

National Energy Board



Office national de l'énergie



OUTGOING FACSIMILE - MESSAGE - À EXPÉDIER

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Comments/Commentaires:

*Paramount Cameron Hills - Draft Work Plan & TOR
- NEB comments*

*cc: Paramount - Shirley Maaskant
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**National Energy
Board****Office national
de l'énergie**

File: To be assigned
MVEIRB: EA00-0004
5 January 2001

Mr. Joe Acorn
Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
200 Scotia Centre, P.O. Box 938
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Dear Mr. Acorn

**Paramount Resources Ltd. Cameron Hills Drilling Project
Comments on Draft Work Plan and Terms of Reference for Environmental Assessment**

The National Energy Board (NEB) provides the following comments in respect of the Draft Work Plan and Terms of Reference (ToR) for Environmental Assessment of the proposed Paramount Resources Ltd. (Paramount) Cameron Hills Drilling Project.

General Comments

The NEB is the designated regulatory agency under the MVRMA for the subject Paramount proposal. The NEB regulates oil and gas works and activities pursuant to the *Canada Oil and Gas Operations Act* (COGOA), including, but not limited to activities such as well drilling, waste management, well testing and flaring. As well, under the *Canada Petroleum Resource Act* (CPRA), geological, geophysical and engineering well test data gathered by the regulated company is assessed by the NEB to determine the extent of applied for significant and/or commercial discoveries.

The testing of wells provides essential data for evaluation of reserves, characterization of the hydrocarbon reservoir, and planning for optimum production methods that will ensure, as per COGOA requirements, safety, protection of the environment and conservation of the oil and gas resources. Flaring is considered to be a health, safety and environmental mitigation measure for potential impacts from testing of gas containing toxic hydrogen sulphide.

Draft Work Plan

Table 1, 'Paramount Resources Cameron Hills Drilling Project Schedule' may cause some confusion as most of the proposed dates have passed. However, it may be worthwhile to reviewers to note that, beginning with access preparation and ending with completion and evaluation, the proposed project is approximately 18 weeks in duration.

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Section 4.1, 'Review Board', should also include an undertaking by the Review Board to report to the designated regulatory agency, i.e., the NEB, in accordance to 128(2).

The draft proposed EA decision date, February 23, 2001, may severely limit the extent of the proposal that Paramount could complete in the remaining winter season if the EA decision allows the project to proceed. Additional time, possibly two weeks or more, may be required following the decision to allow Ministerial and NEB responses, where required. While it is understood that, "by February 23, 2001", means that an EA decision could be made before that date, the Review Board should target, if feasible, an earlier decision date.

Draft Terms of Reference

The NEB is of the view that Table 1, 'Well Drilling, Completing and Testing Activities' includes activities that are either regulated solely by the NEB or would otherwise have no potential to adversely impact the environment. It should be clearly understood that this list of tasks does not represent issues to be assessed. The main issues to be assessed are related to potential effects of testing and flaring.

The list of accessory developments and activities (section 2.2) should not include the final bullet, i.e., "may require access to any of [Paramount's] other existing wells", as Paramount has not specifically applied for such access. Should Paramount request access or propose activities beyond the scope of the present EA, these activities would be subject to MVRMA preliminary screening requirements.

The scope of the assessment does not specifically identify which environmental aspects, such as air quality, surface water quality, wildlife habitat, etc., are to be considered. It is assumed that the environmental aspects to be considered in the scope of assessment are those that are considered in the developer's Environmental Screening Report as accepted by the Review Board following the preliminary conformity check. It would be helpful to reviewers to have the environmental aspects specified in the scope of assessment.

The NEB would be pleased to provide the Review Board with technical information with respect to drilling and testing operations of this nature, as needed and as available. COGOA regulatory provisions for safety, environmental protection and conservation of oil and gas resources can be found in the *Canada Oil and Gas Drilling Regulations*, and the *Canada Oil and Gas Production and Conservation Regulations*. Please address any information requests to Mr. Terry Baker, Chief Conservation Officer. Thank you.

Yours truly,



John Korec, P.Geol.
Environmental Assessment Officer
jck/Response to Draft ToR and EA Work Plan.wpd

cc: Ms. Shirley Maaskant, Paramount Resources Ltd. - Fax (403) 262-7994

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