



Sherry Becker
Beaufort/East Coast Opportunity
Manager, Exploration

July 17, 2014

To: Distribution List

Via Email or Facsimile

Re: Notification to Interested Persons Concerning the National Energy Board's Decision to Review Imperial's Proposal for a Same Season Relief Well Equivalent Approach

At the direction of the National Energy Board (NEB or the Board), Imperial Oil Resources Ventures Limited (Imperial) is sending this letter to persons that Imperial believes might be interested in participating in the NEB's review and ruling on Imperial's proposed same season relief well (SSRW) equivalent approach. Please forward this letter to others within your organization as may be relevant.

On July 11, 2014, the NEB issued a letter to Imperial indicating that the Board agrees to review and rule on Imperial's proposed SSRW equivalent approach. As noted in the Board's letter under Next Steps, the Board has directed Imperial to provide a copy of the NEB's letter to potentially interested persons by July 17, 2014, in order to seek comments on the NEB's draft list of issues included in Appendix 1. In compliance with the NEB's directive, a copy of the NEB's letter is attached (the letter is also available on the NEB's webpage under Major Applications and Projects).

Imperial has developed a list of potentially interested persons (see attached) based on the following criteria:

- persons that have expressed interest in the SSRW policy in past consultations with Imperial
- persons that have submitted written comments to the NEB, the Environmental Impact Screening Committee or the Environmental Impact Review Board concerning SSRW policy or aspects of the exploration drilling program
- persons that could be directly affected by the exploration drilling program
- persons that could bring helpful information to the NEB review

The NEB requests that comments from interested persons on the draft list of issues be sent directly to the NEB by **August 1, 2014**, with a copy to Imperial at beaufortsea.project@esso.ca. Comments can be e-filed through the Board's website at www.neb-one.gc.ca. Click on Regulatory Documents, Submit documents and follow the links to Submit Documents Electronically. Comments can also be filed with the Secretary of the Board via mail or fax at the following address:

Secretary of the Board
National Energy Board
517 Tenth Avenue SW
Calgary, AB T2R 0A8
Toll Free Fax: 1-877-288-8803

Imperial has used reasonable commercial efforts to compile the list of interested persons to whom it has sent a copy of the Board's July 11, 2014, letter. However, Imperial does not represent, warrant, undertake or guarantee that all persons, firms, corporations or entities that may somehow be interested in or affected by these proceedings will have received a copy of the Board's letter. As such, Imperial disavows itself of any liability to the Board or to any person, firm, corporation or entity in respect of any damages, liabilities, costs or expenses that any of the foregoing may suffer, sustain, pay or incur as a result of the list of interested persons being shown to be incomplete or being shown to be have failed to identify any particular person, firm, corporation or entity (including, without limitation, loss of profit, or business interruption or indirect, incidental, consequential, special, exemplary or punitive damages).

Sincerely,

(original signed by)

Sherry Becker
Beaufort/East Coast Opportunity Manager
Beaufort Sea Exploration Joint Venture

