



ENVIRONMENTAL IMPACT REVIEW BOARD

The Joint Secretariat – Inuvialuit Settlement Region

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November 12, 2014

Via E-Mail

Imperial Oil Resources Ventures Ltd.
237 Fourth Avenue South West
P.O. Box 2480 Station "M"
Calgary AB
Canada, T2P 3M9

Attention: Ms. Sherry Becker
Beaufort/Eastcoast Opportunity Manager
Beaufort Sea Exploration Joint Venture

Dear Ms Becker:

RE: BEAUFORT SEA EXPLORATION JOINT VENTURE DRILLING PROGRAM

As you are aware, a determination of the worst case scenario for Beaufort Sea Exploration Joint Venture Drilling Program (the Development) is required for the Environmental Impact Review Board (EIRB) to fulfill its responsibilities as set out in the *Inuvialuit Final Agreement* (IFA). Specifically, the EIRB must prepare an estimate of the potential liability of a Developer determined on a worst case scenario (*Paragraph 13(1)(b), IFA*). To support the effective development and use of a worst case scenario, the EIRB has decided to initiate work on the determination of the worst case scenario in advance of an Environmental Impact Assessment.

The EIRB recognizes that the Developer may initiate the preparation of a worst case scenario for this Development as per the process set out in the 'Beaufort Sea Steering Committee Report Volume 2 - Report of Task Group One: Worst Case Scenario, April 1991'. Attached are 'Worst Case Scenario Terms of Reference' that are being issued by the EIRB to provide guidance and set out information requirements and expectations of the EIRB for the development of a worst case scenario that will satisfy the requirements of the IFA. It is important to note that the determination of the worst case scenario by the EIRB will be limited to the technical description of the worst case scenario only - this determination does not require impact assessment. An impact assessment of a worst case scenario will be undertaken during the environmental assessment of the Development which will follow the Developer's submission of an Environmental Impact Statement.

Further, you will find, attached, a Process Directive on the procedures and steps leading to the determination of the worst case scenario for this Development by the EIRB. This process requires that the Developer submit to the EIRB the worst case scenario at which time it will be made public and the EIRB will issue a notice for a Worst Case Scenario Proceeding. The notice will provide the date, time and location for the Worst Case Scenario Proceeding along with rules and procedures and how stakeholders and the public can participate. Transcripts of the Proceeding will be made available.

The EIRB will issue a Report on the EIRB's decision and conclusions resulting from the Proceeding on the determination of a worst case scenario. The Report may also include information on how the conclusions and recommendations by the EIRB may be included in any future Environmental Impact Assessment by the EIRB and other regulators.

The EIRB recognizes that the next step in the process will depend on the Developer submitting the worst case scenario to the EIRB. Once submitted, the EIRB commits to conducting a timely and expeditious review that will result in one worst case scenario, developed through the IFA process, that will satisfy the requirements of the IFA.

Please feel free to contact me at (867) 678-8619, or eirb@jointsec.nt.ca.

Sincerely,



Richard Binder
Environmental Impact Review Coordinator

Attachment

