

File: 3400-R029-1
22 December 2000

By Facsimile and Courier

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Dear Messrs. Kube and Williamson:

**Ricks Nova Scotia Co. (Ricks) - GH-3-2000 Proceeding
Ladyfern Pipeline Application Dated 19 July 2000**

The National Energy Board (the Board) has considered Ricks' application and has issued Order XG-R029-81-2000 (the Order) granting exemption, pursuant to section 58 of the *National Energy Board Act* (the Act), from the provisions of subsection 29(1), paragraph 30(1)(a), subsection 30(2) and section 31 of the Act with respect to the Ladyfern Pipeline Project. The effect of the Order is to allow Ricks to construct the Ladyfern Pipeline, subject to the terms and conditions in the Order. A Copy of the Order, the Board's Reasons for Decision, and the Environmental Screening Report are enclosed.

The Board draws to Ricks' attention the final clause of the Order, which must be complied with to the satisfaction of the Board pursuant to section 19 of the Act.

The Board reminds Ricks of its commitment to file its Construction Safety Manual ten days prior to the start of construction of the approved facilities. Further, as the Board has not granted exemption from the requirements of paragraph 30(1)(b) and section 47 of the Act, Ricks will be required to apply to the Board for leave to open before initiating service.

Yours truly,

Michel L. Mantha
Secretary

Enclosures

c.c.: Parties to the GH-3-2000 Proceeding



Ricks Nova Scotia Co. - Ladyfern Pipeline Project
Application dated 19 July 2000 Pursuant to Section 58 of the *National Energy Board Act* (the Act)
to Construct the Ladyfern Pipeline at the British Columbia/Alberta Border
GH-3-2000 Proceeding

Reasons for Decision

1.0 Introduction

On 19 July 2000, Ricks Nova Scotia Co. (Ricks) applied to the National Energy Board (the Board) for exemption pursuant to section 58 of the *National Energy Board Act* (the Act) from the provisions of sections 29 through 33 and section 47 of the Act with respect to the proposed Ladyfern Pipeline Project in northeastern British Columbia and northwestern Alberta. Ricks also applied to be regulated as a Group 2 Company for the purposes of toll and tariff regulation.

As a responsible authority under the *Canadian Environmental Assessment Act* (the CEAA), the Board carried out an environmental screening of the proposed Ladyfern Pipeline Project.

