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April 24, 2014

National Energy Board of Canada
444 Seventh Ave. SW
Calgary AB T2P 0X8

Attention: Mr. Gaetan Caron
Chair/CEO

Mr. Caron,

Re: Request for Review and Ruling on Equivalent Approach to Satisfy Same Season Relief Well Policy

This letter is a request from Imperial Oil Resources Ventures Limited (Imperial), as operator of the Beaufort Sea Exploration Joint Venture covering Beaufort Sea exploration licences EL 476 (Ajurak) and EL 477 (Pokak), for the National Energy Board (NEB) to undertake a review and to develop a ruling on an equivalent approach based on best available technology, which includes incident prevention, containment and response plans, and which does not include a Same Season Relief Well (SSRW), for an exploration well Imperial proposes to drill in the deeper water portion of the above referenced licences.

The NEB received a Project Description from Imperial, in September 2013, outlining Imperial's proposal to drill an exploration well in the deeper water portion of EL 476 and 477. The Project Description outlined Imperial's primary approach to well control as being prevention of incidents. Procedures will be developed to ensure safe operations in the Arctic offshore environment, including drilling program design, processes, equipment and personnel training. Contingency planning, including source control and spill recovery and clean-up, will also be developed for the Arctic offshore environment.

Imperial believes that by using best available technology and by applying best safety practices that its proposed approach provides an equivalent level of safety and environmental protection as same-season relief well capability, and is consistent with the board's stated commitment to goal-based regulation in ensuring the highest levels of protection in offshore drilling.

The NEB has previously considered similar requests from Imperial regarding SSRW equivalency and Imperial is now asking the NEB to reconsider its previous responses in light of recent and current developments. Since the NEB last responded to Imperial's request for such a ruling, the following events have occurred:

- the NEB review and inquiries relating to the Deepwater Horizon accident, namely the NEB's Arctic Offshore Drilling Review (AODR), has been completed and the various recommendations have been considered
- the Inuvialuit Environmental Impact Review Board (EIRB) has issued its draft Terms of Reference for public comment. The draft Terms of Reference include requirements that Imperial will describe:
 - how the NEB SSRW policy expectations would be met
 - the capping and containment equipment and personnel
 - options for regaining well control including relief well, the criterion for selection and their likely effectiveness and reliability

In addition, the factors that prompted Imperial to make its earlier request to the NEB for a ruling on SSRW equivalency remain the same today. These include:

- a high level of interest and concern by northern stakeholders and public
- timeline and effort to prepare regulatory submissions which include preparing an equivalent approach to the SSRW policy

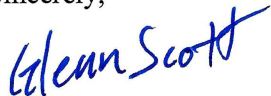
The NEB AODR did reaffirm the NEB's commitment to goal-based regulation and provided some of the needed clarity regarding the SSRW policy. However, the regulatory uncertainty with respect to SSRW remains today.

Imperial acknowledges the AODR statement that it is the responsibility of the NEB to determine the adequacy of an SSRW capability equivalency and further appreciates from the AODR that "It would be up to us (the National Energy Board) to determine, on a case by case basis which tools are appropriate for meeting or exceeding the intended outcome of the same season relief well policy".

Accordingly, Imperial requests that the NEB consider and provide a ruling on the particular approach that Imperial proposes to meet the intended outcome of the NEB SSRW capability policy. Imperial would be prepared to provide the details of this proposal to the NEB in the 3Q of 2014. Such a ruling by the NEB would avoid unnecessary duplication and confusion, facilitate the consideration of Imperial's Environmental Impact Statement (EIS) by the EIRB and provide an effective approach for the NEB to incorporate into its consideration of subsequent regulatory applications that Imperial intends to file.

Thank you for your consideration of this request. Imperial would be pleased to discuss this further with NEB staff as appropriate.

Sincerely,



cc.

Janet King, Assistant Deputy Minister, Aboriginal Affairs and Northern Development Canada

Nellie Cournoyea, Chair, Inuvialuit Regional Corporation

Frank Pokiak, Chair, Inuvialuit Game Council

Jon Pierce, Chair, Environmental Review Board