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Your file - Votre référence

Our file - Notre référence

January 8, 2002

Mr. Joe Acorn
Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
Box 938, 200 Scotia Centre
YELLOWKNIFE, NT
X1A 2N7

Dear Mr. Acorn:

Re: Cameron Hills EA Report Consultation – Benefits Plan Information

As requested at the January 4, 2002 Cameron Hills EA Report consultation meeting, DIAND submits the following response to your query regarding Benefits Plans.

The MVEIRB indicates on page 7 of its Cameron Hills EA Report, that section 5.2 of the *Canada Oil and Gas Operations Act (COGOA)*, requires Paramount to submit a Benefits Plan in respect of the Cameron Hills Gathering System and Pipeline Development.

To be clear, the process set out in section 5.2 of COGOA is such that a Benefits Plan, based on COGOA-related development activities, is submitted to the DIAND Minister for approval. The Minister has the authority pursuant to subsection 5.2(2) of COGOA to approve the Benefits Plan submitted by Paramount in respect of the Cameron Hills Gathering System component.

The authority of the Minister under section 5.2(2) of COGOA is only in respect of approving, not amending, the Benefits Plan. We are unaware of any statutory authority allowing the Minister to unilaterally amend an approved Benefits Plan.

It should be noted that the COGOA Benefits Plan requirement does not apply to the Pipeline Development component of Paramount's Cameron Hills project, which is regulated under the *National Energy Board Act (NEB Act)*. There is no requirement in the NEB Act for a Benefits Plan.

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Sincerely,



R.J. (Bob) Mahnic
Manager, Petroleum Development & Benefits

cc. Lorne Tricoteux, DIAND
David Livingstone, DIAND
Tom Isaac, Justice
Guy Delisle, NEB

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