

**INTRODUCTION****APPLICATION FOR APPROVAL
OF THE DEVELOPMENT PLAN FOR
NIGLINTGAK FIELD
PROJECT DESCRIPTION****REGULATORY REQUIREMENTS****1.5.1 COOPERATION PLAN**

The Mackenzie Gas Project requires approvals from federal, territorial, provincial and local regulatory authorities responsible for assessing and regulating energy developments. The agencies involved include:

- the Canadian Environmental Assessment Agency (CEAA)
- Indian and Northern Affairs Canada (INAC)
- the Inuvialuit Region Environmental Screening and Review Boards
- the Mackenzie Valley Environmental Impact Review Board
- the National Energy Board (NEB)
- the Northwest Territories Water Board

To clarify the regulatory process, the agencies involved agreed to work together to make the environmental assessment processes for the project more efficient and effective. This resulted in the development of the *Cooperation Plan for the Environmental Impact Assessment and Regulatory Review of a Northern Gas Pipeline Project through the Northwest Territories* (Cooperation Plan) issued in June 2002. This plan outlines a process that satisfies the needs of all northern agencies, honours land claims agreements and complies with the regulations of all federal and territorial legislation.

The procedures in the plan coordinate the regulatory process, while recognizing the independence of each regulatory authority. Key to the success of the Cooperation Plan is the referral of environmental and socio-economic matters by all agencies to a Joint Review Panel that will oversee the public hearings addressing these matters. After the Joint Review Panel hearings, recommendations will be given to the various regulatory agencies. These agencies will then complete the regulatory process by processing permit applications in a manner consistent with the recommendations and conditions outlined in the Joint Review Panel report.

1.5.2 REGULATORY PROCESS**1.5.2.1 Preliminary Information Package**

In June 2003, the proponents of the Mackenzie Gas Project submitted to regulators a Preliminary Information Package containing information on all

1.5.2.1 Preliminary Information Package (cont'd)

aspects of the project. The submission of this document initiated the following regulatory processes for Niglintgak and other proponents' developments:

- the regulatory process for field and gathering system developments under COGOA
- the regulatory process for the gas pipeline under the *National Energy Board Act* (NEBA)
- the environmental review process under the *Canadian Environmental Assessment Act* (CEAA), the *Mackenzie Valley Resource Management Act* and the Inuvialuit Final Agreement

1.5.2.2 Commercial Discovery Application

In April 2004, Shell submitted an application to the NEB for a Declaration of Commercial Discovery under the *Canada Petroleum Resources Act*. The Declaration of Commercial Discovery shows that development of the gas resource is commercially viable. Approval of the proposed Niglintgak development and the Declaration of Commercial Discovery are required before the NEB can issue the production licence for Niglintgak's construction and operations.

1.5.2.3 Other Regulatory Applications and Approvals

Other regulatory permits, approvals and agreements that are required before construction and operations activities can be initiated include:

- water use licences for construction and operations
- construction land use permits
- benefits and land access agreements
- surface lease permits
- well drilling permits
- Fisheries and Oceans Canada permits and authorizations
- construction and operations approvals within the Kendall Island Bird Sanctuary
- marine transportation approvals
- permits for any dredging required in the Beaufort Sea and Mackenzie River

As described in the Cooperation Plan, applications for these permits will be submitted before the Joint Review Panel regulatory hearings are completed.

The Niglintgak development plan application is one of five Mackenzie Gas Project regulatory applications submitted to the NEB. These applications include:

- development plan applications under COGOA for the three anchor fields submitted separately by each field operator
- the gathering system application under COGOA, submitted by Imperial Oil Resources Ventures Limited, as operator
- the gas pipeline application for a Certificate of Public Convenience and Necessity (CPCN) submitted by Imperial Oil Resources Ventures Limited, as operator

Submission of the required applications for all five parts of the project will be coordinated to enable the regulators to evaluate the combined development for the Mackenzie Gas Project.

