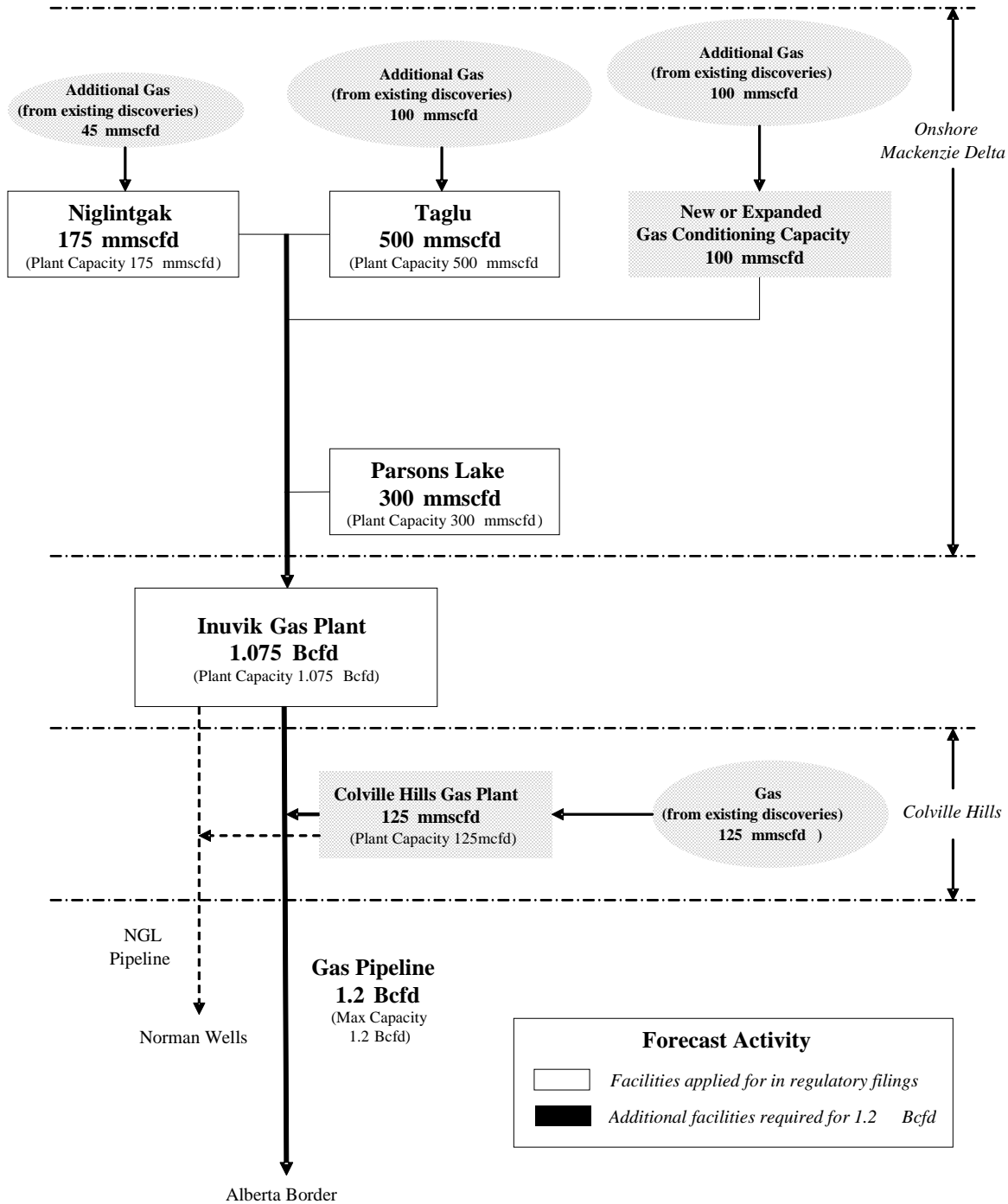


Figure A: Base Case - 1.2 Bcfd (2019)

Gas Sources and Sales Gas Rates

(inferred from regulatory filings)





Appendix Three - Cost Estimating Basis

The following cost information was used to estimate the magnitude of the oil and gas business opportunities in the Northwest Territories during the period 2012 to 2021, based on Integrated Environment's Northwest Territories Oil and Gas Activity Forecast 2012 – 2021 (IEL 2011). The cost estimating data comes from a variety of sources as noted below.

Appendix 2, Table 1

Costs Used to Estimate Magnitude of Oil and Gas Business Opportunity

| | |
|---|-------|
| Beaufort / Mackenzie Region - Offshore | |
| Cost per 2D Seismic Program - 4000 km (millions) | 10 |
| Cost per 3D Seismic Program - 1500 km ² (millions) | 27 |
| Cost per Deepwater Well (millions) | 400 |
| Beaufort / Mackenzie Region - Onshore | |
| Cost per 2D Seismic Program - 250 km (millions) | 12.5 |
| Cost per 3D Seismic Program - 200 km ² (millions) | 20 |
| Cost per Well (millions) | 30 |
| Cost of Pipelines per km (thousands) | 320 |
| Southern Mackenzie Delta Region | |
| Cost per 2D Program - 150 km (millions) | 7.5 |
| Cost per Well (millions) | 13 |
| Cost of Pipelines per km (thousands) | 320 |
| Cost of Gas Processing Plant (millions) | 1100 |
| Central Mackenzie Valley Region | |
| Cost of 2D Seismic Program - 150 km (millions) | 12 |
| Cost per Vertical Well (millions) | 7.5 |
| Cost per Horizontal Well (millions) | 17.5 |
| Cost of Pipelines per km (thousands) | 320 |
| Cost of Gas Conditioning Plant (millions) | 70 |
| Cost of Gas Processing Plant (millions) | 150 |
| Southern Mackenzie Valley Region | |
| Cost per 2D Seismic Program - 150 km (millions) | 1.125 |
| Cost per Well (millions) | 2.7 |
| Cost of Pipelines per km (thousands) | 160 |
| Cost per Gas Conditioning Plant | 45 |

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