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VIA FAX (867) 699 3166 "Original to Follow by Mail"

Mr. Herb Norwegian  
Chairman  
Deh Cho Land Use Planning Committee  
Box 199  
Fort Providence, NT  
X0E 0L0

Dear Mr. Norwegian:

RE: DEH CHO LAND USE PLAN

Thank you for the opportunity to comment on the latest draft of the Deh Cho Land Use Plan presented to the CAPP Northern Canada Environment Committee on August 5, 2005.

We fully endorse the position put forth by CAPP in their submission of September 9, 2005 (attached). We feel the concerns expressed by CAPP require careful consideration by the Deh Cho Land Use Planning Committee and should be incorporated into the final draft of the plan.

There are a number of components within the proposed plan that cause concern for our Company in light of our significant investment in the area. We believe further consultation and dialogue with industry and communities should be undertaken to ensure a clear understanding of the implications of the proposed plan on the region and its developmental potential.

Briefly some of our concerns are as follows:

**Cumulative Effects:** The plan envisions a series of tiered thresholds that are designed to guide the action of the respective regulatory authorities responsible for surface development in the region. It would appear, based on the contemplated instructions to the regulators, future development in the Liard Valley would be restricted, if not entirely prohibited.

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**Access:** The plan states, *"That is, subject to all applicable regulatory processes, Acts and Regulations, if a right or disposition falls within a zone where such use is prohibited, the right or disposition is allowed to continue as a non-conforming use, including development arising from existing rights at the time of the Plan approval. Subject to all applicable regulatory processes, Acts and Regulations, renewal of permits, licenses and authorizations for existing activities are allowed"*.

The plan is at odds with itself in that, based on the direction stated to Regulatory Agencies, *"the final threshold is the 'Critical Threshold' and will not be exceeded. It is generally set just below the level at which the resource is significantly impacted. No development that proposes to exceed the critical threshold will be permitted"*. Further, the plan states that *"Parts of the Cameron Hills and Fort Liard area development have already exceeded the Critical Thresholds proposed"*. How will the plan reconcile the rights of third parties, as acknowledged by the plan, and provide direction to the Regulators to ensure access to these rights are protected?

Furthermore, as noted in the CAPP response, has there been enough relevant scientific research completed in the NWT to support the Cautionary Threshold, the Target Threshold, and the Critical Threshold values that are the basis for the DCLUP? Has their applicability to the Deh Cho area been investigated?

**Access to Land:** From a resource distribution point of view, it is important to maintain open access to as much of the Deh Cho as possible (with due respect for critical environmental and cultural sites). None of the cited studies can accurately determine where the hydrocarbon fields and pools will actually occur. That is the role of exploration. It is important for the full realization of the area's resource potential that we do not restrict exploration to limited areas during the early stages. As exploration progresses and knowledge is gained, the database builds and there will likely be areas that are richer in oil and gas resources and some that are poorer, or perhaps devoid, of resources. At this point nobody knows the resource distribution.

We would like to re-state the concerns outlined in our letter of April 28<sup>th</sup> 2005. We believe that if the Land Use plan is adopted without further modification, our interests as a Company in the area will be compromised. We strongly suggest that the Committee, in connection with the communities, carefully consider the implications of the plan on investment and development in the Deh Cho region. The plan, in its current form, will limit, if not prohibit, development and impede the communities of the Deh Cho from reaching their fullest potential.

An already complex and restrictive regulatory regime, combined with an additional layer of regulatory requirements, and an increased level of uncertainty, will inhibit future investment in the region and jeopardize our current project economics and viability.

We are very supportive of a plan that protects the people and the land of north and is in the interests of all Canadians. We look forward to continued dialogue and consultation with both the Committee and the communities of the Deh Cho.

Respectfully

**ANADARKO CANADA CORPORATION**



**FOR Joanna Wright  
Vice President**

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