

**PUBLIC CONSULTATION****APPLICATION FOR APPROVAL  
OF THE DEVELOPMENT PLAN FOR  
NIGLINTGAK FIELD  
PROJECT DESCRIPTION****INTRODUCTION****12.1.1 BACKGROUND**

Shell has had a long and positive relationship with the people of the Inuvialuit Settlement Region and Gwich'in Settlement Area. Shell first became active in the Mackenzie Delta with exploration activities in the 1960s. Over the past 40 years Shell has invested over \$500 million (2003\$) in exploration activities in northern Canada. Through this extended period of activity, Shell has consulted extensively with stakeholders. Shell will build on these existing relationships to understand and respond to any concerns raised about the proposed development at Niglintgak.

Development plans for Niglintgak have involved assessing several options to best fit the constraints at the field location. Most of the shallow (700 to 1,000 m), compartmentalized reservoir lies below the Middle Channel of the Mackenzie River. This presents drilling challenges to access all of the reservoir. Drilling and production will occur from three surface locations that have been chosen next to previously disturbed exploration drilling locations. The field production will be delivered by above-ground flow lines to a gas conditioning facility, which will dehydrate (dry), compress and cool the gas to gathering system specifications. Shell has evaluated both the proposed barge-based option and a land-based alternative option for siting the gas conditioning facility.

**12.1.2 CONSULTATION POLICY AND PRINCIPLES**

Shell believes that working with stakeholders is a key principle in its commitment to sustainable development (SD).

Shell's commitment to sustainable development includes being guided by key sustainable development principles, several of which apply directly to how the company relates to its stakeholders:

- Respect and safeguard people – we aim to treat everyone with respect. We strive to protect people from harm from our products and operations.
- Benefit communities – wherever we work we are part of a local community. We will constantly look for appropriate ways to contribute to the general well being of the community and the broader societies who grant our licence to operate.

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### 12.1.2 CONSULTATION POLICY AND PRINCIPLES (cont'd)

- Work with stakeholders – we affect, and are affected by, many different groups of people, our stakeholders. We aim to recognize their interest in our business and to listen and respond to them.

Shell's HSE policy is also relevant to stakeholder relations, as it states in part that Shell will:

- publicly report on its performance and engage in stakeholder consultation
- manage health, safety and environment as any other critical business activity and promote a culture in which all Shell employees share this commitment
- set targets for improvement and measure, appraise and report performance
- strive to achieve a health, safety and environmental performance of which we are proud, to earn the confidence of our customers, shareholders and society at large, to be a good neighbour and to contribute to sustainable development

### 12.1.3 NIGLINTGAK CONSULTATION PLAN

In preparation for Niglintgak consultation activities, a plan was developed to organize and align Shell's consultation needs for the Niglintgak development with other ongoing Shell activities within the Mackenzie Delta region. The intent was to coordinate consultation associated with ongoing exploration and reclamation work with the current project efforts, in order to improve the effectiveness of Shell's communication with stakeholders. To achieve this integration, Shell developed a coordinated consultation plan for all of its activities in the Mackenzie Delta region.

The goals of the consultation plan are to:

- foster and maintain good relationships with stakeholders and respect the land, environment and cultures of Aboriginal and non-Aboriginal people of the North
- build good relationships with any new stakeholders identified
- gain knowledge and develop understanding of stakeholder activities and issues to enhance development of the project plans, to seek synergies and to find win-win solutions to resolve issues
- meet or exceed regulatory requirements and achieve timely approvals in a manner consistent with Shell's health, safety and sustainable development (HSSD) principles

- ensure continuity, where possible, and coordination with other industrial activity in the Mackenzie Delta region. This includes activities by Shell, other oil and gas operators, and other industries.

#### 12.1.4 CONSULTATION STRATEGY AND APPROACH

In addition to coordinating the Niglintgak development with other Shell activities, the Niglintgak consultation process was coordinated with the consultation activities of the Mackenzie Gas Project. This coordinated approach was used as many key aspects of the Niglintgak development are tied to the overall Mackenzie Gas Project, including the regulatory regime and the common Mackenzie Gas Project Environmental Impact Statement (EIS).

Two main series of consultation activities were initiated:

1. The first series of consultations was organized and implemented by the environmental consultants for the Mackenzie Gas Project, to fulfill the public participation requirements for the EIS, including:
  - the biophysical and socio-economic baseline
  - mitigation and assessment information, including traditional knowledge
2. The second series of consultations was organized by the Mackenzie Gas Project staff to consult with stakeholders on developing project details and activities. For details of these consultations, including the main consultation documentation for Niglintgak, see the Mackenzie Gas Project Public Consultation Program, a copy of which has been filed with this application.

In addition to these consultation efforts, Niglintgak-specific field initiatives were organized to supplement the main Mackenzie Gas Project consultation activities. The Niglintgak-specific consultations conducted by Shell consisted of:

- several rounds of consultation with the public
- specific and informal meetings with Inuvialuit Settlement Region groups, regulatory agencies, non-government organizations (NGOs) and individuals

#### 12.1.5 CONSULTATION ACTIVITIES

Table 12-1 summarizes the consultation activities that are either Niglintgak-specific or where Niglintgak personnel were included as part of the broader Mackenzie Gas Project consultations.