cc: Sheri Young, NEB

Attachments
SB/dmg

List of Potentially Interested Persons

Inuvialuit Organizations and Northerners

Billy Archie	Community Corporation – Akavik
Duane Smith	Community Corporation – Inuvik
Lawrence Ruben	Community Corporation – Paulatuk
John Lucas Jr.	Community Corporation – Sachs Harbour
Vince Teddy	Community Corporation – Tuktoyaktuk
Colin Okheena	Community Corporation – Ulukhaktok
Danny Greenland	Ehdiitat Gwich'in Council
Lillian Green	Elders Committee – Paulatuk
Lena Wolki	Elders Committee – Sachs Harbour
Jean Gruben	Elders Committee – Tuktoyaktuk
Agnes Kuptana	Elders Committee – Ulukhaktok
Janet Boxwell	Gwich'in Renewable Resource Board
Norman Snowshoe	Gwich'in Tribal Council
William Storr	HTC – Akavik
Hank Rogers Sr.	HTC – Inuvik
Richard Gordon	HTC – Inuvik
Joshua Oliktok	HTC – Olokhaktomiut (Ulukhaktok)
Tony Green	HTC – Paulatuk
Joseph Carpenter	HTC – Sachs Harbour
John Noksana Jr.	HTC – Tuktoyaktuk
James Stotts	Inuit Circumpolar Council (Alaska)
Duane Smith	Inuit Circumpolar Council (Canada)
Terry Audla	Inuit Tapiirit Kanatami
Wayne Gordon	Inuvialuit Development Corporation
Frank Pokiak	Inuvialuit Game Council
Dean Arey	Inuvialuit Land Administration
Albert Elias	Inuvialuit Land Administration
Lennie Emaghok	Inuvialuit Land Administration
Mike Harlow	Inuvialuit Land Administration
Joe Kudlak	Inuvialuit Land Administration
David Kuptana	Inuvialuit Land Administration
Hank Rogers Sr.	Inuvialuit Land Administration
Bobby Ruben	Inuvialuit Land Administration
Nellie Cournoyea	Inuvialuit Regional Corporation
Bob Simpson	Inuvialuit Regional Corporation
Steven Baryluk	Joint Secretariat
Frank Pokiak	Joint Secretariat
Norm Snow	Joint Secretariat
Luigi Torreti	Kitikmeot Inuit Association
Jozef Carnogursky	Nihtat Gwich'in Council
Harry Brower	North Slope Borough, Wildlife Management
Robert Suydam	North Slope Borough, Wildlife Management
Charles Gruben	Tuktoyaktuk Resident
Merven Gruben	Tuktoyaktuk Resident
Joe Linklater	Vuntut Gwich'in First Nation
Lindsay Staples	Wildlife Management Advisory Council – North Slope
Ernest Pokiak	Wildlife Management Advisory Council – North Slope
Larry Carpenter	Wildlife Management Advisory Council – NWT
Robert Gau	Wildlife Management Advisory Council – NWT

Government

Michel Chenier	Aboriginal Affairs and Northern Development Canada
Greg McFarlane	Aboriginal Affairs and Northern Development Canada
Joanne Munroe	Canadian Coast Guard

List of Potentially Interested Persons (Cont'd)

Government (cont'd)

David Alexander	Canadian Northern Economic Development Agency
Mark Dahl	Environment Canada
Leah Canning	Environment Canada
Carey Ogilvie	Environment Canada
Loretta Ransom	Environment Canada, Yellowknife
Richard Gordon	Environment, Yukon, Yukon Government
Kelly Hunnie	Environmental Affairs, Transport Canada, Winnipeg
John Pierce	Environmental Impact Review Board
John Ondrack	Environmental Impact Screening Committee
Fisheries Protection Program	Fisheries & Oceans Canada
Veronique D'Amours-Gauthier	Fisheries & Oceans Canada, Yellowknife
Vic Gillman	Fisheries Joint Management Committee
Conrad Baetz	Government of the Northwest Territories – Department of Lands, Beaufort Delta Region
Marsha Branigan	Government of the Northwest Territories – Environment and Natural Resources
Ray Case	Government of the Northwest Territories – Environment and Natural Resources, Yellowknife
Steven Charlie	Government of the Northwest Territories – Environment and Natural Resources
Peter Clarkson	Government of the Northwest Territories – Executive
Shafic Khouri	Government of the Northwest Territories – Department of Lands
Johnny Lennie	Government of the Northwest Territories – Industry, Tourism & Investment – Petroleum Resources
Menzie McEachern	Government of the Northwest Territories – Industry, Tourism & Investment – Petroleum Resources
David Ramsay	Government of the Northwest Territories – Industry, Tourism and Investment
Marc D'Iorio	Natural Resources Canada
Mark Pearson	Natural Resources Canada
Chris Praught	Natural Resources Canada
Nelson Perry	Parks Canada
Diane Wilson	Parks Canada
Graham Howell	Prime Minister's Office
Holly Poklitar	Transport Canada
Desmond Raymond	Transport Canada
Dave Ladret	Yukon Government – Department of Environment, Whitehorse
Ron Sumanik	Yukon Government – Energy, Mines & Resources, Oil & Gas Resources
Perry Diamond	Yukon Government – Energy, Mines & Resources, Oil & Gas Resources
Bryan Levia	Yukon Government – Environment, Environmental Programs

