

CBC and CJCD Radio News – December 17 – 18, 2001

Negotiations Continue On Terms Of Paramount Resources Permit For Cameron Hills

CBC Radio, December 17, 2001, 12:30/4:30 p.m.

CBC: Negotiations continue this week to set the terms and conditions of the permit Paramount Resources needs to begin work at Cameron Hills. The environmental assessment of the gas gathering system and pipeline is finished. Now Indian and Northern Affairs is looking for the Mackenzie Valley Environmental Impact Review Board to clarify its recommendations. The recommendation, if accepted by the federal government, would become part of Paramount's permit. One of the most contentious points concerns the benefits plan for Kakisa, Fort Providence, West Point and Hay River. The review board recommends the plan negotiated by the federal government and the company be broadened to include compensation for land use other than trapping. John Donihee, the board's lawyer, says the board is protecting the interest of areas without settled land claims.

DONIHEE: Because land claims aren't settled in the Deh Cho, they don't have the protection and the only way to get that protection to them was to focus on the compensation provisions and the benefits plan. That's what the board did and the reasons speak for themselves. They simply are urging the Department of Indian Affairs and Northern Development to either amend the benefits plan or to encourage the company to file a separate compensation plan that addresses this issue.

CBC: Donihee says Paramount has agreed to expand the plan, but the board would like to see the commitment in writing. The federal government already approved Paramount's benefits plan for the Cameron Hills in December.

BUSINESS & LABOUR

Drill project on hold

Review board outlines measures, work halted

by **Thorunn Howatt**
Northern News Services

NWT
Brakes have been put on a \$30-million drilling and pipeline project in the Cameron Hills.

"I'd say there was about one chance in hell we'll be able to do it," said president of Calgary-based Paramount Resources Clay Ridell, after the Mackenzie Valley Environmental Impact Review Board outlined 21 measures that leave the oil and gas project unfeasible.

"The minister has to intercede," he said. After spending millions in the Cameron Hills, Ridell hopes that the Department of Indian Affairs and Northern Development (DIAND) Minister Robert Nault will step in and give the company permission to move ahead.

Paramount applied last year to begin work south of Kakisa, near the Alberta border, to drill natural gas wells and build a pipeline tying the wells into its Alberta projects. Environmental assessments delayed the plan. The review board granted Paramount permission to drill the wells but conditions were placed on the company before laying pipe.

"I certainly have no assurance that we are going to get approval of it in a timely fashion and in time to do it this winter," he said. The company had permits in place on the Alberta side for more than one year.

Some of the 21 measures encourage DIAND to ensure Paramount amends its benefits and compensation agreements with affected communities, develop a wildlife monitoring program and revise its air quality modelling analysis.

"It seemed it was certainly a real possibility that given the report and the uncertainty that it raised that we weren't going to be able to do our project," said Ridell.

Paramount would continue to pursue the project but it would not be sensible to continue to spend money in an area where it is impossible to move forward, he said.

"What's the use of moving pipe up there if you are not allowed to bury it?" he asked. Paramount had a rig on its way to the Cameron Hills but has since diverted it.

The Ka'agce Tu First Nation in Kakisa will not be part of any agreement as it stands, said Chief Lloyd Chicot.

The band opposed the application for permits and wants an arrangement similar to the interim measures agreement between the Deh Cho First Nations and the federal government giving First Nations more control over environmental affairs.

—With files from *Derek Neary*

On the move

Big, from B17

owned by Denendeh Development Corporation, which is 100 per cent owned by the Dene of the Northwest Territories.

Shehtiah teamed up in a new business venture with Wilson Drilling Ltd. and will be called Shehtiah Wilson LLP.