**Table 12-1: Niglintgak Project Definition Consultation Meetings**

<b>Date</b>	<b>Meeting Type</b>	<b>Topic</b>	<b>Stakeholders</b>
June 19, 20, 21, 22, 23, 24, 25, 2001	Community meetings and informal conversations	Various meetings in the communities (Fort McPherson, Tsiigehtchic, Aklavik, Tuktoyaktuk and Inuvik) to review Shell's winter exploration plans.	Community members, Hunters and Trappers Committee, community corporations and Elders Committee
June 21, 2001	Meeting	Discussed what would be needed to have the government attempt to get ice roads up to specification earlier in the year.	Vince Steen – Minister, GNWT Gurdev Jagpal – Ministry of Transport Ron Anderson – Anderson Exploration Russel Newmark – E. Gruben's Transport Ltd. Dick Hekkinen – PetroCanada
June 22, 2001	Meeting	Meeting at Inuvik Petroleum Show. Discussed helipad plans for the proposed new hospital.	Nellie Cournoyea Lyle Neis
June 22, 2001	Informal conversation	Meeting at Inuvik Petroleum Show. Discussed contracting opportunities for future Shell work.	Clayton Gordon
June 22, 2001	Tour	Flew from Inuvik to sumps in the delta at the request of Environment Canada, to review some work that had been done by Steve Kokel for Environment Canada.	Brian Hepple Todd Paget Steve Kokel Dawn Ostrem – Drum reporter
June 23, 2001	Informal conversation	Discussed with NGTL the capacity of its system and the probable need for it to be upgraded.	Rick Connors
June 26, 2001	Meeting	Met with Indian and Northern Affairs Canada personnel and reviewed winter 2001/2002 exploration plans.	Rudy Cockney Rob Walker Conrad Baetz
July 11, 2001	Telephone conversation	Called Tsiigehtchic Band office and spoke to James Cardinal.	James Cardinal
July 25, 2001	Meeting	Reviewed winter 2001/2002 exploration plans.	Scott Gallupe Conrad Baetz
July 26, 2001	Meeting	Met with Chief and some council members at Fort McPherson. Discussed winter exploration and upcoming pipeline and field development issues, including social issues.	Abe Wilson Robert Alexi Sr. Johnnie Charlie
July 26, 2001	Meeting	Met with Band Manager at Tsiigehtchic and discussed industry operations.	Trefor Gates
July 26, 2001	Meeting	Met with chief financial officer for Inuvialuit Regional Corporation and discussed issues dealing with meetings in the Deh Cho next week, as well as consultation and the awarding of environmental contracts.	Wilf Blonde
July 27, 2001	Meeting	Discussed APG involvement at negotiating table with Deh Cho.	Nellie Cournoyea Wilf Blonde
July 27, 2001	Meeting	Met with Lyle Neis and discussed the hospital helipad idea.	Lyle Neis

**Table 12-1: Niglintgak Project Definition Consultation Meetings (cont'd)**

<b>Date</b>	<b>Meeting Type</b>	<b>Topic</b>	<b>Stakeholders</b>
July 27, 2001	Meeting	Discussed contracting opportunities.	Tom Zubko
July 28, 2001	Tour	Overflight of 2001/2002 winter exploration project.	Richard Tardiff Jacob Archie
July 28, 2001	Informal meeting	Discussed winter project application process.	Conrad Baetz – Indian and Northern Affairs Canada Felix Horne – Inuvialuit Land Administration
July 31, 2001	Telephone conversation	Discussed emergency medical support for winter projects.	Rick Turner – National Energy Board
September 17, 2001	Telephone conversation	Discussed contracting opportunities and joint ventures.	Billie Archie – Aklavik
September 18, 2001	Telephone conversation	Discussed possible contracting opportunities.	Wayne Gordon – Aklavik
September 20, 2001	Telephone conversation	Discussed possible contracting opportunities.	Richard Storr – Aklavik
September 21, 2001	Telephone conversation	Discussed possible contracting opportunities.	Dennis Arey – Aklavik Hunters and Trappers Committee
September 24, 2001	Telephone conversation	Discussed possible contracting opportunities.	Albert Adams – Inuvik
September 25, 2001	Telephone conversation	Discussed possible synergies for winter projects.	Ed Fercho – Japex
September 25, 2001	Telephone conversation	Job descriptions for wildlife monitors discussed – Inuvialuit Environmental and Geotechnical to follow up.	Dennis Arey – Aklavik Hunters and Trappers Committee
September 25, 2001	Telephone conversation	Discussed drilling plans for upcoming winter project.	Pete Cott – Department of Fisheries and Oceans
September 27, 2001	Telephone conversation	Discussed arctic operations, such as hours and medics.	Rick Turner – National Energy Board
September 27, 2001	Telephone conversation	Discussed post job clearances.	Felix Horne – Inuvialuit Land Administration
September 28, 2001	Telephone conversation	Discussed economic opportunities, tender and bidding procedures.	Tanya Skones – Tuktoyaktuk
October 10, 2001	Telephone conversation	Discussed Canada Labour Code – Part II and III.	Rick Turner – National Energy Board
October 10, 2001	Telephone conversation	Discussed possible contracting opportunities.	Billie Archie – Aklavik
October 23, 2001	Meeting	Discussed management plan for Kendall Island Bird Sanctuary.	Industry members and Canadian Wildlife Service representatives
January 14, 2002	Informal conversation	Discussed permitting processes with Russell Newmark from E. Gruben's Transport Ltd., and the need to streamline them to allow quicker reaction times.	Russell Newmark

