



Arctic Development

THE NORMAN WELLS OILFIELD EXPANSION AND PIPELINE PROJECT - A REVIEW

NWT OIL INDUSTRY

Mining/Oil/Energy

Analysis/Review

1983

.N.W.T. - BEAUFORT SEA ENVIRONMENTAL ASSESSMENT PANEL

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THE NORMAN WELLS OIL FIELD EXPANSION AND PIPELINE PROJECT

Darryl Bohnet

September 1983

A. INTRODUCTION

The Norman **Well** Project was **formally** approved by the Federal Cabinet and **announced by the Minister** of Indian Affairs and Northern Development on July 30, 1981. The Federal Government approval was conditional on a two-year delay in order that better proponent planning and government/community preparedness could be implemented. Also contained in the Minister's announcement was a commitment of over **\$21 million** for **impact funding**. Three (3) million dollars of this fund was specifically identified for the Government of the Northwest Territories, while the remaining \$18 million was designated for the N.W.T. Metis Association and the Dene Nation. Appendix "A" reflects a **breakdown** of the Norman Wells Project Impact Fund.

The \$3 million **funding** to the Government of the Northwest Territories, promised by the Minister of Indian Affairs and Northern Development in July of 1981, eventually resulted in a Treasury Board decision in June of 1983 to allocate \$3.546 million over three years to the Government of the Northwest Territories. (The additional \$546,000 reflects inflationary dollars from the 1981 dollar base spread over the life of the project.)

It was **not** until fall of 1983, however, that the first installment of **\$1.25 million was** received.

Prior to Federal Government approval of the Norman Wells **Project, the** Government of the Northwest Territories was actively **involved** in the Environmental Assessment and Review Process and the National Energy Board Hearing.

On **July 31, 1981,** the Executive Council of the Government of the Northwest Territories established a task force, consisting of Deputy Ministers from key Departments, to plan for Government of the Northwest Territories' involvement in the **Project.** The Task Force subsequently made recommendations on:

- a) the allocation of federal impact funds to Government of the Northwest Territories Departments;
- b) the allocation of Government of the Northwest Territories capital funds to the settlement of Norman Wells;
- c) the establishment of the position of Territorial Co-ordinator, Norman Wells Pipeline Project.

Appendix "B" depicts the allocation of the federal impact funds to the Government of the Northwest Territories Departments.

It should be noted that the federal impact funds were for operation and maintenance only, and not for capital. The funds were appropriated to Departments on a priority basis to enhance the person-year compliment of their organizations

primarily in the field. All person years staffed through the impact fund have a "sunset clause" which guarantees employment only through the term of the project. Appendix "C" depicts additional person years employed by Departments.

Appendix "D" indicates capital dollars appropriated to the Hamlet of Norman Wells for 1981/82, 1982/83, and 1983/84.

The Government of the Northwest Territories staffed the position of Territorial **Co-ordinator** for the Norman Wells Project in August, 1982. The primary function of this staff position is as advisor to the Executive Council of the Government of the Northwest Territories on anything related to the Project which may come within the Government of the Northwest Territories' sphere of interest. The Territorial Co-ordinator is a counterpart to the Federal **Co-ordinator** and the focal point of contact to the Government of the Northwest Territories at the senior level for the proponents and special-interest groups.

The Territorial Co-ordinator is also responsible for inter-departmental co-ordination of financial matters resulting from the Project and inter-regional liaison between the Fort Smith and Inuvik Regional Administrations.

The Territorial **Co-ordinator**, on behalf of the Government of the Northwest Territories, acts as Deputy Chairman of the Norman Wells Pipeline Co-ordination Committee, which is chaired by the Federal **Co-ordinator**. The Committee meets quarterly for the purposes of exchanging information and identifying and resolving issues related to the Project.

Membership of the Committee is as follows:

Chairman, Mr. John Mar, Federal Co-ordinator

Deputy Chairman, Mr. Darryl Bohnet, Territorial

Co-ordinator

Mr. Mike Arnett, Esso Resources

Mr. Bill Pearce, IPL

Mr. Hiram Beaubier, Director General, Northern Affairs
Program

Mr. Horace Crozier, CEIC

Mr. Larry Gales, National Energy Board

Mr. Steve Kakfwi, Dene Nation

Mr. Wally Firth, N.W.T. Metis Association.

The Federal Government has established a Community Advisory Committee (CAC) which meets quarterly to be briefed on the Project. The CAC may identify issues and offer solutions directly to the Minister of Indian Affairs and Northern Development if it wishes. Membership of the CAC is, as follows:

Chief George Blondin, Fort Franklin

Chief Jonas Neyelle (Chairman), Fort Norman

Mayor Kathy Bjornson, Norman Wells

Town Councillor Graham Davis, Fort Simpson

Town Councillor Verne Tordiff, Hay River

Town Councillor Hans Seifert, Fort Smith

Band Manager Mike McLeod, Fort Providence.

Under its Resource Development Policy, the Government of the Northwest Territories has designated the Project as a Development Impact Zone and is presently forming a Development Impact Zone Group. This DIZ Group, which will report to the Honorable Richard Nerysoo, Minister responsible for Energy, Mines and Resources, has a mandate similar to that of the Federal Government's Community Advisory Committee.

It is far too early to measure the social, economical and environmental impacts of the Project on the people and lands of the Northwest Territories.

