



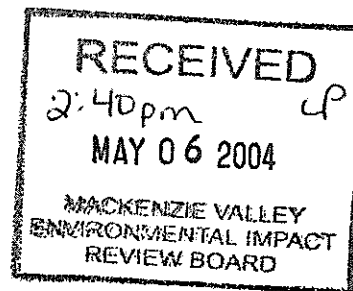
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April 30, 2004

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



Attention: Alan Ehrlich
Senior Environmental Assessment Officer

Mr. Ehrlich,

Re: Draft Terms of Reference for the MVEIRB Environmental Assessment of Land Use Permit Application (MV2003F0045) and Water License Application (MV2003L8-0012): 2004 Winter Field Geotechnical Investigation Program - Deh Cho Region

We received your fax of 20 April 2004 describing the Review Board's Draft Terms of Reference and Workplan for the Environmental Assessment of the Deh Cho Geotechnical Program. In the fax you request that comments on the draft be provided to the Review Board by 4 May 2004. This letter is the response of the developer, Imperial Oil Resources Ventures Ltd. to that request.

1) Scope of Development and Assessment

- We generally agree with the draft scope of the environmental assessment which is the physical work related to the investigation of subsurface conditions in the Deh Cho Region along a preliminary route for the Mackenzie Valley Pipeline. We are encouraged that this scope is broad enough to assess the applications before the Review Board (MV2003F0045 and MV2003L8-0012; the development) and any future programs of a similar nature. We support the intention of the Review Board to keep the scope of assessment focused on the geotechnical investigations within the Deh Cho Region.
- We would like to suggest that the Review Board consider excluding the need identified in I-2 to assess the aquatic resources and habitat of the entire watersheds upstream of each of the water crossings. The development will be conducted in the winter and the impacts would at the most be limited and not significant to upstream watersheds.
- We support the scope of the cumulative impacts assessment predictions described by the Review Board, in J-1. However, predictions about the activities of other developers would necessarily be subject to conjecture and assumption.

2) Workplan Schedule

- We note that the total elapsed time required for this environmental assessment is about 184 days from the issuance of the draft terms of reference through to the final decision. For comparison, we estimate that the actual Deh Cho geotechnical program will require about 55 days to complete. We encourage the Review Board to look for schedule efficiencies (in particular, conducting some activities parallel or combining them to shorten the overall time). We recommend that the Review Board adjust the workplan schedule so as to allow for a ministerial decision by 1 September 2004. Our experiences with this type of work in other regions has shown us that starting work earlier would be better all around:
 - It enables hand clearing of access routes before snowfall thereby eliminating the surface disturbances and rootball issues that accompany winter access clearing using heavy machinery.
 - It improves the working conditions for our contractors by enabling them to work in more moderate temperatures and with more light.
 - It provides local businesses with greater opportunities to mobilize high quality equipment and recruit experienced northern staff.
 - It allows for sufficient time to train our northern subcontractors in techniques to reduce environmental and socio economic impacts.
 - ARI research permits for the program cannot be granted until after this application has been approved which will further delay start of the work.
 - Timely approvals are particularly needed in the Deh Cho as its southerly location results in the shortest winter operating season in the Mackenzie Valley.
- For the Review Board's consideration, we offer the following specific suggestions for the workplan schedule:
 - Combine the Review Board conformity check and Information Request (IR) process. This could save 18 work days.
 - Align the time for parties technical reports with the time allocated to the developer for the Developer's Assessment Report (DAR): 10 days. Potential intervenors have had our first application since November 2002. Since then we have supplied responses to about 200 IRs on the activities associated with this work.
 - Reduce the time allocated for the Review Board report and decision from 25 days. The Review Board has all of the material previously filed and will have all of the information collected during the environmental assessment. We suggest that the Review Board consider preparing some of its report in parallel with the other parts of the environmental assessment.
 - We believe that a hearing is not necessary. However, should the Review Board decide that oral public hearings are required we request that the Review Board limit the venue to a single location.
 - We request that the Review Board provide enough flexibility in its workplan so that efficiencies captured at any step can result in earlier completion of the assessment.

3) Developer's Intentions

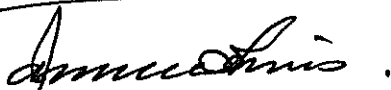
- In that we have been asked by the Review Board to submit the DAR by 31 May 2004, we intend to file as additional material in the DAR only information that is currently available. We have no plans to conduct additional field research in 2004 to supplement the DAR.

4) General Comments

- We believe that on page 8 of the draft work plan, the first point under the heading "Review Board" should read "ss 126(3)" not "ss 126(1)"
- We would like to suggest that the Review Board mention in the final Terms of Reference the possibility that the public hearings step could be replaced by the provision to the Review Board of written material.
- With respect to Traditional Knowledge reports, these reports are confidential and proprietary information owned by the First Nations. While we can refer to them in our DAR, we cannot commit to the release of those reports on behalf of the owners of the TK.
- We make the observation that we have received approval under the MVRMA and have executed in other northern regions, similar programs in a safe and environmentally and socially responsible manner. We recognize that the Review Board will need to make a number of difficult decisions that weigh and balance conflicting view points. We encourage the Review Board to make its decisions on this application in a timely manner.
- Our preliminary feasibility studies for the Mackenzie Gas Project have continued since we first filed applications for this development in 2002. Depending on the outcome of ongoing engineering analysis, we might propose geotechnical investigations at additional sites in the Deh Cho. These investigations, if required, might be conducted during 2004/2005 or 2005/2006. Any applications for additional work will be the subject of separate applications to the MVLWB. Nonetheless, we are confident that this environmental assessment will address all of the concerns associated with this type of work.
- We share the Review Board's commitment to honour the regulatory schedule described in the Cooperation Plan.

If you would like to discuss these comments further, we are available to meet with Review Board staff at your convenience in Yellowknife or via telephone.

Sincerely,



Jim Hawkins
Manager, Pipeline Regulatory