**Table 12-1: Niglintgak Project Definition Consultation Meetings (cont'd)**

<b>Date</b>	<b>Meeting Type</b>	<b>Topic</b>	<b>Stakeholders</b>
February 18, 2002	Meeting	Meetings with Inuvialuit Regional Corporation, Gwich'in Tribal Council and a public meeting in Inuvik to discuss primarily the winter exploration projects, but some contracting opportunities for future work were also discussed.	Nellie Cournoyea, Inuvialuit Regional Corporation Fred Carmichael, Gwich'in Tribal Council Wilbert Firth, Gwich'in Tribal Council Barry Greenland, Nihtat Members of the public
February 20, 2002	Public meeting	Tsiigehtchic meeting to review winter exploration work and safety issues, as well as some concern over pipeline routing selection. Would like route to be discussed with the community in more detail.	Peter Ross – Chief Mavis Clarke Members of public
February 20, 2002	Band council meeting	Discussed winter work, as well as future developments, and the issues that will almost certainly be a part of them, such as drugs and alcohol and the lack of banking services.	Council members and support staff
February 20, 2002	Hamlet council meeting	Discussed employment, training, traditional knowledge, and business opportunities with members of the hamlet council.	Rebecca Blake – Mayor Brian Alexi
February 21, 2002	Public meeting	Discussed winter work, as well as future developments, and some of the confusion that the competing pipeline proposals are causing in the community.	Evelyn Storr – Mayor Alex Iliasiak – Inuvialuit Land Administration commissioner Member of public
February 22, 2002	Meeting	SHARE meeting in Inuvik. Discussed the need for common safety standards and the difficulties that different standards foster.	Northern Contractors Explorer group companies
March 27, 2002	Meeting	Met with Inuvialuit Regional Corporation board members and staff. Discussed winter exploration work as well as upcoming Niglintgak development plans.	Nellie Cournoyea Roger Connelly
June 3, 2002	Meeting	Commercial Discovery Declaration Application.	National Energy Board, Terry Baker
June 11, 2002	Public meeting	Mackenzie Gas Project update and review in Aklavik.	Community members and organizations
June 12, 2002	Public meeting	Mackenzie Gas Project update and review in Inuvik.	Community members and organizations
June 13, 2002	Public meeting	Mackenzie Gas Project update and review in Tsiigehtchic.	Community members and organizations
June 13, 2002	Public meeting	Mackenzie Gas Project update and review in Sach's Harbour.	Community members and organizations
June 14, 2002	Public meeting	Mackenzie Gas Project update and review in Holman.	Community members and organizations
June 14, 2002	Meeting	Inuvialuit Game Council meeting – Mackenzie Gas Project update and review.	Inuvialuit Game Council members and the chairs of some co-management boards

