

January 2, 2004

MVEIRB
200 Scotia Centre
Yellowknife, NT
X1A 2N7

Sent Via Facsimile

Dear Mr. Burlingame/Chair

Re: Imperial Oil Canada Submission (Staging & Laydown Area – Camsell Bend)

Please accept this document as submitted correspondence to the MVEIRB in reference to MGP proponents request for large lay-down area and staging for pipeline construction identified as near Camsell Bend on east side of Mackenzie River.

In accordance with MOU agreement signed October 2001, between NWT First Nations representatives and proponents of Mackenzie Gas Project, this document is provided to the MVEIRB to identify and serve as an instrument to outline opportunity for establishment of a northern located pipe coating plant.

Establishment of a northern-based pipe coating plant will alleviate potential logistical problems associated with MGP construction and provide opportunity to the north for development of a truly dynamic industry that will set the stage for more broadly based economic prosperity in the NWT.

Purpose of report "*Arctic Gas Pipeline Construction Impacts on Northern Transportation*" is to assess impact on northern transportation systems of logistical requirements for an arctic gas pipeline construction.

Report was prepared for federal transportation agency, Transport Canada - Prairie and Northern Region in January, 2003 by Prolog Canada Inc. in association with The Van Horne Institute.

Report completes a uniquely comprehensive comparison of four major arctic gas pipeline proposals from a northern transportation impact perspective. Report determined that despite massive manpower mobilization requirements, no arctic gas pipeline project will create unmanageable personnel movement problems.

However, large-scale logistics operations to complete project material movements within schedule constraints such as proposed Mackenzie Valley pipeline pose potential for significant northern transportation infrastructure impacts.

MGP pipeline construction and project material movement will be in addition to oil and gas exploration and community re-supply activities in Mackenzie Valley that presently use both modes of summer marine and winter ice-road operating periods.

Possibility exists during MGP construction to over-strain seasonal transportation infrastructure that is vital to northern communities that rely on these two systems and operating periods for their existence.

Community of Hay River with established rail, road, air and marine transportation infrastructure is recognized as key to annual summer/winter re-supply movement of materials, equipment and diesel-fuel into the Mackenzie Valley and Western Arctic.



MGP Pipeline construction will require a combination of both summer marine and winter ice-road infrastructure to reach pipeline staging areas which for most part will not be accessible by-all weather road.

Government regulators and transportation end-users have expressed concern of a potential transportation 'bottleneck' occurring in Hay River during MGP construction timeframe.

To alleviate concerns and mitigate potential 'bottleneck' occurring during seasonal movement of MGP construction material, northern business Deh Cho Pipe Company Inc., is proposing to establish facility for coating of required MGP gas transmission and gathering pipe

Property requirements have been selected and presently are being processed between Town of Hay River and GNWT/MACA.

Pipe coating facility located in Hay River will provide sufficient storage and lay-down area required for efficient (seasonal) movement of pipe and material involved in construction of Mackenzie Gas Project in addition to request made by pipeline proponents for large staging area close to Mackenzie Valley winter-road access.

Pipe Coating Plant facility location is proposed adjacent to Mackenzie Northern Railhead (Mile 369-370) and Km 32, Hay River Highway (Hwy #2 & #5 intersection) entering community of Hay River and comprises of 35,000 sq ft facility on 114 acres of developed land.

Labor requirements for Hay River pipe coating plant operation during MGP are approx 125 plant personnel to handle all aspect of coating production, quality control and pipe movement and storage within yard lay-down area.

Magnitude of pipe coating involved for MGP is very large and will require an influx of short-term workers into community of Hay River.

Pipe Coating Plant activity following MGP construction phase is anticipated to moderate and provide year-round employment to approx 30 local Hay River residents during operational period (2009-2033) of Mackenzie Valley pipeline.

Please do not hesitate to contact me via email (gwhitlock@northwestel.net) or at (867) 874-3862 if you require further information or require clarification as to proposed northern infrastructure development in preparation of MGP construction.

Respectfully



Greg Whitlock
Deh Cho Pipe Company Inc.

