



February 25, 2025

VIA EMAIL: ec.minister-ministre.ec@canada.ca; information@iaac-aeic.gc.ca

Fontaine Building 12th floor
200 Sacré-Coeur Blvd
Gatineau QC K1A 0H3

Attention: The Honorable Steven Guilbeault

Dear Minister Guilbeault:

Re: Request for a Regional Assessment – Montney Formation and Adjoining Hydro-Carbon Basins in Northeastern Alberta

With this letter, Duncan's First Nation ("DFN") submits a formal request that your Ministry conduct a regional assessment of the Montney Formation (the "**Montney**") region and adjoining hydro-carbon basins in northwestern Alberta.

The Montney is known as "one of the most active and prolific resource plays in North America,"¹ with industrial activity in the region only set to increase in future years.² Yet despite the significant and ever-increasing development in the region, there have been minimal efforts to date to understand regional baselines and the cumulative effects caused by that development, including resultant impacts on the rights and practices of DFN and other Indigenous groups. A regional assessment of the Montney would greatly improve Canada's ability to address the issue of cumulative effects, insofar as it pertains to one of the world's largest "marketable unconventional gas resource[s]."³

¹ Chris Podetz et al, "The Evolution of the Montney Development" (2022) at p 1, online: geoconvention.com/wp-content/uploads/abstracts/2022/73401-the-evolution-of-montney-development.pdf.

² Heather Exner-Pirot, "Opinion: Unleash the Montney: Canada's world-class gas field is waiting to be tapped" (September 29, 2022) *Financial Post*, online: financialpost.com/opinion/opinion-unleash-the-montney-canadas-world-class-gas-field-is-waiting-to-be-tapped.

³ Nation Energy Board, *Energy Briefing Note: The Ultimate Potential for Unconventional Petroleum from the Montney Formation of British Columbia and Canada* (2013) at p 4, online: cer-rec.gc.ca/en/data-analysis/energy-commodities/natural-gas/report/archive/ultimate-potential-montney-formation/the-

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In this letter, we provide background on DFN, the Montney and the adjoining hydro-carbon basins, before describing an initial proposal the requested regional assessment approach. We understand that the development of a regional assessment is an iterative and collaborative process, however, and look forward to working with you and other stakeholders to further develop the parameters and scope of the assessment.

Background

DFN is a Treaty 8 First Nation located in what is now northwestern Alberta. Our traditional territory, which extends into the Rocky Mountains in British Columbia, is centered on the Peace River area (see Fig 1). Our culture and identity are bound up with the land; our ability to pass on our culture and maintain our way of life and identity depends on healthy functioning ecosystems being present within our traditional territory.