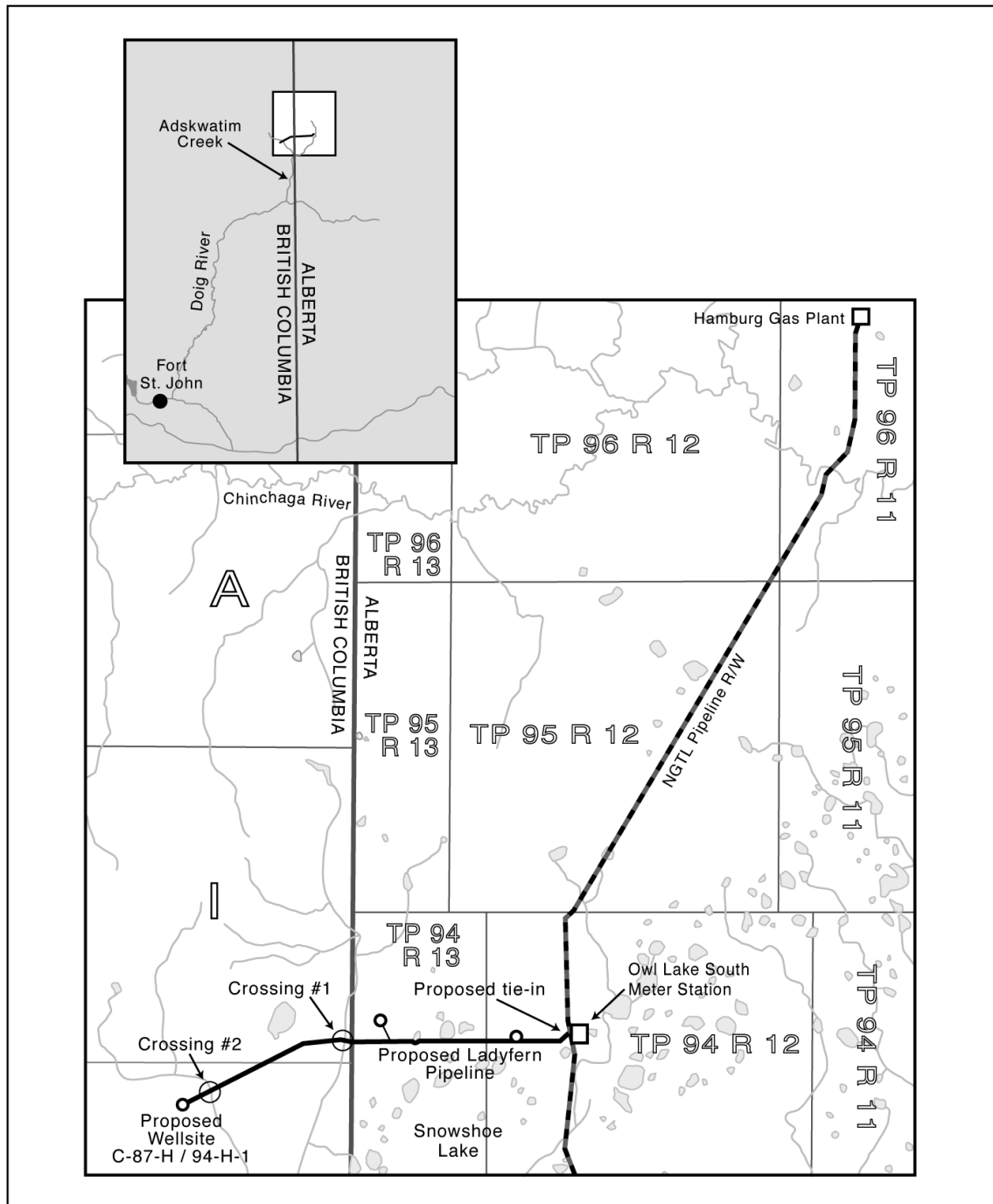
The Board decided to consider the application in an oral public hearing and issued Hearing Order GH-3-2000 on 7 November 2000, which set out the Directions on Procedure for the hearing. The hearing was held in Calgary on 6 and 7 December 2000.

Appearances were registered at the hearing by Ricks, Apache Canada Ltd. (Apache), Murphy Oil Company Ltd. (Murphy), Nova Gas Transmission Ltd. (NGTL), and the Province of Alberta.

2.0 Facilities Description and Engineering Matters

Ricks proposes to construct approximately 12 km of 273.1 mm OD (NPS 10) natural gas pipeline referred to as the Ladyfern Pipeline. The Ladyfern Pipeline would originate at a proposed well at c-87-H/94-H-1 in British Columbia and terminate at the existing NGTL Owl Lake South Meter Station at 20-94-12 W6M in Alberta. The pipeline would have a maximum operating pressure of 11 722 kPag (1 700 psig), and would be designed to meet *Canadian Standards Association Standard Z662-99 Oil and Gas Pipeline Systems* (CSA Z662-99) engineering specifications for sour gas service. The pipeline is expected to carry sweet natural gas but would be designed and constructed for sour service, with a hydrogen sulphide (H₂S) concentration of up to 25 ppm, using Grade 359, Category II pipe. The estimated capital cost of the project is approximately \$3 million. Construction activities would occur in February 2001.

Figure 2-1 Proposed Ladyfern Pipeline Project



Ricks proposes to use a horizontal directional drilling (HDD) method to cross two watercourses, one at Adskwatim Creek and the second at a tributary to Adskwatim Creek. Ricks stated that if the HDD method is unsuccessful, it would use open cut methods to cross these watercourses. Ricks further stated that its pipeline would be buried with a minimum cover of 1.5 m in perennially frozen ground and to a greater depth as required to ensure the pipe is laid on competent soil. The proposed right-of-way crosses two pipelines, both contained in a single right-of-way.