**Table 12-1: Niglintgak Project Definition Consultation Meetings (cont'd)**

<b>Date</b>	<b>Meeting Type</b>	<b>Topic</b>	<b>Stakeholders</b>
June 14, 2002	Public meeting	Mackenzie Gas Project update and review in Holman.	Community members and organizations
June 17, 2002	Meeting	Tuktoyaktuk Hunters and Trappers Committee.	Tuktoyaktuk Hunters and Trappers Committee members
June 17, 2002	Public meeting	Mackenzie Gas Project update and review in Tuktoyaktuk.	Community members, Hunters and Trappers Committee and Elders Committee
June 20, 2002	Conference	Inuvik Petroleum Show.	
July 15, 2002	Public meeting	Meeting in Tuktoyaktuk to review winter exploration plans, and some minor questions on production operations and timing, as well as routing. Reviewed some Niglintgak plans.	Public
July 24, 2002	Telephone conversation	Discussed possible contracting opportunities.	Frank Hansen
July 24, 2002	Telephone conversation	Discussed possible contracting opportunities.	Sean McCarthy
July 31, 2002	Telephone conversation	Discussed the requirement for piles and the ability of the Gwich'in to supply wooden piles as they have done in the past.	James Firth – Chief Nihtat Gwich'in Band – Inuvik
September 30, 2002	Telephone conversation	Discussed probable winter work and update on future plans.	Ian Butters – Resources, Wildlife and Economic Development
October 15, 2002	Telephone conversation	Discussed possible community investment in new family centre.	Peter Clarkson – Mayor – Inuvik
October 18, 2002	Meeting	Beaufort Sea integrated management plan initiative.	Department of Fisheries and Oceans, Doug Chernisak, Kelly Cott
October 22, 2002	Meeting	Mackenzie Gas Project EIS applications and Cooperation Plan update.	Northern Pipeline Regulators Committee
October 23, 2002	Meeting	Mackenzie Gas Project update, regulatory process, Deh Cho consultation.	Northern Pipeline Regulators Committee
October 30, 2002	Meeting	Kendall Island Bird Sanctuary.	Chevron, Imperial Oil Resources Limited, Anadarko
November 4, 2002	Meeting	Joint field development update and review.	Teachers
November 4, 2002	Meeting	Joint field development update and review with Gwich'in Tribal Council and Development Corporation.	
November 4, 2002	Meeting	Inuvik Native Band and Nihtat Gwich'in update and review of field developments.	
November 5, 2002	Meeting	Meeting with Inuvik-based regulators to review and update on field development proposals.	Department of Fisheries and Oceans, Inuvialuit Land Administration, Indian and Northern Affairs

Table 12-1: Niglintgak Project Definition Consultation Meetings (cont'd)

Date	Meeting Type	Topic	Stakeholders
November 5, 2002 (cont'd)			Canada, Joint Secretariat, Gwich'in Renewable Resource Board, Resources, Wildlife and Economic Development, Fisheries Joint Management Committee
November 5, 2002	Workshop with local regulators	Meeting with Inuvik-based regulators to review and update on field development proposals.	Hunters and Trappers Committee, community corporations, Elders Committee, Nihtat Renewable Resource Council, Gwich'in Tribal Council, Inuvik Band, Royal Canadian Mounted Police, Department of Fisheries and Oceans, Resources, Wildlife and Economic Development
November 5, 2002	Public meeting	Joint field development update and review.	Inuvik public
November 6, 2002	Workshop	Review and update on field development proposals with community-based organizations.	Aklavik Hunters and Trappers Committees, Elders, community corporations, Renewable Resource Council, Band representatives
November 6, 2002	Public meeting	Joint field development update and review.	Aklavik community members and workshop attendees
November 7, 2002	Meeting	Joint field development update and review.	Aklavik teachers and students
November 7, 2002	Meeting	Joint field development update and review.	Inuvialuit Land Administration staff Tuktoyaktuk
November 7, 2002	Meeting	Presentation on joint field development proposals and tour of school.	Teachers and students Tuktoyaktuk
November 7, 2002	Luncheon meeting	Joint field development update and review and lunch.	Tuktoyaktuk Hunters and Trappers Committees, community corporations, Elders
November 8, 2002	Workshop	Joint field development update and review.	Tuktoyaktuk Hunters and Trappers Committees, community corporations, ECs
November 8, 2002	Public meeting	Joint field development update and review.	Tuktoyaktuk community members

**Table 12-1: Niglintgak Project Definition Consultation Meetings (cont'd)**

<b>Date</b>	<b>Meeting Type</b>	<b>Topic</b>	<b>Stakeholders</b>
November 20, 2002	Meeting	Deh Cho process update.	Robin Aitken, DIAND
December 10, 2002	Meeting	DPA/CDD, COGOA requirements, level of detail expected, DPA process.	National Energy Board, Terry Baker, John Korec
January 7, 2003	Meeting	Drilling waste management.	DIAND Yellowknife
January 8, 2003	Meeting	Kendall Island Bird Sanctuary, Mackenzie Gas Project update, Taglu and Niglintgak update, footprint expectations.	CWS, Kevin McCormick, Jim Hines, Lynn Hjorsten – Justice Canada, Paul LaTour – CWS
January 9, 2003	Meeting	Benefits plans, access.	Jim Antoine, Minister Resources, Wildlife and Economic Development
January 20, 2003	Informal conversation	Discussed APG funding and the spin-off benefits of the pipeline.	Roger Connelly – Inuvialuit Regional Corporation
January 20, 2003	Informal conversation	Discussed developments.	Roger Connelly
January 20, 2003	Informal conversation	Discussed donation strategy and Fort McPherson requirements with recreation coordinator.	Victor Stewart
January 21, 2003	Informal conversation	Discussed a proposal that he would be presenting at an upcoming meeting.	Abe Wilson – Chief – Fort McPherson
January 22, 2003	Informal conversation	Discussed challenges in the education system and explored some options for Shell helping out with those challenges.	Effie McLeod – Beaufort Delta Education Council
January 22, 2003	Meeting	Devolution in the Northwest Territories.	Kellie Voutier, DIAND, Brian Dominique
January 23, 2003	Informal conversation	Discussed winter activity in the Tsiigehtchic region and the business opportunities that it is creating.	Peter Ross – Chief – Gwichya Gwich'in
January 24, 2003	Informal conversation	Discussed Travailant Lake and the need to consult in the community. Would like to have information as far in advance of meetings as possible so that they can formulate questions.	Trefor Gates – Tsiigehtchic Band Office
February 4, 2003	Meeting	Cooperation Plan update, regulatory processes.	Northern Pipeline Regulators Committee (Cooperation Plan Working Group)
February 6, 2003	Meeting	Review Niglintgak proposal with Aklavik band representatives.	Charlie Furlong – Chief Knut Hansen – COO Robert Buckle – Mackenzie Gas Project representative, and community worker
February 9, 2003	Public meeting	Project update in Fort McPherson with all field development	Fort McPherson public