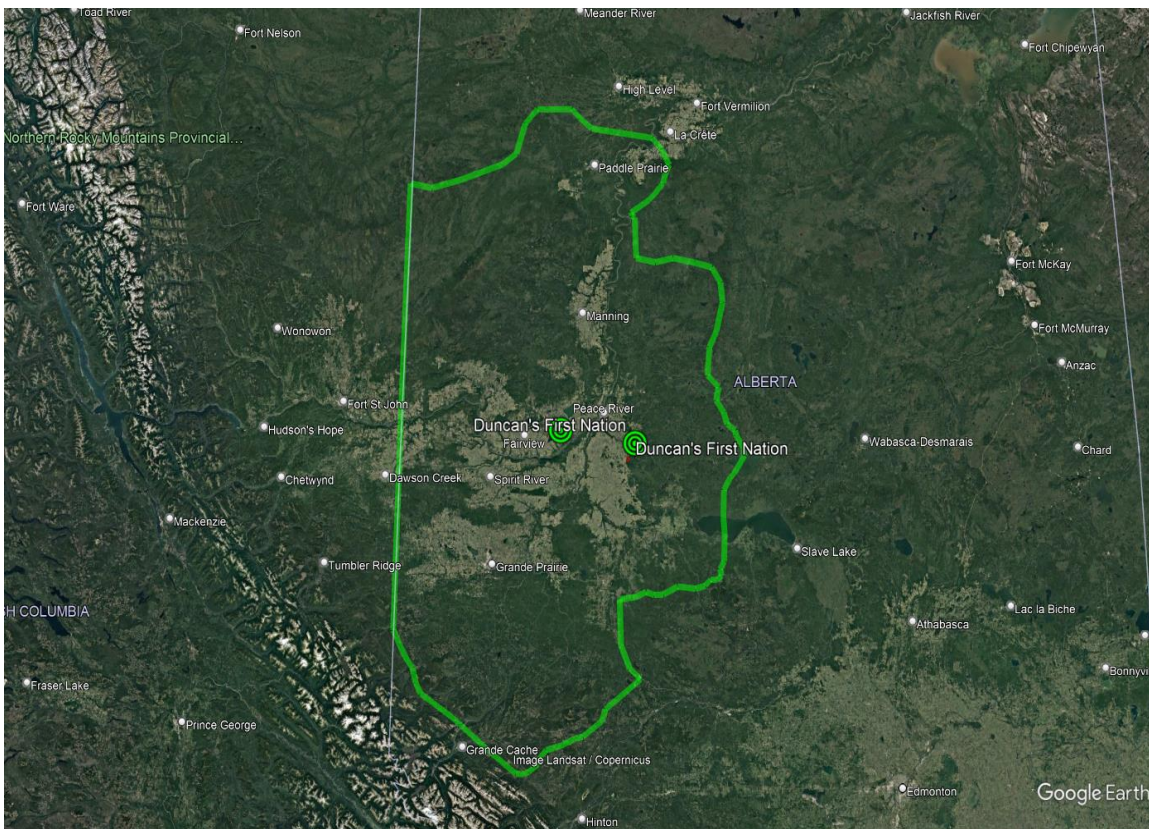


Figure 1: DFN Traditional Territory in Alberta

A significant portion of DFN's traditional territory overlaps with the Montney in Alberta (see Fig 2 and 3). The Montney is a major shale gas and tight oil resource located in northwestern Alberta and northeastern British Columbia. It is aerially extensive,

[ultimate-potential-unconventional-petroleum-from-montney-formation-british-columbia-alberta-energy-briefing-note.pdf](#).

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covering approximately 130,000 km², and has been the target of oil and gas exploration since the 1950s.⁴