In its application, Ricks proposes to pressure test the Ladyfern Pipeline using air as the test medium. Ricks submitted its *Odourized Pneumatic Test Procedure* dated 21 November 2000. Ricks' procedure would involve performing a minimum 4 hour strength test at 125% of the maximum operating pressure (MOP), followed by a minimum 24 hour leak test between 110% and 125% of MOP. An odourant would be added to the test medium and trained dogs able to detect the presence of the odourant would be used to identify possible leaks during the pressure test.

In addition to the facilities described above, Ricks would require NGTL to construct new metering and related facilities at the proposed Owl Lake South No. 2 Meter Station to accept natural gas from Ricks. Although these proposed metering facilities are not part of Ricks' application to the Board, they were included in the environmental screening assessment discussed in Section 4 of these Reasons for Decision. These facilities would be regulated by the Alberta Energy and Utilities Board (AEUB). By letter dated 4 December 2000, NGTL stated that it anticipates filing an application with the AEUB in early January 2001, and that it is currently engaged in the public notification and consultation phase of the Owl Lake South No. 2 Meter Station project. The proposed facilities would be constructed on existing NGTL land.

With respect to the operation of the proposed Ladyfern Pipeline, Ricks stated that it was the owner and would have overall management responsibility for the pipeline. Predator Corporation Ltd. (Predator), a privately held corporation incorporated under the laws of Alberta, would have operating responsibility for the pipeline as an agent for Ricks. Predator would supervise the day-to-day field operations of the pipeline, which will be carried out by an operating contractor out of Manning, Alberta or Fort St. John, British Columbia. Ricks would not be actively involved in the day-to-day operations except under certain circumstances such as during construction, if there was an emergency, or if Ricks was concerned that the level of supervision and care was not being exercised at the standards it required.

Views of the Board

The Board is satisfied with the proposed design of the Ladyfern Pipeline, including the proposed HDD method and proposed alternative methods for watercourse crossings, subject to the conditions discussed below.

The Board has included conditions in the attached Order for the filing of various documents as required by the *Onshore Pipeline Regulations, 1999* (OPR-99) to be submitted prior to the construction or operation of the Ladyfern Pipeline. The conditions emphasize the requirement for Ricks to file: (i) its final Pipeline Construction Specifications; (ii) its Operations and Maintenance Manual¹;

¹

Refer to section 27 of the OPR-99 and for further details, see related Guidance Notes.

(iii) an Emergency Procedures Manual²; and (iv) an Audit Program³ for the proposed Ladyfern Pipeline.

With respect to the proposed odourized pneumatic testing of the pipeline, the Board is of the view that Ricks' test procedure, as described in its Odourized Pneumatic Test Procedure, complies with the requirements of CSA Z662-99. However, because Ricks is a new company under the Board's jurisdiction and is proposing to pressure test using air as the test medium, the Board denies Ricks' request for exemption from paragraph 30(1)(b) and section 47 of the Act. Ricks will therefore be required to file a leave to open application in accordance with Part IX of the Board's *Guidelines for Filing Requirements (1995)* (the Guidelines).

With respect to the operation of the pipeline, the Board requires Ricks to provide specific information regarding the responsibilities of the selected contractor that will be carrying out field operations. As such, the Board has included a condition in its Order requiring Ricks to file its operating agreement and the contractor's qualifications.

3.0 Public Consultation

Ricks stated that all stakeholders and administrators of the land, including provincial, regional and local government authorities, affected trappers, and the Doig River First Nation were notified of the project in June 2000 and that, due to the competitive nature of the project, newspaper notices were not published until the application was filed. Ricks also stated that section 87 notices for the acquisition of land were issued to parties of interest in August and September 2000.

Ricks submitted that it is clear from the Board's Guidelines that the level of detail of information required should correspond to the nature and magnitude of the project. In this case the project is a 12 km pipeline to be constructed entirely on crown land.

In letters dated 11 and 18 August 2000, Murphy and Apache respectively submitted that Ricks had failed to comply with the requirements of the Board's Guidelines concerning Early Public Notification (EPN). Part II of the Guidelines, section 4, requires an applicant to provide interested parties adequate time to comment on a project prior to filing an application.

