



Dehcho Land Use Planning Committee

March 13, 2006

To: Chief Dennis Deneron, Sambaa K'e Dene Band
Chief Harry Deneron, Acho Dene Koe Band
Chief Eric Betsaka, Nahanni Butte Dene Band

RE: Follow-up to March 10, 2006 Overlap Meeting

Dear Chiefs,

Thank you for attending the March 10th, 2006 Overlap Meeting in Fort Simpson. I have enclosed a map and details outlining the revisions agreed to at the meeting. You requested an opportunity to review the revisions with community members before providing confirmation.

To review, four zones were agreed upon according to the boundaries shown in the attached map:

- Zone 26;
- An Economic Development Zone which identifies an area for Oil and Gas Issuance;
- Zone A, which extends to the North and East of Zone 26; and
- A Special Infrastructure Corridor (SIC), which reflects the right-of-way (study area) for a proposed pipeline in the Netla-Arrowhead corridor and surrounding area.

Because Zone 26 and the Oil and Gas Issuance area overlap, I would propose that these be part of the same zone (i.e Zone 26 would include the oil and gas issuance area). It would be a Special Management Zone with a portion of zone identified for the purpose of oil and gas issuance as shown in the attached map.

Agriculture, Forestry, Tourism and Oil and Gas would be permitted in both Zone 26 (which includes the oil and gas issuance area) and Zone A. Mining would not be permitted in either Zone 26 or Zone A. The only difference in terms between Zone 26 and Zone A is the Cumulative Effects Management Term. The regular Cumulative Effects Terms would apply in Zone A, while the alternative proposed by Fort Liard would apply to Zone 26, including the Oil and Gas Issuance Area. The proposed Cumulative Effects Terms are attached.

We are requesting written confirmation for these revisions from all three communities by March 31st, 2006. If you have any questions or we can be of any assistance, please contact me at (867) 699-3164 or hwiebe@dehcholands.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Heidi Wiebe". The signature is written in a cursive, flowing style.

Heidi Wiebe, Executive Director
Dehcho Land Use Planning Committee

Cumulative Effects Terms

Regular

Indicator	Threshold	Species	Area Calculation
Corridor or Road Density	1.8 km/km ² Corridor Density (includes cutlines, winter roads, all-weather roads, transmission and utility corridors)	Woodland Caribou (<i>Rangifer tarandus caribou</i>)	Oil and Gas ¼ Grid
	0.6 km/km ² Road Density (includes winter and all-weather roads)	Grizzly Bears (<i>Ursus arctos</i>)	Oil and Gas ¼ Grid in Western Dehcho (SMZ 20, 26, 27, 28, 29 and GUZ)
Habitat Availability	<10% of land disturbed	N/A	Zone boundaries
Minimum Patch Size and Core Area	<u>Critical:</u> >65% large core areas (> 515 Ha);	Woodland Caribou (<i>Rangifer tarandus caribou</i>)	Zone boundaries
	<u>Critical:</u> >65% large core areas (> 1000 Ha);	Grizzly Bears (<i>Ursus arctos</i>)	Zone boundaries in Western Dehcho (SMZ 20, 26, 27, 28, 29 and GUZ)
Stream Crossing Density	<0.5 crossings/km ²	Fish	Oil and Gas ¼ Grid

Fort Liard Proposal

Indicator	Threshold	Species	Area Calculation
Road Density	0.6 km/km ² Road Density (includes winter and all-weather roads)	Grizzly Bears (<i>Ursus arctos</i>)	Oil and Gas ¼ Grid in Western Dehcho (SMZ 20, 26, 27, 28, 29 and GUZ)
Habitat Availability	<10% of land disturbed	N/A	Zone boundaries

- Previous disturbed areas that have regrown to 1.5 m in height would be removed from disturbance calculations (it would be up to the Developer to determine where these areas are through a survey as part of their application) – may change Dehcho wide
- All new linear corridors 3m in width or narrower would be exempt from the cumulative effects assessment (likely to change Dehcho wide)