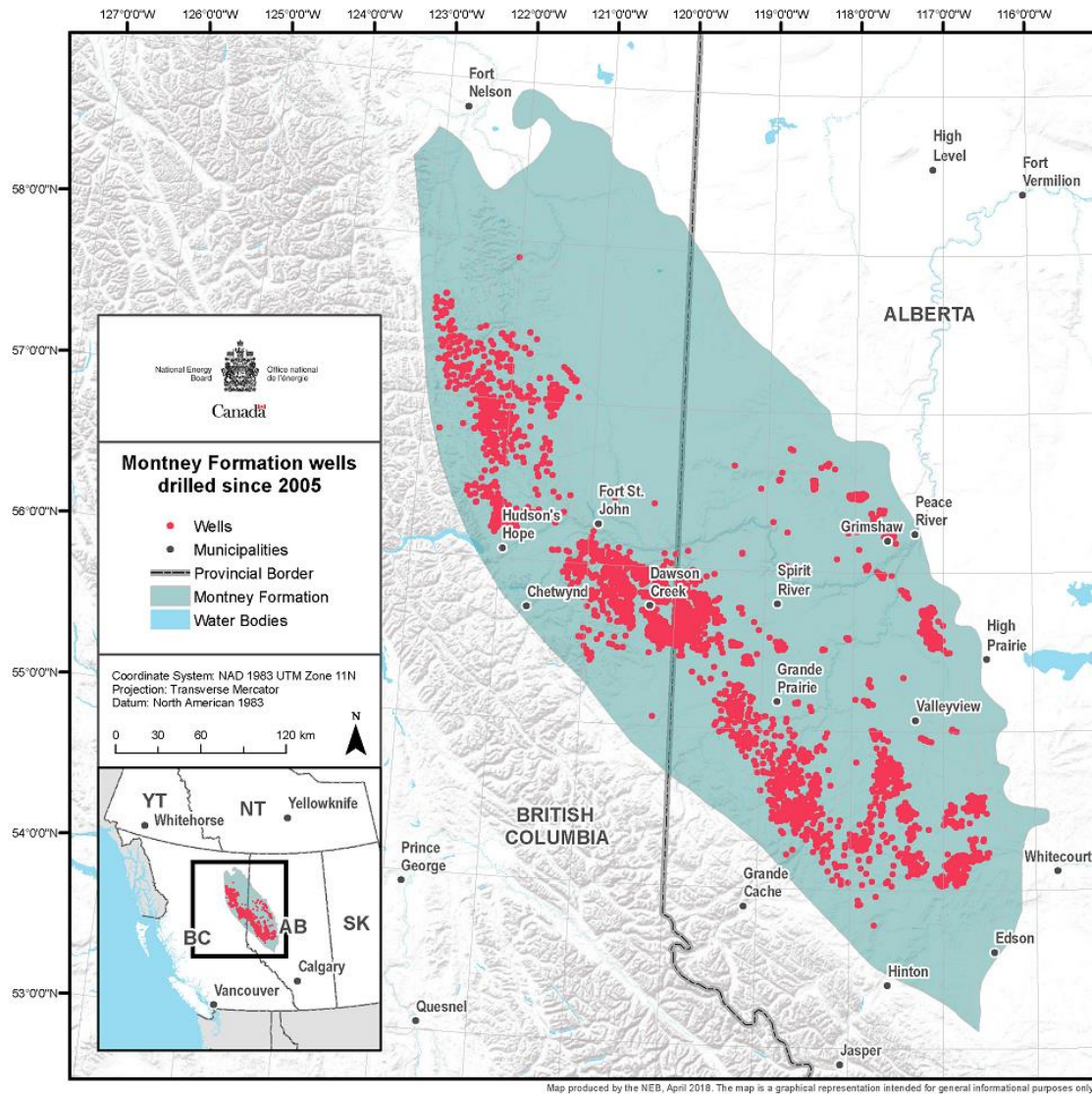


Figure 2: IHS-Performance Evaluator for well locations and the Atlas of the Western Canada Sedimentary Basin for the location of the Montney Formation, online: cer-rec.gc.ca/en/data-analysis/energy-markets/market-snapshots/2018/market-snapshot-evolving-technology-is-key-driver-performance-in-modern-gas-wells-look-at-montney-formation-one-north-americas-biggest-gas-resources.html

Over the past decade, the Montney – and northwestern Alberta in general – has witnessed an incredible increase in industrial development, including liquid natural gas (“LNG”) pipeline projects meant to move LNG west to the coast and south for export into the United States. The Montney is projected to be the primary source of supply for

⁴ Nation Energy Board, *Energy Briefing Note: The Ultimate Potential for Unconventional Petroleum from the Montney Formation of British Columbia and Canada* (2013) at pp 1–2.

potential LNG projects because of its size and proximity to the coast.⁵ The pace of development is only set to increase in future years.



Figure 3: Montney Formation in Alberta

While the Montney Basin is the major resource play in northwestern Alberta, it overlaps with three other key hydro-carbon basins (collectively, the “**Adjacent Basins**”):

<p><u>North Nordegg Member (Fig 4)</u></p>	<p>➤ 37.8 billion barrels of oil, 1.4 billion barrels of natural gas liquids and 148 trillion cubic feet of natural gas</p>
<p><u>Wilrich Formation (Fig 5)</u></p>	<p>➤ 47.9 billion barrels of oil, 2.1 billion barrels of natural gas liquids and 246 trillion cubic feet of natural gas</p>

⁵ David Suzuki Foundation, Drilling into the Montney: How LNG expansion will accelerate drilling, fracking and environmental impacts in Northeast BC and Adjacent Alberta (2024), online: <https://david Suzuki.org/wp-content/uploads/2024/07/Drilling-into-the-Montney-Report-2024.pdf> at p. 8.