The proponents, Esso Resources Canada and InterProvincial Pipelines (NW) Ltd., in consultation with three levels of government, federal, territorial and local, have planned and are delivering the Project with the objective of minimum social and environmental disruption while maximizing economic benefits to the north. The proponents have made a dedicated effort in maximizing business, employment and training opportunities for northerners. The large self-sufficient camps should significantly minimize social disruption and impact on the local infrastructure of the communities. An ongoing dialogue between the proponents and government regulatory agencies should ensure that the Project is delivered in an environmentally acceptable manner.

B. NORMAN WELLS PROJECT ALLOCATION OF IMPACT FUNDING (\$ MILLIONS)

Training Programs	\$9.00
Joint Venture Capital for Dene/Metis	1.30
Community and Social Development	4.25
Support for Dene/Metis Planning	1.25
Government of the Northwest Territories' Programs	3.00
Federal Departmental Regulation	1.60
Community Advisory Group	<u>1.00</u>
 TOTAL	 <u>\$21.40</u>

c. NORMAN WELLS PROJECT GOVERNMENT OF THE NORTHWEST TERRITORIES'
ALLOCATION OF IMPACT FUNDS TO DEPARTMENTS \$(000' s)

Executive	\$ 157
Economic Development and Tourism	360
*Justice and Public Services	616
Local Government	308
Renewable Resources	980
Social Services	<u>579</u>
TOTAL	<u>\$ 3,000</u> -----

*\$150,000 recently added to Justice and Public Service for
Native Court Workers.

3. NORMAN WELLS PROJECT GOVERNMENT OF THE NORTHWEST TERRITORIES TERM
PERSON YEARS

<u>Department</u>	<u>Title</u>	<u>Location</u>
Executive	Area Executive Officer	Norman Wells
Economic Development and Tourism	Area Economic Development Officer	Norman Wells
	Area Economic Development Officer	Norman Wells
Justice and Public Services	Fire Safety Officer	Inuvik
	Occupational Health and Safety Officer	Yellowknife
	Boiler and Pressure Vessels Inspector	Yellowknife
	* Native Court Worker	Norman Wells
Local Government	** Area Development Officer	Norman Wells
Renewable Resources	Field Supervisor	Yellowknife
	Biologist	Yellowknife
	Wildlife Officer	Fort Simpson
	Wildlife Officer	Norman Wells
	Wildlife Officer	Norman Wells
	Clerk 1/2 person year each for	Fort Simpson/ Norman Wells

Soci al Servi ces

Soci al Worker

Norman Wel l s

Soci al Worker

Norman Wel l s

Soci al Worker

Fort Si mpson

TOTAL 17 TERM PERSON YEARS

* Recent addi tion

** Contri bution to the Hamlet of Norman Wel l s

E. GOVERNMENT OF THE NORTHWEST TERRITORIES CAPITAL PROJECTS
- NORMAN WELLS FISCAL YEAR 1981/82

<u>Project Description</u>	<u>Amount</u>
Crew Cab	\$ 12,000
Water Sewer	7,000
Road Site	61,000
Land Development	700,300
Site Preparation	290,000
New School	<u>240,000</u>
 TOTAL	 <u>\$1,310,300</u>

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F. GOVERNMENT OF THE NORTHWEST TERRITORIES CAPITAL PROJECTS

- NORMAN WELLS FISCAL YEAR 1982/83

<u>Project</u>	<u>Description</u>	<u>Amount</u>
Natural Gas	Pipeline Expansion	\$ 150,000
Natural Gas	Study	20,000
Painting	Natural Gas Pipeline	4,000
Road	Construction	595,000
Land	Development	395,200
Site	Development	45,000
Community	Planning	110,000
Chlorinator	Booster Pumphouse	9,800
Utilidor	Assessment	10,800
Planning	- Community Hall Extension	30,000
Staff	Housing	481,000
New School		3,652,000
Furniture	Equipment - New School	<u>50,000</u>
TOTAL		<u>\$5,552,800</u>

G. GOVERNMENT OF THE NORTHWEST TERRITORIES CAPITAL PROJECTS
NORMAN WELLS FISCAL YEAR 1983/84

<u>Project Description</u>	<u>Amount</u>
Natural Gas Pipeline Expansion	\$ 290,000
Duplex	261,000
Staff House	150,000
Staff House	126,000
Communi ty Offi ce Expansi on	220,000 Deferred
Garage/Fi re Hall Compl ex	313,500 Deferred
Muni ci pal Staff House	150,000
Upgrade Old Utilidor	20,000
Road/Si te/Land Devel opment	477,000
Mobi le Equi pment	20,000
Furni ture/Equi pment - New School	16,000
Di smantle Old School	50,000 Deferred
Safety Equi pment	5,000
Fi re Truck	78,000
Communi ty Hall Expansi on	<u>180,000</u>
TOTAL	<u>\$2,356,500</u>

CURRI CULUM VI TAE

Darryl E. Bohnet

Territorial Co-ordinator

Norman Wells Project

Department of the Executive

Government of the Northwest Territories

Mr. Bohnet has a background of over 17 years in government service. He was educated in the north and is a product of the federal Northern Careers and Career Assignment Training Programs. Mr. Bohnet has worked as :

Hydrometric Technician

Project Officer

Environmental Co-ordinator

Program Manager

Special Assistant

Executive Assistant

Assistant Regional Director

Territorial Co-ordinator.

Throughout his career, he has lived in the following communities:

Fort Smith

Norman Wells

Yellowknife

Ottawa.

Mr. Bohnet has travelled throughout Canada and,
more specifically, has travelled and worked extensively
throughout the western portion of the Northwest Territories.