Ricks submitted that commercial sensitivity in a highly competitive environment was in this case an important factor to be considered in assessing the appropriate level of consultation with interested parties. Ricks indicated that prior to completion of land sales in the area on 19 July 2000, Ricks, Murphy, Apache and Beau Canada Exploration Ltd. (Beau Canada) were active participants and competitors in acquiring lands in the Ladyfern area.

² Refer to section 32 of the OPR-99 and for further details, see related Guidance Notes.

³ Refer to section 53 of the OPR-99 and for further details, see related Guidance Notes.

Ricks submitted that as early as April 2000 there were contacts between representatives of Ricks and representatives of Murphy, Apache and Beau Canada to discuss, among other things, access to existing pipelines for Ricks' volumes and the prospects for a joint venture. Ricks stated it was told by Murphy and Apache that there was no capacity and there would be no capacity this winter for Ricks' gas. Apache, by letter dated 1 December 2000, had provided Ricks with an estimate of \$15 million to expand the existing Hamburg Gas Plant to accommodate 100 MMcf/d of natural gas for Ricks. Ricks submitted that shipping gas to the Hamburg Gas Plant would require Ricks to lay three times as much pipe as the proposed Ladyfern Pipeline.

During the hearing, Ricks provided an update with respect to its public consultation program. Specifically, Ricks stated that it had additional contact with the two registered trappers affected by the proposed pipeline, namely Mr. Morin and Ms. Rothlisberger and her family.

Ricks stated that Mr. Morin had indicated that the proposed pipeline would intersect his trapline at two locations and may interfere with access to one of his cabins. Mr. Morin told Ricks that he would prefer no interference from the oil and gas industry. Mr. Morin specifically requested Ricks to level snow banks at access points and to contact him prior to construction. Ricks submitted that it had agreed to both requests. Mr. Morin indicated that he would like to be considered for slashing work when construction begins and that if construction negatively affected his trapping operation he would seek compensation. Ricks submitted that it would keep him posted, work with him closely on this project, and compensate him if what it proposed doing caused financial harm.

Ricks stated that during discussions with Ms. Rothlisberger, it was informed that the Rothlisbergers currently have no trap lines along the route and do not anticipate trapping in the area this winter. However, Ricks was requested to ensure the proposed route followed existing clearings as much as possible, and to clean up whatever brush is created in the construction process as soon as possible. Ricks has agreed to both requests.

Ricks indicated that it is continuing discussions with the Doig River First Nation which began before the Application was filed. At the time of the hearing, Ricks was not aware of any outstanding issues or concerns of the Doig River First Nation with respect to the construction of the pipeline.

Views of the Board

The Board is of the view that Ricks effectively commenced its EPN before the filing of the application, as demonstrated by discussions with the Doig River First Nation and by Ricks' communications with Murphy, Apache and Beau Canada regarding its requirements to transport gas. The Board notes from the evidence that Murphy and Apache told Ricks they had no capacity to transport Ricks' gas this winter.

The Board notes, in accordance with Part I of the Guidelines, that the level of detail of the information required in Part II of the Guidelines shall correspond to the nature and magnitude of the anticipated environmental impact of the proposed project. The Board believes that, in this case, the public consultation program was satisfactory.

4.0 Environment, Land and Socio-Economic Matters

The Board considered environmental matters related to the proposed project pursuant to the Act and the CEAA. The Board completed an environmental screening report (the Screening Report) pursuant to sub-section 18(1) of the CEAA which also meets the requirements of the Board's own regulatory process. In addition, the Screening Report contains information regarding the environmental conditions to be included in any order with respect to the application and addresses matters pertaining to public consultation. The Board circulated a draft Screening Report to those public agencies that submitted letters of comment and to Ricks. No party to the proceeding requested a copy of the draft Screening Report.