Muskwa Formation (Fig 6)

➤ 47.9 billion barrels of oil, 2.1 billion barrels of natural gas liquids and 246 trillion cubic feet of natural gas⁶

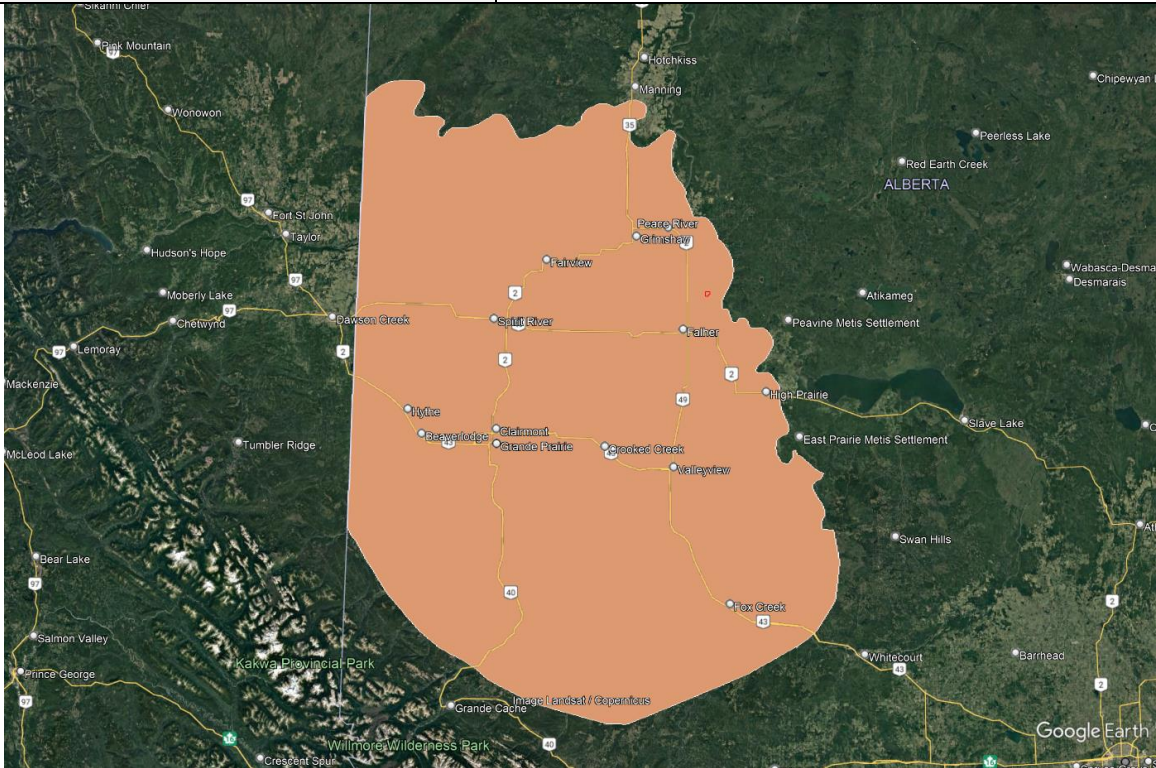


Figure 4: North Nordegg Member in Alberta

⁶ Alberta, "Unconventional resource potential and development" (2023), online: alberta.ca/unconventional-resource-potential-development.aspx.