Zone Descriptions

Netla-Arrowhead Special Infrastructure Corridor

This Special Infrastructure Corridor (SIC) reflects the right-of-way or study area for the Netla-Arrowhead corridor and surrounding area proposed pipeline which would allow for the commercialization of existing discoveries. The SIC delineates a corridor within which the proposed pipeline can occur, subject to regulatory approval and any conditions imposed on them by the appropriate regulatory authorities and agencies, and the Terms of the Plan. This zone overlays or floats over the underlying zones instead of cutting through them. The intent is to add an additional permitted use (the pipeline) and set of conditions for pipeline development within a restricted portion of each of those zones. This zone does not imply support or consent for the pipeline by the First Nations, only delineates an area for it. Due to the location of this corridor in an area of overlap between three communities, the Acho Dene Koe Band, Smbaa K'e Dene Band and the Nahanni Butte Dene Band have agreed that all three First Nations need to support or consent to activities related to pipeline development in this area before they can proceed.

Zone 26

The primary purpose of this Special Management Zone is to promote responsible oil and gas (or other specified resource) development in an area known to have significant resource potential. Less conservative cumulative effects thresholds have been adopted for this area to ease restrictions on the oil and gas industry, recognizing that this may increase risk for the most sensitive wildlife or land uses. This Special Management Zone can serve as an intensive development experiment (the "adaptive management approach"), and boreal woodland caribou population dynamics should be monitored to document actual response to resource development. In addition to oil and gas, there is interest in the sustainable development of the rich forestry, agricultural and tourism potential of the region, while ensuring that significant ecological and cultural areas are protected through the Terms of the Plan and the existing regulatory system. There is no immediate interest in developing the mineral potential of the region although this may be accommodated in future revisions.

Oil and Gas Issuance Area

This zone identifies a block in the Netla-Arrowhead area for an immediate "Call for Nominations" for Petroleum Rights Issuance consistent with the requirements of the Canada Petroleum Resources Act, the Dehcho First Nations Interim Measures Agreement and the Dehcho First Nations Interim Resource Development Agreement. This zone does not imply support or consent for the Petroleum Rights Issuance by the affected First Nations; it only delineates an area for it. Due to the location of this corridor in an area of overlap between three communities, the Acho Dene Koe Band, Smbaa K'e Dene Band and the Nahanni Butte Dene Band have agreed that all three First Nations need to support or consent to activities related to Petroleum Rights Issuance in this area before it can proceed.

