

Update on Oil and Gas Development in the NWT

Hon. Brendan Bell

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Statement to the Legislative Assembly

Mr. Speaker, the Northwest Territories is experiencing an unprecedented level of oil and gas exploration and development activity. I am pleased to provide the House with an update from the perspective of the Department of Resources, Wildlife and Economic Development. Ministers McLeod and Miltenberger will also be providing information on initiatives related to their portfolios today.

Mr. Speaker, more than 20.4 billion cubic feet of natural gas was produced in the southern NWT during 2004. An average of 20 thousand barrels of oil per day was produced from the Sahtu last year. In addition, a number of exploration companies are actively drilling and testing wells for potential reserves in the Beaufort Delta and Sahtu regions.

But Mr. Speaker, the biggest project on the horizon is the Mackenzie Gas Project. The three anchor fields identified in this project have six trillion cubic feet of proven reserves. The National Energy Board estimates that the Beaufort Mackenzie Delta region contains a further 55 trillion cubic feet of potential reserves.

As the Minister responsible for coordinating the Government of the Northwest Territories' involvement in the Mackenzie Gas Project, it is my responsibility to bring government departments together to ensure that the sustainable development of our natural resources benefits the residents of the Northwest Territories.

Mr. Speaker, to assist with this task the Mackenzie Valley Pipeline Office was established to coordinate this government's planning and response to the Mackenzie Gas Project. This office is working with departments to ensure that we optimize the benefits to the NWT, by assisting communities or ensuring we mitigate the social impacts. A key role of the Pipeline Office is to coordinate communications relating to the Mackenzie Gas Project. Residents need to know they have one main point of contact related to this development. Mr. Speaker, over the past several years, Resources, Wildlife and Economic Development has made a number of significant investments in our communities in preparation for the Mackenzie Gas Project:

- More than a million dollars has been provided to Aboriginal groups and communities to build the capacity needed to prepare for the Mackenzie Gas Project;
- \$1.5 million has been committed to the Aboriginal Pipeline Group over a six-year period;
- Since 2001/02 RWED has provided \$2.8 million, under the Maximizing Northern Employment Program, to assist Aboriginal organizations and northern businesses to develop a work force that can participate in the Mackenzie Gas Project and related oil and gas activities;
- Recently the Department of Resources, Wildlife and Economic Development partnered

with Indian and Northern Affairs Canada and the Mackenzie Valley Producers Group to develop a \$4 million fund under the Resource Pre-Development Program. This fund provides Aboriginal organizations and tax-based communities with funding to negotiate access and benefit and fee for service agreements; and, - The Mackenzie Valley Pipeline Office also provides contributions for special projects related to the Mackenzie Gas Project such as the Community Leaders Workshop hosted by the Department of Municipal and Community Affairs this past December in Inuvik.

Mr. Speaker, on the regulatory front, the Mackenzie Gas Project Producers Group filed their Environmental Impact Statement on the Mackenzie Gas Project last October. Our government along with other interveners has been reviewing the statement and requesting further information on issues contained in the statement. The project is subject to a vigorous assessment and review process undertaken by the National Energy Board and the Joint Review Panel.

The Department of Resources, Wildlife and Economic Development will coordinate our government's intervention in both processes to ensure Northwest Territories' interests are addressed. This involves coordinating the efforts of many departments to assess the impact of the project and to ensure appropriate conditions and mitigations are put in place.

A critical part of our coordination process is the role Members of this Legislative Assembly play through the Joint Pipeline Planning Committee established by the Standing Committee on Accountability and Oversight and Cabinet. This Committee provides direction and leadership on all Government of the Northwest Territories activities related to the Mackenzie Gas Project.

As Chair, I am committed to incorporating committee members' recommendations into the planning and response to the Project. Our most recent meeting in Norman Wells provided great insight into the issues communities are dealing with on a daily basis. These meetings can only improve our plans to respond and deal with the opportunities and challenges presented by the Mackenzie Gas Project. I look forward to our next meeting planned this April in Fort Simpson.

Mr. Speaker, these are exciting and challenging times for the Northwest Territories. Our government is committed to ensuring that the interests of our residents are considered and protected with any development, whether it is the Mackenzie Gas Project or exploration and development throughout the Northwest Territories.

Thank you.