



October 20, 2004

Shell Canada Limited
Post Office Box 100, Station 'M'
Calgary, Alberta T2P 2H5

Delivered by Courier

Michel Mantha
Secretary
National Energy Board
444 Seventh Avenue S.W.
Calgary, AB T2P 0X8

Dear Sir:

**Re: Shell Canada Limited Development Plan Application
Pursuant to the *Canada Oil and Gas Operations Act (COGOA)***

Enclosed are 15 copies of Part I of an application for approval of a development plan pursuant to subsection 5.1 of the COGOA respecting the Niglintgak field (the Application).

Niglintgak is a component of the Mackenzie Gas Project. The other components are:

- two other onshore natural gas fields, Taglu and Parsons Lake
- the Mackenzie gathering system, which includes:
 - gathering pipelines to transport production from the three gas fields to the Inuvik area facility
 - the Inuvik area facility, which will process production from the three gas fields into gas and natural gas liquids
 - a pipeline to transport natural gas liquids from the Inuvik area facility to Norman Wells
- the Mackenzie Valley pipeline, which will transport gas from the Inuvik area facility to an interconnection with the NOVA Gas Transmission Ltd. system in Alberta

Shell Canada Limited is submitting the Application as the registered interest holder and operator of the Niglintgak field.

In accord with subsection 5.1(3) of the COGOA, the Application is in two parts:

- A volume entitled Application for Approval of the Development Plan for Niglintgak Field, Project Description – (Part 1 of the Application)
- A volume entitled Application for Approval of the Development Plan for Niglintgak Field, Confidential Studies – (Part 2 of the Application)

Part 2 of the Application contains financial, commercial, scientific or technical information, which is:

- a) **Confidential** under the terms of the *Access to Information Act* (Canada) and is not to be released or made public except as provided in that Act, and
- b) **Privileged** under the terms of the *Canada Petroleum Resources Act* and is not to be disclosed without the written consent of Shell Canada Limited.

Part 2 of the Application, Confidential Studies, will be submitted to the National Energy Board under separate cover.

In addition to the above, the Application is supported by an Environmental Impact Statement, comprised of eight volumes (the EIS), and Public Consultation Program information comprised of two volumes. The EIS and Public Consultation Program information, which are each being submitted to the National Energy Board (NEB) under separate cover by Imperial Oil Resources Ventures Limited, also support concurrent applications for the other components of the Mackenzie Gas Project that are being submitted to the NEB by the respective operators.

Please direct all communications regarding the Application to:

Mr. Paul Davies
Regulatory Application Coordinator
Frontier – Northern Development
Shell Canada Limited
400 Fourth Avenue S.W.
Calgary, AB T2P 2H5

and to:

Mr. Shawn Denstedt
Bennett Jones LLP
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855 Second Street S.W.
Calgary, AB T2P 4K7

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Yours truly,

SHELL CANADA LIMITED



Dave Collyer
Vice President, Frontier

Enclosures

cc: Mr. Shawn Denstedt, Bennett Jones LLP
Mr. Brian Chambers, Northern Gas Project Secretariat

Application for Approval of the
Development Plan for

Niglintgak Field Project Description

Submitted to:
National Energy Board

Submitted by:
Shell Canada Limited

August 2004



IN THE MATTER OF the *Canada Oil and Gas Operations Act*, R.S.C. 1985, c.0-7, as amended (hereinafter referred to as the *Act*), and the Regulations made thereunder;

AND IN THE MATTER OF an application by Shell Canada Limited pursuant to Section 5.1 of the *Act* for approval of a Development Plan with respect to the lands within Significant Discovery Licence (SDL) 19;

AND IN THE MATTER OF the *Canadian Environmental Assessment Act*, S.C. 1992 c.37, as amended and the Regulations made thereunder.

To: Office of the Secretary
National Energy Board
444 Seventh Avenue S.W.
Calgary, Alberta
T2P 0X8

APPLICATION BY SHELL CANADA LIMITED

1. Shell Canada Limited (Shell) hereby applies to and requests approval by the National Energy Board (NEB), pursuant to section 5.1 of the *Act*, of a development plan with respect to the natural gas and natural gas liquids within, upon, under or producible from Significant Discovery Licence SDL 19 (the Niglintgak field).
2. The information contained in this application has been prepared solely for submission to the NEB for its consideration of the Development Plan Application and does not form part of the public disclosure record for oil and gas activities for Shell.
3. Shell is the interest holder in the Niglintgak field. Shell will be the operator of the Niglintgak field and will hold legal title to the production and processing facilities described in the development plan for the Niglintgak field submitted with this application.
4. Natural gas will be transported from the Niglintgak field by the proposed Mackenzie gathering system to the Inuvik area gas processing facility. Natural gas from the Inuvik area facility will be transported on the proposed Mackenzie Valley pipeline which will connect with the Alberta natural gas pipeline system. The gathering pipelines will also transport natural gas and natural gas liquids from the Taglu and Parsons Lake gas fields.
5. The gathering system is the subject of a separate and concurrent application for authorization to construct made to the NEB by Imperial Oil Resources Ventures Limited as operator on behalf of the owners of the gathering system. Other separate applications for the Taglu and Parsons Lake gas fields and the Mackenzie Valley pipeline are also being concurrently submitted to the NEB for gas field development plan approvals and a pipeline Certificate of Public Convenience and Necessity, respectively. The Niglintgak, Taglu and Parsons Lake gas fields, the Mackenzie gathering system and the Mackenzie Valley pipeline are, together, called the Mackenzie Gas Project.

6. The Niglintgak field is estimated to contain recoverable resources of about 27 Gm³ of raw natural gas and natural gas liquids. The productive life of the field is estimated to be about 25 years, with planned initial daily wellhead production rates of about 4.3 Mm³/d.
7. Capital costs for Niglintgak field pre-development work, facilities construction and development well drilling are estimated to be about \$369 million (2003\$). Subject to regulatory approval, the Niglintgak field is scheduled to begin production in 2009.
8. The Niglintgak field is subject to review by a joint review panel appointed by the Minister of the Environment and the Mackenzie Valley Environmental Impact Review Board for a common environmental review of the Mackenzie Gas Project. The preface to the Niglintgak field development plan contains information on the coordination of the Niglintgak field development plan and various submissions by the proponents of the Mackenzie Gas Project, including those to support the environmental review.
9. Part 2 of this Application contains financial, commercial, scientific or technical information which:
 - a. is confidential under the terms of the *Access to Information Act* (Canada) and is not to be released or made public except as provided in that Act, and
 - b. is privileged under the terms of the *Canada Petroleum Resources Act* and is not to be disclosed without Shell's written consent.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

This application is made at the City of Calgary in the Province of Alberta this 20th day of October, 2004.



Dave Collyer
Vice President, Frontier
Shell Canada Limited

Communications with respect to this application for approval of the development plan for the Niglintgak field should be sent to:

Mr. Paul Davies
Shell Canada Limited
400 - 4th Avenue S.W.
P.O. Box 100, Station M
Calgary, AB T2P 2H5

and to:

Mr. Shawn H. T. Denstedt
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