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MESSAGE TO	CONTACT / AFFILIATION	FAX
Mr. Vern Christensen	MVEIRB	867-766-7074

MESSAGE FROM:	Laura Van Ham	Environmental Specialist
PHONE:	(403) 299-2769	FAX: (403) 292-5876
DATE:	24 June 2002	# of Pages including this cover page 4

REMARKS/COMMENTAIRES:

Subject/Sujet:	WesternGeco Mackenzie River 2D Seismic Program 2002
<p>Mr. Christensen,</p> <p>Following is the draft letter for referral of the above noted program to the MVEIRB for environmental assessment. As per our discussion earlier this morning, the NEB will initiate set-up of a conference call between the MVEIRB, the NEB (Laura Van Ham, John Korec) and DFO in Inuvik (Pete Cott) for 3:30 this afternoon. Bruce Hanna (DFO in Yellowknife) will join you in your office for the call.</p> <p>Please have someone in your office provide a number for the extension that you will use for the conference call at your earliest possible convenience.</p> <p>Please contact the undersigned at 403-299-2769 or lvaham@neb-one.gc.ca to provide the conference call number or if you have any questions.</p> <p>Sincerely, Laura Van Ham, M.E.Des. Environmental Specialist</p>	

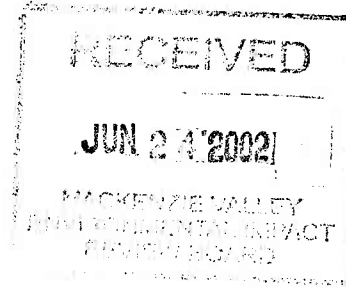
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Final Draft for Discussion Purposes Only

NEB File 9180-W730-2
DFO File SC02019
24 June 2002



Mr. Vern Christensen
Executive Director
Mackenzie Valley Environmental Impact Review Board
200 Scotia Centre, 5120-50th Avenue
Yellowknife, Northwest Territories
X1A 2N7
Facsimile (867) 920-4761

Dear Mr. Christensen:

**Notice of Preliminary Screening Decision to refer the WesternGeco Canada Limited
Mackenzie River 2D Seismic Program 2002 to Environmental Assessment**

The National Energy Board (NEB) received a WesternGeco Canada Limited (WesternGeco) application on 23 April 2002 for an authorization pursuant to paragraph 5(1)(b) of the *Canada Oil and Gas Operations Act* to conduct a 2D, 1,800 linear km river seismic acquisition program on the Mackenzie and Liard rivers (the development). On 2 May 2002, the NEB notified the Mackenzie Valley Environmental Impact Review Board (MVEIRB) and initiated a preliminary screening pursuant to section 124 of the *Mackenzie Valley Resource Management Act* (MVRMA).

Pursuant to subsection 125(1) of the MVRMA, the NEB as the designated regulatory agency and Fisheries and Oceans Canada (DFO) as a regulatory authority are of the opinion that *the development might have a significant adverse impact on the environment*. Accordingly, the proposed 1,800 km development is referred to the MVEIRB for an environmental assessment.

Reasons for Decision (section 121 of the MVRMA)

The NEB and DFO feel that the acoustic effects and proposed mitigation measures of a river seismic program of this magnitude require further study in order adequately evaluate the residual impacts on fish and freshwater mammals. The potential impacts in question relate to changes in behaviour and physiology.

WesternGeco's proposed development entails a 2D river seismic program that runs the majority of the length of the Mackenzie and Liard rivers (approximately 1,800 km). The proposed seismic technology is a recorder/source and a source vessel each towing a 1500 in³ airgun array. The environmental impact assessment submitted by WesternGeco in support of its application

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contained a synopsis of relevant literature and acoustic modeling as it relates to potential impacts and proposed mitigation measures for an airgun seismic program. The NEB received a number of comments and questions regarding the development in response to its preliminary screening notification and request for review and comment (dated 2 May 2002). While it was recognized that the seismic technology has been used under various conditions in the past, expert agencies including DFO and Government of Northwest Territories Department of Resources, Wildlife and Economic Development (RWED) identified key information gaps in the submission related to potential impacts and effectiveness of mitigation on fish and freshwater mammals in the Mackenzie and Liard river systems.

The NEB Information Request (IR) No. 1 (dated 31 May 2002) provided an opportunity for WesternGeco to address these comments and questions during the preliminary screening. Following review of WesternGeco's submission in response to IR No. 1 (dated 10 June 2002), the NEB and DFO are of the opinion that the submission does not contain sufficient evidence to conclusively address the key information gaps identified above. Furthermore, the NEB and DFO are of the opinion that the key information gaps can only be addressed through collection and analysis of test data that is relevant to the Mackenzie and Liard river systems such as:

- acoustic output and attenuation of the seismic energy source;
- behavioral impacts of the seismic energy source on fish and freshwater mammals;
- physiological impacts of the seismic energy source on fish and freshwater mammals; and
- effectiveness of proposed mitigation measures.

For the reasons stated above, the NEB and DFO are of the opinion that the lack of conclusive evidence related to the key information gaps coupled with the magnitude of the development as it relates to the Mackenzie and Liard rivers result in a decision that the *development might have a significant adverse impact on the environment*.

Recommendation

WesternGeco has proposed to undertake a test program to demonstrate that its proposed measures would effectively mitigate the potential significant adverse impacts on the environment of the proposed 1,800 km development. The NEB and DFO are of the opinion that an appropriately designed test program, in and of itself, would not result in a significant adverse impact on the environment.

It is the joint recommendation of NEB and DFO that WesternGeco finalize the design of the test program through consultation with DFO with respect to fish and fish habitat and RWED with respect to freshwater mammals. We anticipate that following completion of the test program, WesternGeco would submit an application to the NEB for a Geophysical Operation Authorization to conduct the test program. The NEB and DFO recommend that the NEB conduct a preliminary screening on the test program, utilizing relevant information gathered during the preliminary screening for the proposed 1,800 km development, and submit the preliminary screening report to the MVEIRB. The NEB and DFO are of the opinion that the results of the test program are pertinent to the environmental assessment of the proposed development. The MVEIRB's consideration of this recommendation would be appreciated.

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Please contact Laura Van Ham, Environmental Specialist, NEB, at 403-299-2769 or lvaham@neb-one.gc.ca or Pete Cott, Area Habitat Biologist, DFO, at 867-777-7520 or cottp@dfo-mpo.gc.ca if you have any questions or concerns related to this matter. Alternatively, please contact John Korec, NEB, at 403-292-6614 or jkorec@neb-one.gc.ca.

Yours truly,

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T.M. Baker
Chief Conservation Officer
National Energy Board

Attachment

c.c. Ms. Julie Dahl, Area Chief, Habitat, Fisheries and Oceans Canada, facsimile (867) 669-4940
Mr. Pete Cott, Area Habitat Biologist, Fisheries and Oceans Canada, facsimile (867) 777-7501
Mr. Bob White, WesternGeco, facsimile (867) 678-2556
Mr. Marty Swagar, WesternGeco, facsimile 509-4562
Mr. Clark Norris, Transport Canada, facsimile (780) 495-6472
Ms. Zoe Posynick, Resources, Wildlife and Economic Development, facsimile (867) 873-0114
Mr. Wade Romanko, Environment Canada, facsimile (867) 873-8185