**Table 12-1: Niglintgak Project Definition Consultation Meetings (cont'd)**

<b>Date</b>	<b>Meeting Type</b>	<b>Topic</b>	<b>Stakeholders</b>
February 10, 2003	Public meeting	In Tsiigehtchic with anchor field developers and Mackenzie Gas Project representatives.	Community members Tsiigehtchic
February 11, 2003	Workshop	Joint field development review and update and workshop in Tuktoyaktuk.	Tuktoyaktuk community corporations, Elders Committee and Hunter and Trappers Committee members
February 11, 2003	Public meeting	Joint field development update and review.	Tuktoyaktuk public
February 12, 2003	Workshop	Joint field development review and update and workshop in Inuvik.	Inuvik community corporations, Elders Committee, and Hunter and Trappers Committee members, and representatives from Gwich'in Tribal Council, Nihtat Gwich'in, Department of Fisheries and Oceans, Resources, Wildlife and Economic Development, and Indian and Northern Affairs Canada
February 12, 2003	Public meeting	Joint field development update and review in Inuvik.	Inuvik community members
February 13, 2003	Meeting	Discussed plans for a youth conference.	Barry Greenland – Sub-chief Nihtat Gwich'in Band
February 13, 2003	Meeting	Review recent community visits with Inuvialuit Regional Corporation.	Nellie Cournoyea Roger Connelly
February 13, 2003	Meeting	Niglintgak update.	Nellie Cournoyea Roger Connelly
March 6, 2003	Meeting	Kendall Island Bird Sanctuary.	K. McCormick, CWS
March 7, 2003	Meeting	World Wildlife Fund and PAS interests.	Peter Ewins – World Wildlife Fund
March 19, 2003	Conference	Career Quest – Beaufort Delta Education Council career fair.	School children Public
March 19, 2003	Meeting	Met with Indian and Northern Affairs Canada over previous winter projects but discussed the application process for the Mackenzie Gas Project and the Niglintgak development.	Rudy Cockney Conrad Baetz Dan Carmichael
March 21, 2003	Meeting	Met with Supervisor of Schools at Beaufort Delta Education Council and discussed the Aboriginal resource kits that Shell is supplying to schools to assist in teaching about Aboriginal issues in Canada.	Effie McLeod
April 8–9, 2003	Workshop	EIS issues scoping.	Inuvialuit Settlement Region, GSA invitees

**Table 12-1: Niglintgak Project Definition Consultation Meetings (cont'd)**

<b>Date</b>	<b>Meeting Type</b>	<b>Topic</b>	<b>Stakeholders</b>
April 29, 2003	Informal conversation	Discussed, in general terms, the opportunities that should be brought to the region by the development and the industry in general.	Nellie Cournoyea
May 7, 2003	Meeting	Regulatory applications in Inuvialuit Settlement Region.	Inuvialuit Land Administration – Calvin Pokiak
June 18, 2003	Meeting	Canada Benefits Plan.	Indian and Northern Affairs Canada, Fortier, Greenall, Graw
June 18, 2003	Meeting	Project update, Inuvialuit Land Administration perspectives, granular resources.	James Thorburne – Inuvialuit Land Administration
June 18, 2003	Conference	Inuvik Petroleum Show.	
June 20, 2003	Meeting	Northern benefits.	Inuvik – Inuvialuit Regional Corporation, Inuvialuit Land Administration, Roger Connelly, Gerry Roy, James Thorburne
July 17, 2003	Meeting	COGOA applications, EIS and permits.	National Energy Board Mieke van der Valk, John Korec, Bonnie Grey, Calgary
July 30, 2003	Telephone conversation	Discussed regional skills program with some kind of mobile set-up to bring hands-on experience to the accessible communities.	Effie McLeod
August 19, 2003	Telephone conversation	Discussed upcoming visit and purpose.	Roger Connelly
August 19, 2003	Telephone conversation	Discussed upcoming visit and purpose.	Fred Carmichael
September 8, 2003	Meeting	Project update, regulatory classification.	National Energy Board, COGOA, Terry Baker
September 11, 2003	Meeting	Project update, Cooperation Plan.	Cooperation Plan Working Group, Calgary
September 15, 2003	Meeting	Project update, Cooperation Plan.	Cooperation Plan Working Group, Calgary
September 23, 2003	Meeting	Project update, barge option.	Environmental Impact Screening Committee, Inuvik
October 22, 2003	Meeting	Project update, GNWT interests.	Joe Handley – GNWT Minister of Finance, Celina Stroeder – ADM, Resources, Wildlife and Economic Development
October 22, 2003	Meeting	Project update, Kendall Island Bird Sanctuary issues.	Canadian Wildlife Service – Kevin McCormick, Bruce MacDonald

