



Imperial Oil

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December 14, 2004

Mackenzie Valley Environmental Impact Review Board
P.O. Box 938
5102 - 50th Avenue
Yellowknife, NT X1A 2N7

Attention: Alan Ehrlich
Senior Environmental Assessment Officer

Re: Developer's Closing Statement regarding the MVEIRB Environmental Assessment of the 2004 Winter Field Geotechnical Investigation Program - Deh Cho Region (MVEIRB Reference EA 03-009)

Mr. Ehrlich,

This letter is the Developer's Closing Statement, prepared by Imperial Oil Resources Ventures Limited (Imperial), regarding the MVEIRB Environmental Assessment of the 2004 Winter Field Geotechnical Investigation Program - Deh Cho (the Program).

In addition to the information previously filed on the public record for this environmental assessment, Imperial has reviewed the following documents that have been provided by the Review Board following conclusion of the public hearings:

- Review Board notes from the Trout Lake community meeting of November 30, 2004
- Review Board notes from the Wrigley community meeting of December 1, 2004.
- Review Board verbatim transcript of the Fort Simpson Public Hearing of December 2, 2004.

Imperial does not propose any revisions to the information contained in the notes and transcripts of the public hearings.

Imperial believes that all of the information relevant to the Developer's positions on this environmental assessment has been filed with the Review Board. In this Closing Statement Imperial emphasizes the following points:

- The Program is a preliminary investigation with objectives to determine the feasibility of subsequent development. Subsequent development will be subject to

further environmental review and will include many opportunities for community input.

- Benefits agreements, harvester compensation agreements and contract terms are most effectively established directly among the principals. Imperial remains confident that these commercial arrangements can be put in place once regulatory approvals have been granted.
- Imperial believes that the contract evaluation and award processes proposed for the Program and used in previous similar programs in other areas are fair, open and equitable, and provide preferences and advantages to Deh Cho businesses.
- Imperial acknowledges the new information on community concerns related to specific sites proposed for the Program that has been provided as part of the public hearing process. Imperial will continue to work with the communities to address community concerns.
- The detailed information provided for the first time at the public hearings has helped Imperial understand the particular cultural and environmental sensitivities of the K'eotsee and Blackwater River watersheds. Imperial will continue to work closely with the Trout Lake and Wrigley communities to reduce the impacts of the Program in these areas.
- Imperial believes that the Program will have important benefits to the Deh Cho communities and businesses including:
 - Wages for Deh Cho individuals working on the Program.
 - Contracts for Deh Cho businesses to conduct Program activities.
 - Training and work experience to Deh Cho individuals.
 - Improved capacity for Deh Cho businesses in the areas of contracting and business controls.
 - Local purchases of goods and services.
 - Improved knowledge of granular resources.
 - Improved designs and plans for the portion of the Mackenzie Gas Project that would be in the Deh Cho Region.

Imperial would also like to restate its position on information provided to the Review Board by parties who addressed the public meetings and as summarized by the 24 recommendations included in the Dehghah Alliance Society Closing Statement dated December 4, 2004.

1. A completed Benefits Agreement is not required by Imperial to provide benefits associated with the Program to impacted communities. Nonetheless, Imperial remains willing to continue negotiations with the Dehghah Alliance Society and with impacted communities to conclude Benefits Agreements.

2. A completed Harvesters' Compensation Agreement is not required by Imperial to provide compensation to harvesters impacted by Program activities. Imperial will consider claims for losses by individuals whose harvesting has been impacted by Program activities. Again, Imperial remains willing to continue negotiations with the Dehghah Alliance Society and with impacted communities to conclude a Harvesters' Compensation Agreement.
3. Imperial will work with the Dehghah Alliance Society and the Pehdzeh Ki First Nation to select a camp location in the vicinity of the Blackwater River that is acceptable to these parties.
4. Imperial believes that borrow sites 9.038PA, 9.038PB, 9.091P, 9.044PA, 9.04PB and 10.001P can be investigated without significant environmental impact.
5. Imperial believes that the geotechnical samples from the Blackwater River riverbed can be obtained without significant environmental impact. Imperial believes that the proposed access to this site provides the safest and most environmentally responsible option.
6. Imperial agrees with the recommendation for the location of the Willowlake River Campsite.
7. Imperial believes that site 20.025P can be investigated without disturbing the heritage resources or interfering with the traditional use of the area.
8. Imperial believes that the geotechnical samples from the Willowlake River riverbed can be obtained without significant environmental impact.
9. Imperial agrees to accommodate families living at Betsedea during the Program activities.
10. Imperial believes that frost heave site #17 can be investigated without disturbing any heritage resources or interfering with the traditional use of the area.
11. Imperial believes that borrow sites 10.013P, 10.014AP, 10.020P, 10.037P, 10.120P and 10.038PA can be investigated without significant environmental impact.
12. Imperial believes that borrow sites 11.019P, 11.021P, 11.033P, 11.055PA, 11.055PB and 20.0.8P can be investigated without significant environmental impact.
13. Imperial agrees to delete the Smith Creek watercrossing site from the Program. Further analysis indicates that the Smith Creek crossing will not require horizontal directional drilling.
14. Imperial believes that the geotechnical samples from the River Between Two Mountains riverbed can be obtained without significant environmental impact.

Imperial believes that the proposed access to this site provides the safest and most environmentally responsible option.

15. Imperial will compensate local communities for the provision of an environmental monitor, hired by the local First Nation to work with Program contractors.
16. Imperial believes that the information filed with the Review Board regarding this existing baseline environmental data for the Kakisa River watershed is adequate to assess the potential for environmental impact.
17. Imperial will consider new information from unfinished Traditional Knowledge studies as that information becomes available. Imperial has provided the Review Board with baseline information describing Program site conditions which were developed from many other sources.
18. Imperial has no comment on the proposal to include moose in the mandate of the Deh Cho Boreal Caribou Working Group.
19. Imperial has no comment on the proposal to expand the geographic mandate of the Deh Cho Boreal Caribou Working Group.
20. Imperial described its position on the training of community environmental monitors in the undertaking provided to the Review Board on December 2, 2004. This approach has been used successfully in similar programs in other areas. It includes providing one to two days of training for local environmental monitors. This training will enable them to understand the Program objectives and work procedures, their responsibilities to their communities, and Imperial's expectations for environmental responsibility.
21. Imperial will consult with local communities and with inspectors from INAC to determine the best techniques for inhibiting subsequent access to Program sites after the Program has been completed.
22. Imperial agrees to use clearing techniques that reduce timber damage and increase salvageable timber.
23. Imperial is prepared to deliver timber not required for the Program to the primary access routes so that it can be accessed by all communities.
24. Imperial agrees to implement speed control policies for Program vehicles which will maintain the safety of all users of Highway #1.

Imperial is particularly concerned about the substantial number of borrow sites that are recommended for deletion by the Dehgah Alliance Society. The Dehgah Alliance Society has recommended that 19 of the 46 sites (41%) be deleted. Imperial believes that developing borrow sources as close as possible to the proposed pipeline route is the most

effective and most environmentally responsible option. Further, Imperial believes that all of the proposed borrow sites can be investigated without significant adverse impact to environmental or cultural values.

Imperial thanks the Review Board for its work in conducting this environmental assessment and looks forward to the timely issuance of the Review Board report to the Minister of Indian and Northern Affairs Canada.

Sincerely,

(Original Signed By)

J.R. Hawkins
Pipeline Regulatory Manager
Mackenzie Gas Project