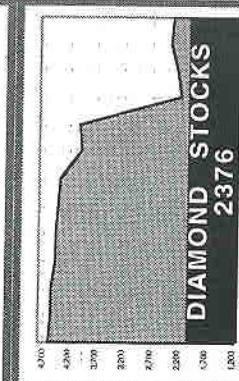
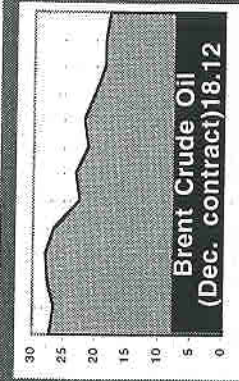
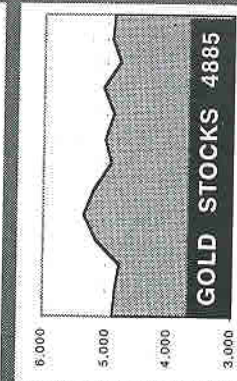
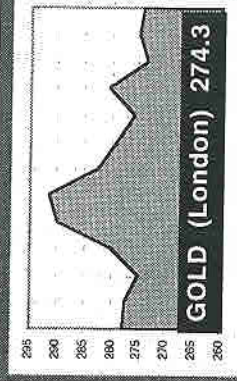
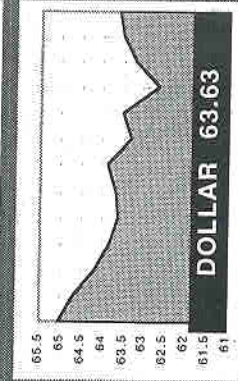
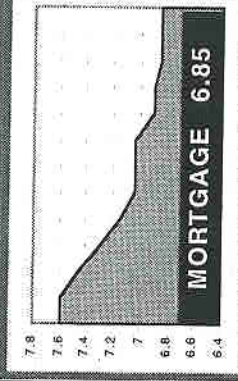
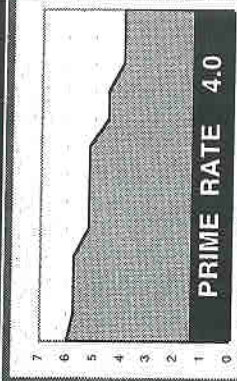
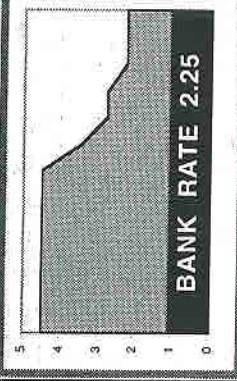
"What we've looked at is a long-term arrangement where Wilson will manage the rigs," said Fraser. "It is a long-term relationship that will keep the rigs working."

One of the new rigs was on the move last week to a job in the Fort Liard area for Paramount Resources. The other was slated to work at Paramount's Cameron Hills project but may have to look elsewhere because of the recent postponement of that project.

Shehtiah also has two service rigs that are kept busy at Imperial Oil's Norman Wells and Cold Lake, Alta. locations.

TRENDS AT A GLANCE

3 MONTH PERIOD



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Cameron Hills still on hold

Paramount critical of review board; Kakisa opposes development

Derek Neary

Fort Simpson (Dec 14/01) - The president of Calgary-based Paramount Resources Ltd. says his company likely won't proceed with \$30 million worth of drilling and pipelining in Cameron Hills this winter.

Clay Riddell said the Mackenzie Valley Environmental Impact Review Board's decision on pipelining, sent to the Minister of Indian Affairs and Northern Development (DIAND) earlier this month, outlines many mitigative measures that must be addressed, rendering the oil and gas project unfeasible in the near future.

"I'd say there's about one chance in hell that we'll be able to do it," Riddell said. "They've definitely got their priorities mixed up down there."

The review board has produced 21 recommended measures, several of them encouraging DIAND to ensure Paramount amends its benefits and compensation plans with affected communities. Other recommendations would force Paramount to supplement its traditional knowledge study, develop a wildlife monitoring program and revise its air quality modelling analysis.

Roland Semjanovs, communications officer for the review board, said the recommended mitigative measures are not extensive.

Paramount had applied last year to begin the Cameron Hills project -- which lies south of Kakisa, near the Alberta border -- but environmental assessments delayed it. The review board granted Paramount permission to drill the wells, but the pipeline conditions mean the company won't be able to produce those wells, according to Riddell. With several million dollars already invested in the project, he said Paramount will continue to pursue the project, hopeful that DIAND Minister Robert Nault will give the company permission to move ahead. Riddell said his company has a benefits package in place for First Nations.

Cynthia James, economic development officer for the Xat'odehchee First Nation, said the Hay River Reserve is "in the midst of an agreement with Paramount," but does not yet have anything signed. That agreement is in conjunction with the Deh Gah Got'ie Koe First Nation in Fort Providence and the West Point First Nation, James noted, but she declined further comment.

Lloyd Chicot, chief of the Ka'a'gee Tu First Nation in Kakisa, said his community will not be part of that agreement as it stands. The Ka'a'gee Tu First Nation, which opposed

Paramount's application for permits, wants an arrangement similar to the interim measures agreement between the Deh Cho First Nations and the federal government, giving First Nations greater control over environmental affairs, Chicot said. His band is also insisting on being recognized as the community most affected by Cameron Hills development.

"We're right in the watershed ... and we're the ones who use that area the most," Chicot said. He said the Ka'a'gee Tu First Nation has created its own impact benefits agreement, but Paramount "didn't even look at it. They didn't even look at what we put on the table."