Zone A

Yet to be developed

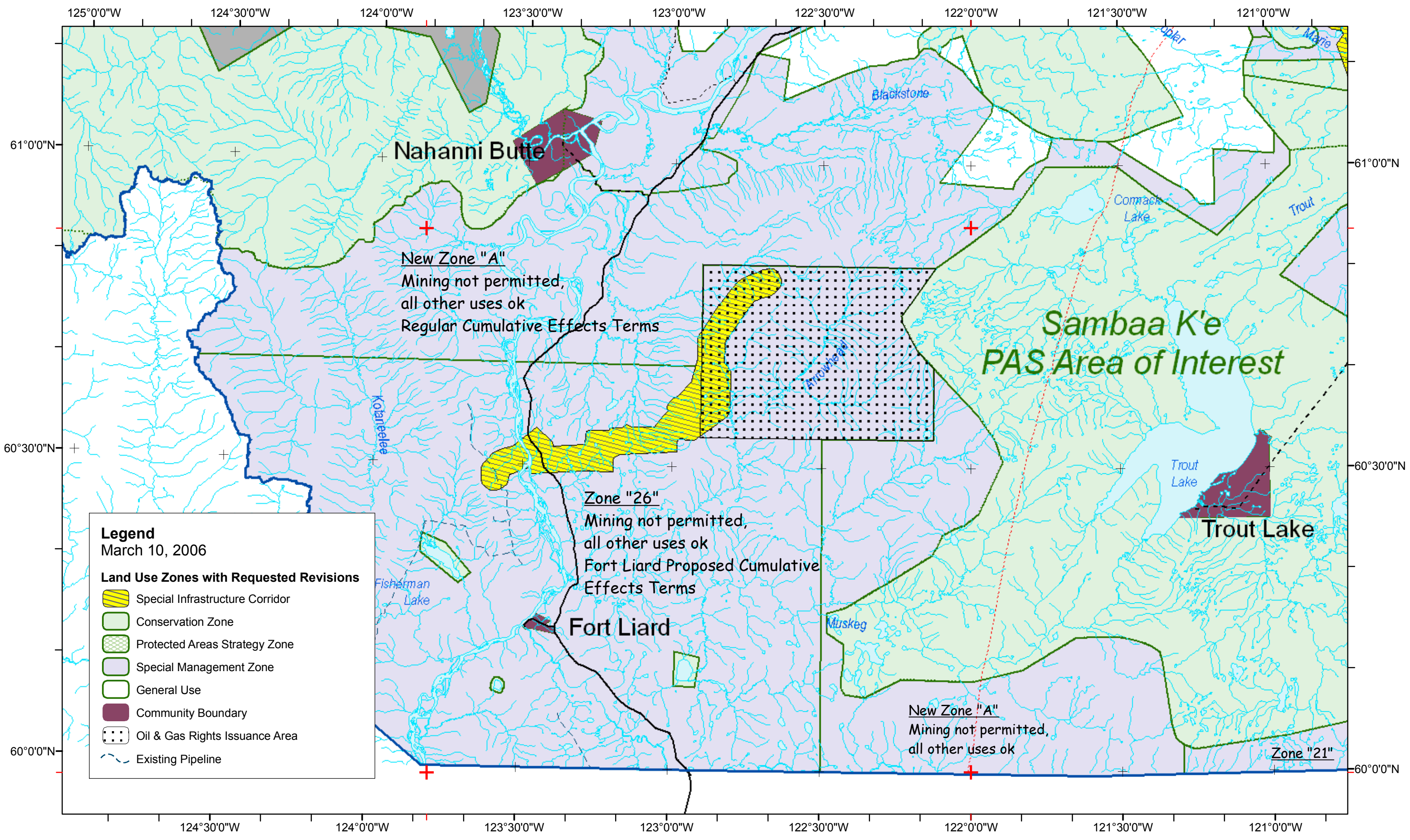
New Terms

Netla-Arrowhead Special Infrastructure Corridor Term

Subject to regulatory approval, agreement between the Acho Dene Koe Band, the Samba K'e Dene Band and the Nahanni Butte Dene Band, and any conditions imposed on them by the appropriate Regulatory Authorities and Agencies, development of a pipeline to allow for the commercialization of existing discoveries in the Netla-Arrowhead corridor and surrounding area will be permitted within the Special Infrastructure Corridor (Zone X). The Plan recognizes the need for access and infrastructure outside of this corridor. The pipeline corridor, additional access, gravel resources, camps and minor infrastructure will be managed in accordance with the above Terms for Access, Granular Resources and Minor Infrastructure.









The pipeline and associated infrastructure will be considered a permitted use providing it meets the following conditions:

- The proposed pipeline and infrastructure avoids the most sensitive ecological and cultural areas and provides for compensation and/or mitigation of impacts on Dehcho First Nation(s) traditional land use and occupancy activities in the area;
- The proposed pipeline and infrastructure minimizes the area affected, the intensity of disturbance, and uses the best available technology to minimize environmental impacts; and
- The Developer can demonstrate that meaningful consultation has been held with affected First Nations on the construction, operation, reclamation and abandonment of the pipeline and infrastructure.



Legend
 March 10, 2006

Land Use Zones with Requested Revisions

-  Special Infrastructure Corridor
-  Conservation Zone
-  Protected Areas Strategy Zone
-  Special Management Zone
-  General Use
-  Community Boundary
-  Oil & Gas Rights Issuance Area
-  Existing Pipeline

Nahanni Butte

New Zone "A"
 Mining not permitted,
 all other uses ok
 Regular Cumulative Effects Terms

Zone "26"
 Mining not permitted,
 all other uses ok
 Fort Liard Proposed Cumulative
 Effects Terms

Fort Liard

**Samba K'e
 PAS Area of Interest**

Trout Lake

New Zone "A"
 Mining not permitted,
 all other uses ok

Zone "21"