

INTRODUCTION

TABLE OF CONTENTS

	Page
1.0 INTRODUCTION	1-1
1.1 Overview	1-1
1.2 Project Need	1-1
1.3 Regulatory Framework	1-1
1.4 Purpose of the Document	1-1
1.5 Project Team	1-3

FIGURES

Figure 1.1 Regional Location of the Pierson to MIPL Pipeline Project

TABLES

TABLE 1.1 PROJECT CONTACTS

1.0 INTRODUCTION

1.1 Overview

EOG Resources Canada Inc. is proposing to construct a pipeline in the Pierson, Manitoba area, from a proposed EOG oil battery at LSD 04-01-02-28 W1M to a proposed Many Islands Pipe Lines (Canada) Limited (MIPL) facility at LSD 05-06-03-29 W1M. The proposed pipeline will be constructed of 6 inch (168.3 mm) O.D. pipe and will transport sweet natural gas.

Construction is scheduled to begin as soon as regulatory approvals are obtained (anticipated in early 2013) and the proposed pipeline are planned to be in-service by the fourth quarter of 2013. 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, and currently operates approximately 400 oil wells in the area. EOG drilled 47 wells in 2011, 130 in 2012, with plans to drill approximately 120 wells this year, split between 40 in the Waskada area, and 80 in the Pierson area. EOG currently operates five oil batteries in the Waskada area: two Waskada batteries, one Whitewater battery, one Mountain Side battery, and one near Lyleton (4-1 Battery). EOG also operates a Natural Gas Liquids (NGL) Recovery Plant in the Waskada area.

EOG anticipates continuing to produce approximately 8,000 bpd of oil throughout 2013 and 2014. The oil is processed at the above mentioned batteries where water and gas are 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 injection wells, while the gas is flared to atmosphere.

The oil in Waskada has an oil-to-gas ratio (GOR) of approximately 550 scf/bbl. The combined flared gas at the 15-21-1-25W1M and 15-9-2-25W1M batteries in the Waskada area is 4 MMCF/d. EOG's NGL Plant at 16-21-1-25W1M currently receives gas from the 15-21-1-25W1M, 15-9-2-25W1M and 4-1-2-28W1M batteries. The NGL Plant processes the gas by removing the condensates and sweetening the gas. After processing, approximately 3.5 MMCF/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 both utilize and conserve the gas. The gas will be transported via a 6" pipeline to the 4-1 Battery, where it will be utilized as a fuel to run a natural gas compressor, a heated free water knock out and a treater vessel. The remainder of the gas will be transported via pipeline to a proposed MIPL facility near Gainsborough. There is currently no infrastructure in place in the Waskada area for natural gas conservation.

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

Company	Contact	Contact Numbers
EOG Resources Canada Inc. 1300, 700 – 9 th Ave S.W. Calgary, Alberta T2P 3V4	Kevin Marshall, E.I.T. Project Engineer	(403) 297-9182 (403) 771-9553
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