NGO

William Amos	Ecojustice Environmental Law Clinic, University of Ottawa
Danielle Droitsch	Natural Resources Defense Council
Louie Porta	Oceans North Canada
Julia Kilpatrick	Pembina Institute
John Bennett	Sierra Club of Canada
Rob Powell	World Wildlife Fund

Industry and Other

Rory Voudrach	Aurora College, Aurora Campus
Robert Ball	BP Exploration Operating Company Limited
Paul Barnes	Canadian Association of Petroleum Producers
Bill Scott	Chevron Canada Limited
Sheila Reader	ConocoPhillips Canada
Charles Furlong	Hamlet of Aklavik
Ray Ruben	Hamlet of Paulatuk
Betty Haogak	Hamlet of Sachs Harbour

List of Potentially Interested Persons (Cont'd)

Industry and Other (cont'd)

Darrell Nasogaluak	Hamlet of Tuktoyaktuk
Susan Koadlak	Hamlet of Ulukhaktok
Alfred Moses	Member of Legislative Assembly, Inuvik Boot Lake
Robert McLeod	Member of Legislative Assembly, Inuvik Twin Lakes
Frederick Blake, Jr.	Member of Legislative Assembly, Mackenzie Delta
Jackie Jacobson	Member of Legislative Assembly, Nunakput
Dennis Bevington	MP Western Arctic
Floyd Roland	Town of Inuvik



File OF-EP-Gen-PA-I017 03
11 July 2014

Mr. Glenn Scott
President
Imperial Oil Resources Ventures Limited
237 Fourth Avenue SW,
PO Box 2480, Station M
Calgary, AB T2P 3M9
Facsimile 403-237-4447

Dear Mr. Scott:

Request for Review and Ruling on Equivalent Approach to Satisfy Same Season Relief Well (SSRW) Policy for the Imperial Oil Resources Ventures Limited (IORVL) Beaufort Sea Exploration Joint Venture Drilling Program (Project)

On 24 April 2014, IORVL requested that the National Energy Board (NEB or Board) consider and provide a ruling on the approach IORVL will propose to meet the intended outcome of the NEB's SSRW Policy, in advance of filing an application pursuant to paragraph 5(1)(b) of *Canada Oil and Gas Operations Act* (COGOA) seeking authorization of its Project. The Board requested additional information from IORVL on 16 May 2014, to which IORVL provided a response on 17 June 2014.

Board Decision

The Board has carefully considered the information submitted and has decided to grant IORVL's request. On receipt of a complete proposal for the ruling sought, the Board will commence a process to determine whether the approach proposed by IORVL meets or exceeds the intended outcome of the NEB's SSRW Policy.

The Board notes that any ruling at the conclusion of the SSRW process will only address whether the intent of the SSRW Policy has been met or exceeded, not whether the Project would be authorized to proceed. An operations authorization can only be issued by the Board pursuant to paragraph 5(1)(b) of the COGOA after considering a full Project application, and after:

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- reaching a decision about the likelihood of significant adverse environmental effects under the CEAA 2012; and
- considering the recommendations of the Environmental Impact Review Board established under the *Inuvialuit Final Agreement*.

Reasons

Section 6 of the *Canada Oil and Gas Drilling and Production Regulations* require an applicant to provide contingency plans to mitigate the effects of any reasonably foreseeable event that might compromise safety or environmental protection. An out-of-control well is an example of such a foreseeable event and SSRW capability is considered in this context. The SSRW Policy states that the applicant must demonstrate in a Contingency Plan the capability to drill a relief well to kill an out-of-control well during the same drilling season. The intended outcome of this policy is to minimize harmful impacts on the environment. The Board stated at the conclusion of its *Review of Offshore Drilling in the Canadian Arctic* that it was open to evolving technology and that it would consider departures from the SSRW Policy on a case-by-case basis. Any applicant wishing to depart from the SSRW Policy must demonstrate how it would meet or exceed the intended outcome of the Policy.