The Board considered the Screening Report including the comments received from Ricks on the draft Screening Report. No other comments were received with respect to the draft Screening Report. The Board determined that, taking into account the conditions included in the attached Order, the Ladyfern Pipeline Project is not likely to cause significant adverse environmental effects. This represents a decision pursuant to paragraph 20(1)(a) of the CEAA and was taken prior to making a decision under Part III of the Act with respect to the applied-for facilities.

The proposed route for the Ladyfern Pipeline follows existing corridors for most of its 12 km length, is divided almost equally between Alberta and British Columbia and is located entirely on Crown Land. Applications to Alberta and British Columbia have been made for surface rights. Ricks has been advised that these applications would be processed after the Board has dealt with this application.

Ricks stated that it would require a 15 m wide permanent right-of-way and identified three areas where temporary work space would be required: two 10 m by 60 m work spaces to accommodate HDD activities and one 5 m by 40 m work space at NE 23-94-13 W6M, where two pipelines are crossed by the proposed right-of-way.

With respect to the socio-economic effects of this project, Ricks stated that the region is generally uninhabited, and is located outside of the community planning interest of municipal agencies. However, it is within the General Land Use Zone of the Fort St. John Land and Resource Planning Area. The closest settlements are those of the Doig River First Nation and Fort St. John in British Columbia, and Worsley in Alberta. Land use activities were identified by Ricks as being oil and gas developments, hunting and trapping, and traditional use by the Doig River First Nation.

Ricks stated the Doig River First Nation identified concerns regarding the creation of an all weather road and future employment. Ricks stated it would not construct an all weather road and that it would do its utmost to provide employment opportunities for the Doig River First Nation. Ricks submitted that support services for this project would be provided from the Doig River First Nation and from Fort St. John. Construction workers would reside at an existing 400 person permanent camp located in Alberta and access to the work site would be via an existing winter road. Operational services would be drawn from Fort St. John, British Columbia or Manning, Alberta. Ricks submitted that the socio-economic effects of the project would consist of a short-term increase in demand for services and an injection of money into the local economy.

Views of the Board

The Board has considered the potential impacts of the construction of the proposed pipeline on crown lands, including the amount of land required for easements and temporary work space. The Board finds that Ricks' anticipated requirements for easements and temporary work space are reasonable and justified.

Pursuant to its mandate under the Act, the Board has considered the evidence received in accordance with the GH-3-2000 Directions on Procedure and is of the view that, taking into account the implementation of Ricks' proposed mitigative measures and those set out in the conditions included in the attached Order, the Ladyfern Pipeline Project is not likely to cause significant adverse effects to the environment.

5.0 Economic Viability

5.1 Markets

Ricks plans to sell the gas it will produce in the Ladyfern area on the general Alberta spot market.

5.2 Supply

Ricks indicated that the proposed pipeline project would rely on gas supply from wells to be drilled in the Ladyfern area. Ricks estimated the sales gas supply in the Ladyfern Slave Point A pool to be $2\,458\,10^6\text{m}^3$ (87 Bcf). This estimate was based on extrapolated reservoir data identified for the Hamburg Field, which is the closest analogue to the Ladyfern geological structure.

At the time of the hearing, Ricks had yet to drill a well in the Ladyfern area, which is only accessible for drilling and construction activity in winter. Ricks stated that it expected to commence drilling in early December 2000 at two locations (c-87-H and a-98-H/94-H-1) and that it should obtain well-test results by late December. Two other locations (d-90-H and a-100-H/94-H-1) are planned to be drilled this winter, following completion of the first two wells. In its additional written evidence, Ricks proposed a condition that would provide proof for adequacy of gas supply by showing a minimum aggregate calculated absolute open flow rate of $845\,10^3\text{m}^3/\text{d}$ (30 MMcf/d) prior to any Board order taking effect.

Ricks indicated that its pipeline would be economically viable even with drilling results substantially lower than the annual volumes and total reserves it expects from its wells. Taking into consideration the cost of the pipeline, wellsite facilities and a potential amine processing unit, Ricks indicated that it could pay out its investment within a 3.5 year period based on an estimated gas reserve supply of $198\,10^6\text{m}^3$ (7 Bcf) at an initial production rate of $198\,10^3\text{m}^3/\text{d}$ (7 MMcf/d).

