources Ventures Limited, the Aboriginal Pipeline Group, ConocoPhillips Canada (North) Limited, Shell Canada Limited and ExxonMobil Canada Properties. The APG was formed in 2000 to represent the interests of the NWT aboriginal peoples in the proposed project.*



*Elder Leo Norwegian (middle) discusses the project with his nephew, Bob Norwegian, new MGP regional liaison at Fort Simpson. Derek Neary (right), editor of the Deh Cho Drum newspaper, listens in.*



Question and Answers continued from page 1

**Q: Will the pipeline be above ground? If so, how high will it be?**

**A:** We are working on the pipeline design right now. Our goal is to lay as much pipe as possible underground. However, soil conditions and pipeline operating temperatures in two sections of the gathering system mean we will likely use above ground pipe in those locations. The sections under review are 15 to 20 kilometres between the Nglintak and Taglu natural gas fields and about 25 to 30 kilometres between Parsons Lake field and the proposed main gathering system pipeline. We will be seeking public input on both the location and elevation above ground for these two sections.

**Q: Will communities along the proposed Mackenzie Valley pipeline be able to get natural gas for fuel in their communities?**

**A:** We can provide access to the natural gas by installing a valve on the pipeline near a community. This provides local businesses with an opportunity to build a distribution system into the community. Natural gas can be used as fuel only after the associated liquids have been removed from the gas. Our plan is to strip the liquids out of the natural gas at Norman Wells. Therefore, south of Norman Wells the natural gas will be "dry" and can be distributed for fuel.

**Q: Our people need jobs. We also need skill development and training. How will you help us build capacity?**

**A:** This proposed project will mean more work in the North. We are now in the Project Definition phase and looking at socio-economic issues and benefits. We have a brochure coming out soon that outlines the job and business opportunities related to the project and we are holding meetings in November about the project's benefits plan. At the same time, we are identifying education and training needs and working with communities, government and industry to provide the necessary training.



Taking soil samples in Summer 2002

**Q: What about eventual abandonment and reclamation?**

**A:** Environmental challenges and eventual abandonment and reclamation of the pipeline corridor and natural gas fields are all included in our planning. We are examining what abandonment and reclamation would actually look like, even though that wouldn't occur for 25 years or more.

**Q: What about extension of the Mackenzie Valley Highway? Will the river see the bulk of travel and transport requirements?**

**A:** Extension of the highway would assist the project, but it's not required for construction or operation. We would use the river for most of our transportation requirements for winter construction. We would only need to construct



Photo courtesy of Enbridge

temporary roads to access locations such as camps, gravel pits and rock quarries.

**Q: Are you expecting winter-only construction?**

**A:** It depends on the section of the project. For the main pipeline and the gathering system, we expect construction only in the winter. However, the compression facilities would likely be constructed throughout the year. We will use a summer season to get materials to construction sites by barge. Field development, such as pads for facilities, is expected to be winter work at Nglintak and Taglu. At Parsons Lake, the plan is to transport construction materials from the barge landing to the site over an ice road and construction on the pad will start the following summer. Once the three pad facilities are in place, drilling will likely occur year-round as the sites can be accessed by helicopter in the summer.

**Q: What would happen if natural gas leaked from the pipeline?**

**A:** We design the pipeline to very high specifications to prevent leaks or spills. For example, heavy-duty steel pipe and special protective pipe coating are used. Once in operation, the pipeline is monitored regularly by instruments that travel its length to detect abnormalities. In addition, pipelines have sensors installed that detect changes in pressure. If the pressure drops, remotely operated valves can isolate or shut down sections of the line.

Question and Answers cont'd

*In the unlikely event that a leak does occur, the natural gas would disperse into the air. Cut-off valves would stop the flow so that, should the gas ignite, the fire would rapidly lose its major fuel source.*

*In the section of pipeline north of Norman Wells, the line would also contain some hydrocarbon liquids (not oil). Should a spill occur here, the liquids would be cleaned up and the affected area restored. Regulators would also visit the site to ensure all remedial actions were carried out promptly and correctly.*

**Q: What is the PIP document I've heard about?**

**A:** *The Preliminary Information Package, better known as the PIP, is a document that provides early information on the likely characteristics of a large project. Regulatory agencies, such as the National Energy Board, can use the PIP to prepare for expected regulatory applications and environmental impact assessments. The Mackenzie Gas Project PIP is in the final stage of preparation. It includes environmental data, a proposed route, the line size and information on communications with communities. All five developers – Imperial, the APG, ConocoPhillips, Shell and ExxonMobil – must agree to its contents before the PIP can be filed with regulatory agencies.*