Paragraph 5.31(1)(b) of the COGOA authorizes the Board to inquire into, hear and determine any matter if it appears to the Board that the circumstances may require the Board, in the public interest, to make any order or give any direction, leave, sanction or approval that by law it is authorized to make or give. Drilling in the Arctic offshore is an activity that is sanctioned by the COGOA. The Board is of the view that it is in the public interest to determine whether the approach proposed by IORVL meets or exceeds the intended outcome of the NEB's SSRW Policy in advance of receiving IORVL's application pursuant to paragraph 5(1)(b) of the COGOA seeking authorization of its Project.

In coming to this conclusion, the Board considered the following factors: regulatory certainty, efficiency, and public access to information.

IORVL stated that it will use the SSRW ruling as a basis to initiate detailed drilling engineering design, and develop safety and environmental effects plans for inclusion later in the operations authorization and environmental impact statement submission for the Project. The Board finds that clarifying whether IORVL's proposal meets the intended outcome of the SSRW Policy would be beneficial to establish early in the regulatory review process as this is a major element of the Project's design.

The Board finds that the extent of the proposal to be filed would not likely result in the Board having to consider the majority of a Project application under the COGOA. Evidence provided in support of the SSRW process should not need to be filed in a future Board proceeding to consider the Project. Having said this, the Board will ensure that it obtains all the information it considers necessary to make its determination in the SSRW proceeding.

IORVL indicated that it is willing to consent to the public release of information that is normally

privileged pursuant to s. 101 of the *Canada Petroleum Resources Act*. The Board appreciates IORVL's undertaking as it supports a transparent regulatory process where information in the SSRW proceeding will be accessible to the public.

Next Steps

The Board has attached a draft List of Issues in Appendix 1. This is in no way a predetermination of the merits of IORVL's application or process for assessment.

The Board seeks comments from interested persons on the draft List of Issues by 1 August 2014. The Board will consider the comments received in making any necessary revisions to the List of Issues. Additional information about processes will be released by the Board in due course.

The Board directs IORVL to:

1. Provide a copy of this letter to potentially interested persons by 17 July 2014; and
2. Provide a list of potentially interested persons it has contacted to the Board by 24 July 2014.

Yours truly,

Original signed by

Sheri Young
Secretary of the Board

Attachment

- c.c. Ms. Sherry Becker, Imperial Oil Resources, facsimile 403-237-4447
 Ms. Paula Issak, Aboriginal Affairs and Northern Development Canada,
 facsimile 819-953-6121
 Ms. Nellie Cournoyea, Chair and CEO, Inuvialuit Regional Corporation,
 facsimile 867-777-7001
 Mr. Frank Pokiak, Chair, Inuvialuit Game Council, facsimile 867-777-2610
 Mr. Jon Pierce, Chair, Environmental Impact Review Board, facsimile 867-777-2610

Appendix 1 - Draft List of Issues

On 24 April 2014, IORVL requested that the National Energy Board (NEB or Board) consider and provide a ruling on the approach IORVL will propose to meet the intended outcome of the NEB's SSRW Policy.

The NEB's SSRW Policy is that the applicant must demonstrate the capability to kill an out-of-control well during the same drilling season. The intended outcome of the Policy is to minimize harmful impacts on the environment. As stated in the Board's *Review of Offshore Drilling the Canadian Arctic*, an applicant wishing to depart from the SSRW Policy would have to demonstrate how they would meet or exceed the intended outcome of the Policy.

The draft List of Issues reflects the Board's initial considerations of the issues to be examined to reach that ruling. This is in no way a predetermination of the merits of IORVL's project application.

1. What criteria and risks should be considered in determining whether the intent of the SSRW Policy has been satisfied by the tools and techniques proposed to respond to an out-of-control well.
2. How the tools and techniques proposed would meet the criteria and address risks in the circumstances of a worst case scenario.
3. The terms and conditions, if any, that should be considered at the project application stage if the departure from the SSRW Policy is granted.
4. Implications of the Board accepting a departure from the SSRW Policy.

The Board does not intend to conduct an environmental assessment as part of this proceeding. An environmental assessment would be undertaken at the project application stage.