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March 20, 2006

Attn: Conrad Baetz
Acting District Manager
Indian and Northern Affairs Canada
North Mackenzie District
P.O. Box 2100
Inuvik, NT X0E 0T0

Conrad:

Re: Application for Quarrying Permits on Crown Land within the Inuvialuit Settlement Region and Gwich'in Settlement Area

Imperial Oil Resources Ventures Limited (Imperial), on behalf of the Aboriginal Pipeline Group, ConocoPhillips Canada (North) Limited (ConocoPhillips), Shell Canada Limited and ExxonMobil Canada Properties, encloses two copies of an application for quarrying permits on Crown land within the Inuvialuit Settlement Region and Gwich'in Settlement Area.

This application is made pursuant to section 8 of the Territorial Lands Act and section 12 of the Territorial Quarrying Regulations. This application is in support of the proposed Mackenzie Gas Project (the project). The purpose of the project is to develop three onshore gas fields in the Mackenzie Delta and to transport natural gas and natural gas liquids by pipeline to market. Within the Inuvialuit Settlement Region (ISR) and Gwich'in Settlement Area (GSA), borrow site activities to support construction of the gathering system and gas pipeline will include:

- removal of material from six borrow sites in the ISR to be used in the construction of pipelines and infrastructure
- removal of material from six borrow sites in the GSA to be used in the construction of infrastructure, pipelines and facilities

The borrow material quantities included within this application do not include amounts to be removed and used by operators of the Taglu, Niglintgak or Parsons Lake anchor fields. Anchor field operators are making separate applications for quarrying permits in support of their respective gas processing facilities.

To help put this in context, the total amount of borrow material required for the project from Crown lands within the ISR is approximately 300,000 m³ for the gathering system plus approximately 1.6 million m³ for the Parsons Lake and Taglu anchor fields. The total amount of borrow material required for the project on Crown lands within the GSA for the gathering system and gas pipeline is approximately 863,000 m³. No borrow material from the GSA is required for the anchor fields.

In addition to the borrow material quantities described in this application, some borrow material required for the gathering system is included in the separate applications made by the anchor field operators.

In particular, at borrow site 2.028P in the ISR, ConocoPhillips will be responsible for regulatory authorizations and development of the site. The total project requirement from borrow site 2.028P is approximately 1.6 million m³ of which approximately 100,000 m³ will be used by Imperial for the gathering system.

Potential environmental effects and reclamation plans associated with borrow site activities have been addressed in land use permit and water licence applications submitted to Indian and Northern Affairs Canada (INAC), the Northwest Territories Water Board (NWTWB), and the Mackenzie Valley Land and Water Board (MVLWB). The applications filed with INAC and the NWTWB include borrow site activities on ISR Crown land. Those filed with the MVLWB include borrow site activities on Crown land in the GSA.

A cheque for \$1,800 is enclosed which represents the application fee. Appropriate royalty payments will be forwarded to INAC in due course.

Imperial reviewed the letter dated 18 January 2006, from INAC relating to the application for a Class A Land Use Permit on Crown land in the Inuvialuit Settlement Region. In that letter, INAC provided Imperial with conformity round information requests. This filing satisfies the conformity round information request #2 and will be referenced in the response to that information request.

Please direct any questions regarding this application to J.R. Hawkins at (403) 237-2806, facsimile (403) 237-2208, or e-mail: jim.r.hawkins@exxonmobil.com.

Sincerely,

(Original Signed By:)

A. D. (Sandy) Martin
Manager, Regulatory Affairs

Encl. Cheque for \$1,800
Application

c.c. Northern Gas Project Secretariat