**Table 12-1: Niglintgak Project Definition Consultation Meetings (cont'd)**

<b>Date</b>	<b>Meeting Type</b>	<b>Topic</b>	<b>Stakeholders</b>
October 22, 2003	Meeting	Cooperation Plan coordination.	Northern Gas Pipeline Secretariat – Brian Chambers
October 22, 2003	Meeting	Project update, Inuvialuit Regional Corporation perspective.	Ross McDonald Inuvialuit Regional Corporation, John Steen, Gerry Roy, Dennis Lennie, Rob Duncan, Roger Connelly, Frank Hansen
October 23, 2003	Meeting	Project update, Town of Inuvik perspective.	Peter Clarkson – Mayor of Inuvik
October 23, 2003	Meeting	Project update, Gwich'in Tribal Council perspective.	Grant Sullivan, Mary Ann Ross, Joe Benoit, Brian McCarthy, Elinor Firth, Gwich'in Tribal Council members
October 27, 2003	Workshop	Joint field development review and update. Workshop.	Community corporations, Elders Committee, and Hunter and Trappers Committee members, and representatives from the Nihtat Renewable Resource Council and council
October 27, 2003	Public meeting	Joint field development review and update.	Inuvik public
October 28, 2003	Meeting	Met with folks at Moose Kerr School in Aklavik.	Aklavik students and teachers
October 28, 2003	Workshop	Joint field development review and update. Workshop.	Aklavik Community corporations, Elders Committee, and Hunter and Trappers Committee members, and representatives from the Ehdiitat Renewable Resource Council and council
October 28, 2003	Public meeting	Joint field development review and update.	Aklavik public
October 29, 2003	Workshop	Joint field development review and update. Workshop.	Tuktoyaktuk Community Corporations, Elders Committee and Hunter and Trappers Committee members
October 29, 2003	Public meeting	Joint field development review and update.	Tuktoyaktuk public
November 9, 2003	Meeting	Update Inuvialuit Regional Corporation chair on community visits and workshops.	Nellie Cournoyea

**Table 12-1: Niglintgak Project Definition Consultation Meetings (cont'd)**

<b>Date</b>	<b>Meeting Type</b>	<b>Topic</b>	<b>Stakeholders</b>
January 9, 2004	Teleconference	Beaufort Delta Education Council YELS Oil and Gas Program Steering Committee meeting.	Effie McLeod Austin Abbott Ken Jacobsen Brian Plesuk Jacqueline McArthur
January 9, 2004 (cont'd)			Wayne Ross Brian McCosham Mike Walsh
January 12, 2004	Telephone conversation	Discussed Shell's donation strategy.	Alestine Andre – Tsiigehtchic resident
January 17, 2004	Informal conversation	Discussed future developments in general terms.	Floyd Roland
January 20, 2004	Informal conversation	Discussed development and political developments in the Inuvialuit Settlement Region, as well as past exploration activities.	Nellie Cournoyea
February 2, 2004	Workshop	Discussed barge option.	Inuvialuit Game Council, Elders, Hunters and Trappers Committee, community corporations from all Inuvialuit Settlement Region communities
February 9, 2004	Public meeting	Joint meeting with all field developers and some Mackenzie Gas Project representatives.	Inuvik public
March 16, 2004	Informal conversation	Discussed bathymetry program and possibility of dredging in Beluga 1A zones and the likely reaction to that course of action.	Roger Connelly
March 17, 2004	Conference	Career Quest – Beaufort Delta Education Council career fair.	Public Albert Elias – Inuvialuit Land Administration commissioner
April 19, 2004	Workshop	Review the barge option, as well as benefits, sumps and drilling.	Aklavik – members of community corporations, Hunters and Trappers Committee, and Elders Committee
April 19, 2004	Public meeting	Review the barge option, as well as benefits, sumps and drilling.	Aklavik public
April 20, 2004	Workshop	Review the barge option, as well as benefits, sumps and drilling.	Tuktoyaktuk – members of community corporations, Hunters and Trappers Committee, and Elders Committee
April 20, 2004	Public meeting	Review the barge option, as well as benefits, sumps and drilling	Tuktoyaktuk public