Apache and Murphy examined the information used to support the estimate of gas supply. Apache concluded that there was an absence of producible gas reserves and, therefore, no gas supply evidence to support the need for the proposed facilities. Murphy also indicated there was

no credible supply evidence for reserves determination. Apache and Murphy submitted that the application should, therefore, be denied. In the alternative, Apache argued that any order should not take effect until Ricks has filed with the Board flow and build-up test data that would demonstrate a sustainable minimum delivery rate of $845 \times 10^3 \text{ m}^3/\text{d}$ (30 MMcf/d) at 9 mPa flowing tubing head pressure. Murphy argued that the Board should not include such a condition as, in essence, it would be conditioning the most fundamental basis for an Order and submitted that if a condition was included, other parties should have the opportunity to test what is ultimately filed by Ricks.

Views of the Board

When an applicant proposes to build a commercially at-risk pipeline, the Board generally wishes to see the facility operate at a reasonable level of utilization over its economic life. Overall, the Board can be satisfied that this will be the case if there is a reasonable expectation that there will be sufficient gas to supply the project and that the gas will be able to find markets.

With respect to markets, the Board considers that Ricks' plan to sell its gas on the Alberta spot market is reasonable given the gas volumes expected to be shipped.

In determining overall gas supply for a proposed facility, the Board assesses established gas reserve supply and also evaluates the undiscovered gas potential within any likely catchment area that could support the proposed facility.

The Board notes that the first two wells Ricks plans to drill are adjacent to a producing gas well and would be considered to have established gas reserves under the probable reserve category. The other well locations would be more properly considered to have undiscovered gas resources due to the increased distance from known gas wells.

The Board places greater confidence in stochastic methodologies in quantifying undiscovered gas resource supply and will expect the use of such methodologies to take precedence over the more traditional single estimate when determining the undiscovered gas supply. This is due to the ability of the methodologies to incorporate the uncertainty inherent in estimating various reservoir parameters and provide a range of gas resource estimates that incorporate the probability at which a gas resource estimate is likely to occur.

Although in this case Ricks used a single estimate for gas supply to support its application, the Board is satisfied that there is a reasonable expectation that sufficient gas supply exists. The Board notes that the estimated gas reserves far exceed the levels of supply required to make the project economically feasible.

With respect to the inclusion of a condition requiring Ricks to demonstrate a sustainable minimum delivery rate, the Board believes that the last clause of the attached Order is sufficient and appropriate in the circumstances of this case.

Subject to the last clause of the attached Order being met, the Board expects that the proposed pipeline will be used at a reasonable level over its economic life.

6.0 Financial, Tolls, Tariffs, and Transportation Matters

Ricks is incorporated in Nova Scotia and registered to carry on business in Nova Scotia, British Columbia and Alberta. The shareholders of Ricks are Ricks Canada, Inc. (Ricks Canada) and OPUBCO Canada, Inc. (OPUBCO Canada). Ricks Canada is a wholly owned subsidiary of Ricks Exploration Inc. (Ricks Exploration) and OPUBCO Canada is a wholly owned subsidiary of OPUBCO Resources, Inc. (OPUBCO Resources). Both Ricks Exploration and OPUBCO Resources are privately held companies. Ricks is the owner of the proposed pipeline with Ricks Exploration having overall management responsibility for investment, development and operations activities of Ricks.

The cost of the proposed pipeline is approximately \$3 million. Ricks indicated that it will assume all the financial risks of the proposed facilities and that financing will be provided by Ricks Exploration through internally generated funds.

While questions confirming the estimated present value of Ricks' oil and gas assets were posed during the hearing, Ricks' ability to finance the project through Ricks Exploration was not challenged. Ricks reiterated that, assuming an initial production rate of only $198 \times 10^3 \text{ m}^3/\text{d}$ (7 MMcf/d) and reserves of only $198 \times 10^6 \text{ m}^3$ (7 Bcf), Ricks could pay out its investment in its wellsite facilities, pipeline and if required, an amine plant in 3.5 years.

