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Mr. John T'Seleie
Executive Director
Sahtu Land Use Planning Board
P.O. Box 235
Fort Good Hope, NWT X0E 0H0

Via E-mail and Courier

Mr. T'Seleie:

Re: Comments on Sahtu Land Use Plan - Draft 1

On behalf of Imperial Oil Resources Ventures Limited (Imperial), I have reviewed the Sahtu Land Use Plan – Draft 1, February 2007, and am pleased to provide the following comments.

I understand that the Canadian Association of Petroleum Producers (CAPP) also intends to comment on the draft. As a member of CAPP, Imperial supports the recommendations contained in CAPP's letter outlining industry concerns regarding the Sahtu Land Use Plan – Draft 1.

As the operator of the proposed Mackenzie gathering pipelines and the Mackenzie Valley pipeline, Imperial's comments in this letter address aspects of the draft plan that relate to the construction and operation of the pipeline system in the Sahtu Settlement Area (SSA).

The proposed routing and infrastructure sites of the Mackenzie gathering and gas pipelines in the SSA have been publicly available for several years, as a result of regulatory applications and filings made to the Joint Review Panel, National Energy Board, Mackenzie Valley Land and Water Board, and other agencies. Accordingly, Imperial's first recommendation is that the Sahtu Land Use Plan include provision for a multiple use zone corridor designated for the Mackenzie Valley pipeline and other utility infrastructure. The zone would allow the pipelines and utility infrastructure, such as roads, electricity transmission lines and communication installations, to be developed without the restrictions imposed by special management or conservation zones.

Second, because the project is continuing to evolve as the regulatory process proceeds, the multiple use zone corridor should allow for, and recognize, the need for design changes.

Third, construction of the project requires camps, stockpile sites, barge landings, access roads, borrow sites, airstrips, helipads, fuel storage sites, and water sources, which are in many different proposed special management zones throughout the SSA. A means to allow these facilities to be developed should be provided.

Fourth, parts of the project will be located in proposed conservation zones. At the proposed Little Chicago Conservation Zone, Imperial intends to locate a camp site, storage site, pipe stockpile site, and an access road. A barge landing site, which might also be located within the conservation zone boundary, will be required. In addition, a winter access road is expected to be needed between the

islands included in the proposed Mackenzie River Islands Conservation Zone. Imperial requests that these two conservation zones be designated as special management zones, because Imperial has no viable alternative for the infrastructure components expected to be located in this area.

I note that the Mackenzie River Islands Conservation Zone has not been included in the land use plan, but has been indicated on the large land use plan map. Either the plan or the map should be adjusted in order to maintain consistency between the two.

Development within the SSA is regulated by the Sahtu Land and Water Board, the Mackenzie Valley Land and Water Board and other territorial and federal government regulators and agencies. These regulators and agencies have a clear mandate to obtain effective local input into the permitting process.

Imperial suggests that the Sahtu Land Use Planning Board indicate the natural resources and cultural values to be protected within each special management zone, instead of the way in which the zone is to be protected. Such an approach would avoid duplicating the efforts between the land use plan and current regulators and would allow Sahtu values to be preserved without creating restrictions to economic development through overlapping and redundant regulatory responsibilities.

In its May 4, 2007, letter to the JRP, the Sahtu Land Use Planning Board proposed that the JRP recommend that the Sahtu Land Use Plan be completed and approved before a decision is made to proceed with the Mackenzie Gas Project. The Sahtu Land Use Planning Board also recommended that, to ensure proper environmental stewardship, the Sahtu Land Use Plan be completed before a pipeline is constructed.

Imperial believes that additional regulatory delay to approve the Sahtu Land Use Plan is not required to preserve and protect Sahtu environmental and cultural values. Through the public deliberations of the National Energy Board and JRP, the Northern land and water boards and other regulatory agencies, the existing regulatory framework is adequate to ensure that the Mackenzie Gas Project is developed in a manner that is acceptable to the Sahtu.

Imperial can make GIS Shape files of the project components available to the Sahtu Land Use Planning Board, upon request. Please contact me if this would be helpful to you.

I would be pleased to meet with you to discuss the draft plan, and Imperial's proposed land use, in more detail. If you wish to discuss this further, please phone me at (403) 237-2806, or contact me by e-mail at: jim.r.hawkins@exxonmobil.com.

Thank you for providing Imperial with an opportunity to comment on the draft Sahtu Land Use Plan.

Sincerely,

(original signed by)

J.R. Hawkins
Pipeline Regulatory Manager

cc: John Masterson, Canadian Association of Petroleum Producers
George Govier, Executive Director, Sahtu Land and Water Board