**Table 12-1: Niglintgak Project Definition Consultation Meetings (cont'd)**

<b>Date</b>	<b>Meeting Type</b>	<b>Topic</b>	<b>Stakeholders</b>
April 22, 2004	Workshop	Workshop to review the barge option, as well as benefits, sumps and drilling.	Inuvik – members of community corporations, Hunter and Trappers Committee, and Elders Committee
April 22, 2004	Public meeting	Review the barge option, benefits, sumps and drilling.	Inuvik public
April 23, 2004	Meeting	Review community visits, presentations and input from stakeholders.	Nellie Cournoyea Roger Connelly Gerry Roy
June 22, 2004	Publicity	Project update, winter work, summer work programs.	Paulatuk public
June 22, 2004	Workshop	Winter work, summer work plans and project update.	Paulatuk Hunters and Trappers Committee, Elders and community corporations
June 24, 2004	Public meeting	Project update, winter work, summer work programs.	Sachs Harbour public
June 24, 2004	Workshop	Project update, winter work, summer work programs.	Sachs Harbour Hunters and Trappers Committee, Elders and community corporations
June 25, 2004	Public meeting	Project update, winter work, summer work programs.	Tsiigehtchic public
June 25, 2004	Workshop	Project update, winter work, summer work programs.	Tsiigehtchic Hunters and Trappers Committee, Elders and community corporations
July 5, 2004	Public meeting	Project update, winter work, summer work programs.	Inuvik public
July 5, 2004	Workshop	Project update, winter work, summer work programs.	Inuvik Hunters and Trappers Committee, Elders and community corporations
July 6, 2004	Public meeting	Project update, winter work, summer work programs.	Tuktoyaktuk public
July 6, 2004	Workshop	Project update, winter work, summer work programs.	Tuktoyaktuk Hunters and Trappers Committee, Elders and community corporations
July 7, 2004	Public meeting	Project update, winter work, summer work programs.	Aklavik public
July 7, 2004	Workshop	Project update, winter work, summer work programs.	Aklavik Hunters and Trappers Committee, Elders and community corporations

**Table 12-1: Niglintgak Project Definition Consultation Meetings (cont'd)**

<b>Date</b>	<b>Meeting Type</b>	<b>Topic</b>	<b>Stakeholders</b>
July 8, 2004	Public meeting	Project update, winter work, summer work programs.	Fort McPherson public
July 8, 2004	Workshop	Project update, winter work, summer work programs.	Fort McPherson Hunters and Trappers Committee, Elders and community corporations





## PUBLIC CONSULTATION

APPLICATION FOR APPROVAL  
OF THE DEVELOPMENT PLAN FOR  
NIGLINTGAK FIELD  
PROJECT DESCRIPTION

## CONCERNS AND RESPONSES

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**12.2.1 KEY CONCERNS AND RESPONSES**

Most concerns with Shell's Niglntgak development are similar to the community concerns common throughout the Northwest Territories. However, during consultation, specific Niglntgak concerns were raised, including:

- the size and nature of the development's land footprint
- the biophysical and socio-economic effects of the proposed gas conditioning facility concept
- the drilling waste disposal method and the use of drilling sumps

**12.2.1.1 Size and Nature of Footprint**

The location of the development inside the Kendall Island Bird Sanctuary requires that the land footprint be reduced as much as possible. Concerns were expressed about:

- the amount of disturbed land that might affect wildlife habitat and their activities
- sensory disturbances, such as light and noise, that might interfere with wildlife use of habitat

In response to these concerns, Shell made reducing the development's footprint a priority in its assessment criteria when evaluating development options. The conceptual development design reduced surface disturbance and sensory impacts by:

- locating drilling sites at pre-disturbed locations
- preferentially scheduling drilling and construction activities in the winter
- using above-ground flow lines to reduce surface disturbance
- locating the gas conditioning facilities on a foundation in the river channel

**12.2.1.2 Gas Conditioning Facility**

Although the chosen gas conditioning facility concept helped reduce the land disturbance footprint, it raised several unique concerns, including the:

**12.2.1.2 Gas Conditioning Facility (cont'd)**

- environmental impact of potential dredging required to transport the gas conditioning facility to the site
- potential loss of jobs and business opportunities during construction because the gas conditioning facilities would be constructed off site
- protection of the river system during construction and operations activities

These concerns were expressed in community meetings and in a letter from the Inuvialuit Game Council on April 15, 2004. Shell has responded to the Inuvialuit Game Council's letter and has initiated a number of design evaluations and work activities to address them.

**12.2.1.3 Dredging**

The potential impact of dredging in the Mackenzie Delta was assessed in the EIS, and it was concluded that dredging could be managed with no significant adverse environmental impact. Additional studies are being done to further refine the scope for any dredging and potential design modifications needed to avoid or reduce dredging in the delta area. Shell will continue to share information with concerned and interested parties as design work continues and site-specific mitigation plans are refined.

**12.2.1.4 Potential Loss of Jobs and Business Opportunities**

Shell is aware of the public concern that the current development plan results in fewer construction jobs and business opportunities than the other land-based options in the Inuvialuit Settlement Region. However, a review of the planned Mackenzie Gas Project activities in the region indicates that labour and business opportunities during the three years of scheduled Mackenzie Gas Project construction will exceed the Inuvialuit Settlement Region's capacity to supply the required resources. Therefore, although the proposed gas conditioning facility would result in fewer employment opportunities than the land-based option during construction, there would still be more employment opportunities available than could be filled locally. In addition, long-term operations jobs and business opportunities will be unaffected by the construction plan chosen for the gas conditioning facility.