Ricks indicated that while it has no third party shippers it intends to offer service to third parties, although it has yet to determine the types of service that might be offered, as well as the terms and conditions of such services. No intervenor expressed an interest in this matter.

Ricks applied to the Board to be regulated on a complaint basis as a Group 2 company.

In its letter dated 11 August 2000, Murphy stated that in its view, Ricks is not a "company" as defined in section 2 of the Act, because Ricks is not incorporated or continued under the *Canada Business Corporations Act*.

Views of the Board

The Board is satisfied that Ricks is able to finance the proposed pipeline.

The Board has decided to exempt Ricks from the requirement of subsection 29(1) of the Act, without deciding whether Ricks is or is not a "company" as defined in section 2 of the Act. Therefore, under paragraph 29(3)(c) of the Act, Ricks will be deemed to be a "company" for purposes of the Act.

The Board is of the view that, for administrative purposes, Ricks should be regulated as a Group 2 Company in accordance with the Board's *Memorandum of Guidance on the Regulation of Group 2 Companies*, dated 6 December 1995. Ricks must advise the Board if there is any significant change in the ownership or business enterprise of the pipeline.

The Board notes that while Ricks has indicated that it has no third party shippers, it intends to offer service to third party shippers. Accordingly, Ricks is required to inform the Board before it starts charging tolls for such service.

The Board also advises Ricks that paragraphs 5(2)(a) through (c) of the *Gas Pipeline Uniform Accounting Regulations* apply to Ricks.

The Board further advises Ricks that the cost of this project, including any overruns, may be subject to examination pursuant to the Board's responsibilities under Part IV of the Act.

7.0 Disposition

The foregoing constitutes our Reasons for Decision with respect to the Ladyfern Pipeline Project. The Board has decided, pursuant to section 58 of the Act, to issue Order XG-R029-81-2000 granting exemption from the provisions of subsection 29(1), paragraph 30(1)(a), subsection 30(2) and section 31 of the Act with respect to the Ladyfern Pipeline Project, provided that the last clause of the Order, pursuant to section 19 of the Act, is satisfied. A copy of the Order is attached, the effect of which is to allow Ricks to construct the Ladyfern Pipeline, subject to the terms and conditions in the Order.

The Board has not granted Ricks an exemption from the requirements of paragraph 30(1)(b) and section 47 of the Act. Ricks will therefore be required to apply to the Board for leave to open before initiating service.

The Board has decided to regulate Ricks as a Group 2 Company for the purposes of toll and tariff regulation.

D. E. Emes
Presiding Member

J.-P. Théorêt
Member

E. Quarshie
Member

Calgary, Alberta
Dated 20 December 2000

ORDER XG-R029-81-2000

IN THE MATTER OF the *National Energy Board Act*
(the Act) and the regulations made thereunder; and

IN THE MATTER OF an application, pursuant to
section 58 of the Act, by Ricks Nova Scotia Co. (Ricks),
dated 19 July 2000, filed with the Board under
File No. 3400-R029-1.

BEFORE the Board on 20 December 2000.

WHEREAS the Board has received an application from Ricks for the construction of a natural gas pipeline of approximately 12 kilometres in length beginning northeast of Fort St. John in British Columbia and ending at the Nova Gas Transmission Ltd. Owl Lake South Meter Station in northwestern Alberta (the Ladyfern Pipeline Project);

AND WHEREAS, pursuant to the *Canadian Environmental Assessment Act* (CEAA), the Board has considered the information submitted by Ricks and all other documents on the public registry, including submissions received on the draft Environmental Screening Report issued by the Board on 8 December 2000, and has conducted an environmental screening of the Ladyfern Pipeline Project and has prepared an Environmental Screening Report;

AND WHEREAS the Board has determined, pursuant to paragraph 20(1)(a) of the CEAA that, taking into account the implementation of Ricks' proposed mitigative measures and those set out in the attached conditions, the Ladyfern Pipeline Project is not likely to cause significant adverse environmental effects;

AND WHEREAS the Board has examined the application and considers it to be in the public interest to grant the relief requested;

