

# INTRODUCTION

## TABLE OF CONTENTS

|  | Page       |
|--|------------|
| <b>1.0 INTRODUCTION</b> .....            | <b>1-1</b> |
| <b>1.1 Overview</b> .....                | <b>1-1</b> |
| <b>1.2 Project Need</b> .....            | <b>1-1</b> |
| <b>1.3 Regulatory Framework</b> .....    | <b>1-1</b> |
| <b>1.4 Purpose of the Document</b> ..... | <b>1-2</b> |
| <b>1.5 Project Team</b> .....            | <b>1-3</b> |

### FIGURES

Figure 1.1      Regional Location of the Waskada to Pierson Pipeline Project

### TABLES

TABLE 1.1      PROJECT CONTACTS

## 1.0 INTRODUCTION

### 1.1 Overview

EOG Resources Canada Inc. is proposing to construct three pipelines in the Waskada-Pierson area, collectively referred to as the Waskada to Pierson Pipeline Project, from a proposed EOG facility at LSD 4-1-2-28 W1M to an existing EOG oil battery at 16-21-1-25 W1M. The project will include a 6 inch (168.3 mm) O.D. sweet natural gas pipeline, a 8 inch (219.1 mm) O.D. oil pipeline and a 4 inch (114.3 mm) O.D. sour gas pipeline within a common ditch.

Construction is scheduled to begin as soon as regulatory approvals are obtained (anticipated in early 2012) and the proposed pipelines are planned to be in-service by the fourth quarter of 2012. Pipeline construction is anticipated to occur during non-frozen soil conditions but EOG has provided for alternative measures should construction be delayed and frozen conditions are present.

### 1.2 Project Need

EOG Resources Canada Inc. (EOG) has been operating in the Waskada area for over twenty-five years. EOG currently operates approximately 400 oil wells in the area. EOG drilled 73 wells in 2010 and 47 in 2011, with plans to drill 25 more this year in the Waskada area, 15 in the Pierson area, and 50 wells in 2012. EOG also operates four batteries in the Waskada area: two Waskada batteries, one Whitewater battery and one Mountain Side battery.

EOG anticipates continuing to produce approximately 10,000 bpd of oil throughout 2011 and 2012. The oil is processed at the above mentioned batteries where water and gas is removed from the oil before the oil is shipped through a sales pipeline to a sales point in Cromer, Manitoba. The water is pumped into an injection well, while the gas is flared to atmosphere.

The oil in Waskada area has an oil to gas ratio (GOR) of approximately 550scf/bbl. The combined flared gas at the 15-21-1-25 W1M and 15-9-2-25 W1M batteries in the Waskada area is 4MMCF/d. EOG is planning to and is permitted to construct a facility at 16-21-1-25 W1M. This facility will receive gas from the 15-21-1-25 W1M and 15-9-2-25 W1M batteries, where it will be processed to be sweetened and condensates removed. After the condensates have been removed, approximately 3.5MMCF/d of sweet natural gas will be flared to atmosphere. Although there are currently no regulations in place for flaring gas, EOG is committed to the environment, and is proposing to conserve the gas by transporting it to a TransGas facility near Gainsborough via pipeline. There is currently no infrastructure in place in the Waskada area for natural gas conservation.

EOG is currently developing the Pierson area and by the end of 2012, anticipates having approximately 50 wells. The oil is similar to the oil in Waskada, with an oil to gas ratio (GOR) of approximately 550scf/bbl. The oil would be separated from the gas and water in a proposed future battery in the 4-1-2-28W1M. The oil would be shipped via a pipeline that terminates at a sales point in Cromer, Manitoba. The gas would flow via a pipeline to the proposed facility at 16-21-1-25 W1M. The water would be trucked to a disposal facility.

### 1.3 Regulatory Framework

Manitoba Conservation has determined that the Project constitutes a Class 2 development as a pipeline which is greater than 10 km in length and/or in areas sensitive to environmental disturbance as defined by the Classes of Development Regulation under the Manitoba *Environment Act* (MEA). It is EOG's understanding that the filing of an Environment Act Proposal Form (EAPF) under the MEA initiates the formal regulatory review process.

EOG anticipates that the Project may be reviewed under the provisions of the *March 2007 Canada/Manitoba Agreement on Environmental Assessment Cooperation*, and EOG would welcome

such a cooperative process. The EA will outline other regulatory and legislative approvals required for Project implementation.

#### 1.4 Purpose of the Document

This EA has been prepared to fulfill the requirements of Manitoba Conservation and Manitoba Energy and Mines. In addition, the commitment to supplemental studies, mitigative measures, contingency plans, and monitoring plans included within the EA will form the foundation for future environmental management activities by EOG, particularly during the construction phase of the Project. The EA is divided into the following sections.

- 1.0 Introduction:** Provides a description of the need and justification for the Project, background information pertaining to the Project, the regulatory framework and the purpose of the document.
- 2.0 Project Description:** Provides a description of the Project components, alternatives to the Project and Project phases.
- 3.0 Public Consultation:** Provides a summary of public involvement activities associated with the preparation of the EA consisting of consultation with provincial and municipal government agencies, nongovernment organizations (NGOs) and other interested parties, where required. Also identifies key environmental and socio-economic issues raised during the consultation program.
- 4.0 Routing and Siting:** Provides a detailed description of the route and site selection process, as well as a brief description of the route options considered.
- 5.0 Environmental and Socio-Economic Setting:** Provides a description of the current environmental and socio-economic conditions present along the proposed pipeline route.
- 6.0 Environmental and Socio-Economic Effects Assessment:** Describes the effects assessment and identifies the potential environmental and socio-economic impacts, mitigation measures and predicted residual effects as well as an assessment of their significance.
- 7.0 Cumulative Effects Assessment:** Provides a description of the potential cumulative effects as well as an assessment of their significance.
- 8.0 Inspection, Monitoring and Follow-up:** Provides a description of the environmental inspection, and monitoring policies to be applied during the construction and operation of the proposed Project as well as the proposed follow-up program, if warranted.
- 9.0 Supplemental Studies:** Provides a description of the plans to address knowledge gaps and carry out supplementary environmental studies.
- 10.0 Conclusion:** Provides conclusions related to the significance of potential adverse residual environmental and cumulative effects associated with the Project.

## 1.5 Project Team

Personnel involved in the planning of the proposed EOG Pipeline Project are listed in Table 1.1.

**TABLE 1.1 PROJECT CONTACTS**

| <b>Company</b>  | <b>Contact</b>   | <b>Contact Numbers</b>           |
|---|--|----------------------------------|
| EOG Resources Canada Inc.<br>1300, 700 – 9 <sup>th</sup> Ave S.W.<br>Calgary, Alberta T2P 3V4 | Kevin Marshall, E.I.T.<br>Project Engineer   | (403) 297-9182<br>(403) 771-9553 |
| Kelly Wm. Scott & Associates<br>32 Royal Abbey Rise N.W.<br>Calgary, Alberta T3G 4Y5          | Kelly Scott, Ph.D., P. Biol.<br>Dana Charlton, M.Sc., P. Biol.<br>Environmental Planners | (403) 870-3285<br>(403) 803-5485 |
| Prairieview Consulting<br>Box 638<br>Redcliff, Alberta T0J 2P0                                | Ron Johnson,<br>Environmental Field Supervisor   | (403) 502-6076                   |