**12.2.1.5 Protecting the River System**

Protecting the river system is a key component of the Niglintgak design work and construction plans. The gas conditioning facility has been designed to reduce the use of, and increase the control of, chemicals and fuels that might be spilled from it. The environmental impact of locating the gas conditioning facility in the river channel has been assessed in the EIS and mitigation strategies have been identified to ensure that no significant environmental effects are likely to occur. Additional studies will be undertaken in ongoing engineering studies to optimize the site-specific mitigation plan details for Niglintgak.

Shell will continue to consult with stakeholders and respond to concerns raised about the gas conditioning facility, as more information is obtained.

#### **12.2.1.6 Drilling Waste Disposal**

The use of drilling sumps as a method of disposing of drilling waste was raised as a concern for all of the anchor field developments. Exploration sumps are usually built adjacent to the wells. Historically, some have been built in less than ideal sites or in areas prone to flooding, and local stakeholders have raised concerns about their long-term aesthetics and integrity.

Shell assessed a number of options for disposing of drilling waste from the Niglintgak development, including:

- a Niglintgak-owned and operated drilling waste disposal well
- a third-party-owned and operated drilling waste disposal well
- transporting drilling waste to, and using, a remotely located engineered sump

Important in the consideration of these options was the volume and nature of the drilling wastes proposed for Niglintgak. Because of the shallow nature of the reservoir and low well count (6 to 12 wells), the volume of drilling waste is expected to be low. In addition, the drilling fluid will be water based, reducing the environmental concerns with longer term sump storage.

The characteristics of the Niglintgak drilling program favour the use of an engineered remote sump as the preferred method for containing and disposing of Niglintgak drilling cuttings and fluids. Downhole injection at Niglintgak was rejected because of the lack of a suitable injection formation and the prohibitive disposal costs given the small volume of Niglintgak drilling cuttings. Disposing of drilling cuttings and fluids into a third-party injection facility is a possible option, but is not currently feasible, as no facility has been identified with confirmed capacity for the Niglintgak cuttings volume.

Shell will continue to consult with interested parties within the Inuvialuit Settlement Region to try to address any remaining concerns with drilling cuttings disposal.

### **12.2.2 OTHER CONCERNS**

Many of the other concerns identified during consultation were common to several development elements of the Mackenzie Gas Project, as well as Niglintgak. These concerns are discussed briefly here. For more information, see EIS Volume 5: Biophysical Impact Assessment.

#### **12.2.2.1 Sensory Impacts on Wildlife**

Concerns were raised about the response of wildlife to sensory impacts. Potential disturbances that might affect wildlife movements and result in consequences to migration and harvesting include:

**12.2.2.1 Sensory Impacts on Wildlife (cont'd)**

- noise from compressors and flares
- activities, such as transportation
- light from field lighting or flaring
- fugitive odours from hydrocarbon handling

Shell is committed to reducing these types of impacts and a number of mitigation measures have been identified to reduce them (see EIS Volume 7: Environmental Management). One of the most effective mitigation techniques is scheduling activities to avoid wildlife while it is in the area. At Niglintgak, this will be accomplished by scheduling most drilling and construction activities during the winter, when wildlife is less abundant in the area. During operations, which are year-round, the opportunity to use schedule management as a mitigation measure is available to a lesser degree. In this case, the following design elements and operational practices to decrease potential wildlife impacts will be considered:

- using insulation and sound-suppression equipment
- reducing the use of flares
- reducing the use of lighting
- applying preventive maintenance techniques to minimize unplanned interventions

**12.2.2.2 Local Benefits**

Several concerns were raised about access to project benefits, and the distribution of project benefits to the local communities. Shell has had a long history of operating in the Inuvialuit Settlement Region and will continue to provide education, employment, training and business opportunities, which will result in realized benefits to the Inuvialuit and other northerners from its activities.

Table 12-2 summarizes the recent business opportunity benefits achieved as a result of Shell's activities previously reported to the Inuvialuit Regional Corporation, on an annual basis.

**Table 12-2: Inuvialuit Business Opportunity Benefits from Shell Work in the ISR**

Year	Total Expenditures (\$)	Non-Inuvialuit Contracts (\$)	Inuvialuit Contracts (\$)	Inuvialuit Subcontracts (\$)
June 2000 to May 2001	9,571,257	5,090,418	4,480,839	Not reported
June 2001 to May 2002	17,863,665	1,264,095	16,599,570	2,283,055
June 2002 to May 2003	4,802,000	2,164,000	2,638,000	59,654
June 2003 to May 2004	1,763,503	318,087	1,445,416	None reported
Note: Direct contracts are as reported by Shell's financial system. Contractors report subcontracts and, in many cases, contractors did not complete the requested subcontracting reports.				