**Q: Is the Mackenzie Gas Project really going to go ahead?**

**A:** *We are currently in the Project Definition stage, which will supply more of the information we need on technical, environmental and socio-economic issues. We were sufficiently encouraged by the results of our earlier activities to move forward. However, more work needs to be done, such as engineering, consultation, environmental data gathering, filing of regulatory applications, going through the review and hearing process, and so on. A decision to proceed with construction can only be made after this work is done and the necessary approvals are obtained.*



**WHAT DO YOU THINK?**  
**New name, new look, more information... are we on the right track with this newsletter?**  
**Please let us know what you think by phone, by mail or in person at your nearest MGP regional office (see last page). As thanks, we'll enter your name in a DRAW – one draw per office. Winners will be announced in our January issue.**  
**WE LOOK FORWARD TO HEARING FROM YOU!**

**NORTHERNERS ARE ON THE JOB**

Will there be jobs for northern residents in the Mackenzie Gas Project? The answer is yes. Contractors, suppliers and individuals in the Northwest Territories are currently providing a wide range of services to the project. They are involved directly in environmental and socio-economic activities, including community data collection and environmental fieldwork.

In addition, we opened regional offices in Fort Simpson and Norman Wells in mid-September and another one in Inuvik on October 1. Ten full-time employees from the Northwest Territories staff these three offices. Another 14 community liaison people are being hired on a part-time basis in other communities along the proposed pipeline route.

The focus of the environmental work is to gather information that will assist with route selection, to evaluate sites for camps and other facilities, and to locate sources of granular materials (gravel and rocks) used in construction. All these activities, as well as meetings with communities, require support from other services.

These include helicopter and airplane charters, ground transportation, accommodation, restaurants, catering, translation and rental of meeting rooms.



A special edition newsletter will be published shortly that features many of the project-related jobs and business opportunities already engaging northern residents. In 2001, for example, northerners and northern joint ventures received more than 40 per cent of the \$3 million spent on environmental information gathering.

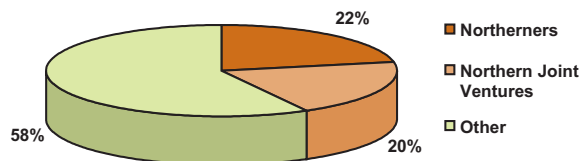


Figure 1: Northerners' Percentage of \$3 Million Expenditures

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## REGIONAL OFFICES GET WARM RECEPTION

"It's good to see you have staff here who know the area." This was a frequently heard comment at the open houses held in the new MGP regional offices in Fort Simpson, Norman Wells and Inuvik in September and early October.

Area residents who dropped in to meet the new staff were also able to talk with other representatives of Imperial and the Aboriginal Pipeline Group about the project. The events were well attended, with 40 - 50 people dropping by in Fort Simpson, about 35 in Norman Wells and 50 in Inuvik. Our thanks go to the local caterers, who supplied delicious food, and to everyone who helped out.

If you haven't had a chance to drop in yet, please come between 8:30 a.m. and 5:00 p.m., Monday to Friday. Talk with the staff, look at the maps and posters and give us your input about the Mackenzie Gas Project. See the contact information at the end of this page.



## OUR NEXT STEPS

- Starting in November, meetings will be held with communities in each region to discuss environmental and socio-economic issues raised by the communities.
- In November, regional representatives will meet with project representatives to discuss a northern benefits plan. The goal of this meeting is to start negotiation of benefits plans, access agreements and other arrangements needed for the construction and operating phases of the project.



*Paul Kraft, RWED Superintendent, and Dan Quevillon from DIAND, study maps of the proposed pipeline route at the Fort Simpson regional office.*

## AVAILABLE FROM MGP REGIONAL OFFICES

The following information sheets are available from our regional offices or from the Calgary office:

*Sources for Regulatory Information* – lists the regulatory agencies that will oversee the Mackenzie Gas Project and includes contact information.

*Environmental and Socio-Economic Impact Assessments* – explains why community involvement is an important part of this process and what our steps will be in gathering this information.

## TO REACH MGP'S OFFICES:

### **Inuvik**

Linda McDonald (867) 678-6104  
151 Mackenzie Road, Inuvik  
NWT X0E 0T0

### **Norman Wells**

Sharon Gordon-Stewart (867) 587-4093  
#1 Town Square, Norman Wells  
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### **Fort Simpson**

Doris Blake (867) 695-2624  
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### **Calgary**

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