IT IS ORDERED pursuant to section 58 of the Act that the Ladyfern Pipeline Project is exempt from the provisions of subsection 29(1), paragraph 30(1)(a), subsection 30(2) and section 31 of the Act, upon the following conditions:

General

1. Ricks shall cause the approved facilities to be designed, manufactured, located, constructed, installed and operated in accordance with those specifications, drawings and other information or data set forth in its Application or as otherwise adduced in evidence before the Board in the GH-3-2000 proceeding.
2. Ricks shall implement or cause to be implemented all of the policies, practices, and procedures for the protection of the environment included in or referred to in its Application or as otherwise adduced in evidence before the Board during the GH-3-2000 proceeding.

Prior to Commencement of Construction

3. Ricks shall file with the Board for approval, at least 14 days prior to the commencement of construction including clearing of vegetation or ground-breaking activities, an Environmental Protection Plan.
4. Ricks shall file with the Board for approval, at least 14 days prior to the commencement of construction including clearing of vegetation or ground-breaking activities, a specific reclamation plan to assess the effectiveness of the revegetation plan, including:
 - (a) a schedule for filing reports with the Board, and
 - (b) copies of all correspondence demonstrating consultation with appropriate regulatory agencies in developing the plan.
5. Ricks shall file with the Board at least 10 days prior to the commencement of construction of the approved facilities, its final Pipeline Construction Specifications. Ricks' Construction Specifications shall include specifications for the horizontal directional drills to be carried out at the Adswkatim Creek and Tributary to the Adswkatim Creek.

During Construction

6. Ricks shall notify the Board of any change from the proposed HDD stream crossing method and the reasons for the change prior to implementing the change. Ricks shall also file with the Board copies of all correspondence from regulatory authorities relating to the proposed alternate method. Within 1 month of changing the proposed stream crossing method, Ricks shall file with the Board for approval, an amended reclamation plan (see Condition 4) that updates reclamation and revegetation activities for the affected stream crossings.
7. Ricks shall, during construction, maintain for audit purposes at each construction site, a copy of the welding procedures and non-destructive testing procedures used on the project together with all supporting documentation.
8. Ricks shall maintain a file at each construction site with copies of all applicable permits or authorizations obtained.

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9. Ricks shall notify the Board, at least 10 days prior to pressure testing, of any modifications to the Odourized Pneumatic Test Procedure dated 21 November 2000 and of whether test heads or pig launcher/receivers will be used for the pressure test.
10. Ricks shall not carry out construction, clean-up or reclamation activities in Alberta between 1 March and freeze up as stated in Ricks Caribou Protection Plan (Application Appendix A3), which was developed in accordance with the *Operating Guidelines for Industrial Activity in Caribou Ranges* in northwest Alberta.

Prior to the Commencement of Operation

11. Ricks shall file with the Board, at least 10 days prior to the commencement of operation, the following documents:
 - (a) the operations and maintenance manual required pursuant to section 27 of the *Onshore Pipeline Regulations, 1999* (OPR-99);
 - (b) the emergency procedures manual required pursuant to section 32 of the OPR-99; and
 - (c) the operating agreement with the operating contractor, including the contractors' name and qualifications.
12. Ricks shall develop an audit program for the protection of property, the environment, and the safety of the public and company employees pursuant to section 53 of the OPR-99. Ricks shall file the audit program with the Board, at least ten (10) days prior to start of construction, including clearing of vegetation or ground-breaking activities.

Expiration of Order

13. Unless the Board otherwise directs prior to 31 December 2002, this Order shall expire on 31 December 2002 unless the construction and installation with respect to the applied-for facilities has commenced by that date.

IT IS FURTHER ORDERED pursuant to section 19 of the Act that this Order shall not come into force until Ricks has filed with the Board well test data demonstrating a minimum gas deliverability flow rate of $845 \text{ } 10^3 \text{ m}^3/\text{d}$ (30 MMcf/d) for delivery through the proposed facilities.

NATIONAL ENERGY BOARD

Michel L. Mantha
Secretary

XG-R029-81-2000