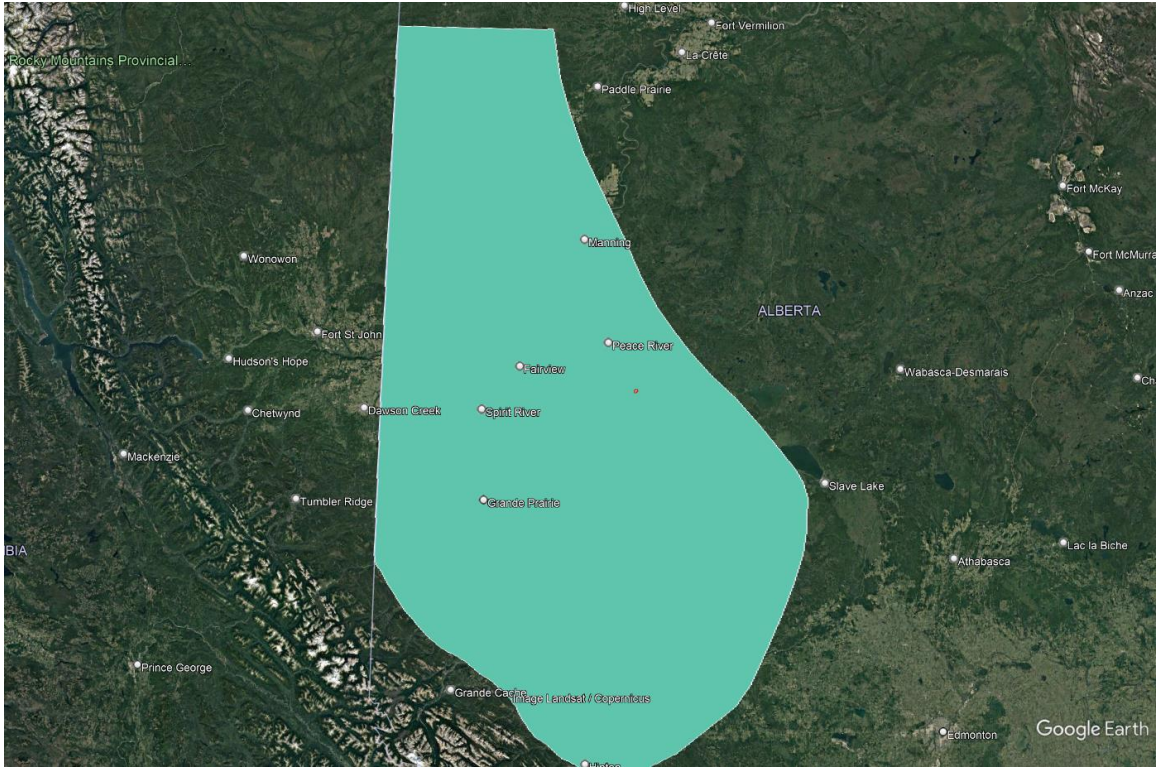


Figure 5: Wilrich Formation in Alberta

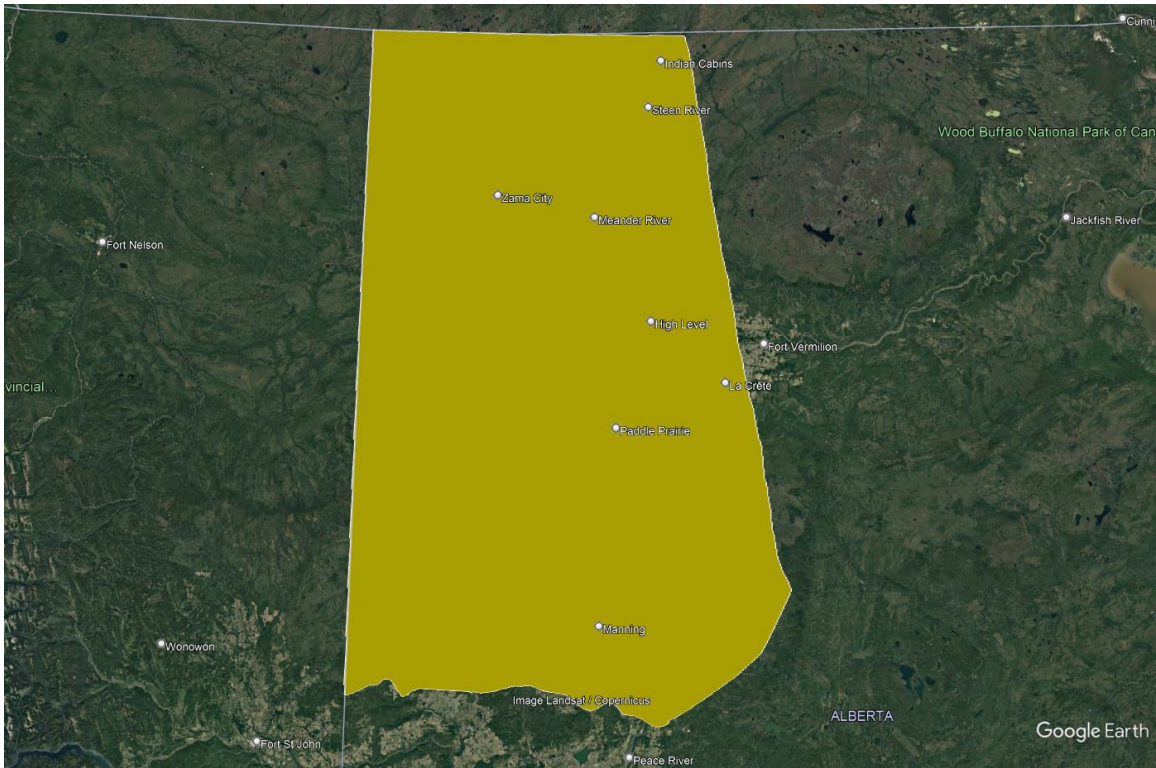


Figure 6: Muskwa Formation in Alberta

For many years, DFN has identified and tried hard to escalate concerns around the cumulative impacts of development in its traditional territory.⁷ DFN's members have witnessed significant industrial and other development in their territory, which has led to serious cumulative impacts on our ability to exercise our Treaty rights and maintain our culture and way of life. Among other things, our elders, knowledge holders, land users and community members are reporting the following:

- the balance of accessible Treaty/Crown lands remaining in our traditional territory has been subjected to an ever increasing level of development, including with respect energy, conventional oil and gas, shale oil and gas, pipeline and power line transmission, forestry, access road construction, agriculture, and now new types of development, such as peat bog harvesting which have given rise to a range of adverse impacts to our Treaty rights;
- linear corridors created by the resource sector has greatly facilitated motorized access by ATVs and off-road vehicles, opening more and more areas that were once comparatively isolated and secluded;
- there has been a steady increase in natural predators, such as wolves and bears, which is taking an ever-worsening toll on moose and caribou;
- in areas where there has been a lot of resource development, with a heavily developed access network and linear development, even our experienced hunters find it difficult to locate and successfully hunt large game;
- the adverse impacts observed in such areas have grown more pronounced with the passage of time, as our families are finding it harder and harder to procure large game, small game, fish, berries, other foods, and medicinal plants;
- many areas of our once beautiful, pristine lands have been overrun by a network of oil field and industry roads, resulting in omnipresent industrial traffic, dust, noise, light, smell, and human presence, meaning that in many cases it is simply not safe, sensible, or tenable for our community members to utilize and be in these areas;
- there are few areas left in DFN's territory where healthy, clean, and quiet conditions persist – conditions which are necessary for our families and community members to exercise their rights and teach and pass on our culture and skills to the next generations;
- community members have been growing increasingly concerned about the health and safety risks of pollutants and other contaminants, especially in areas with high levels of development, which has made members reluctant to consume

⁷ In an effort to address these concerns, DFN commenced a court action for Treaty infringement against the Government of Alberta in 2022: *Gladue et al v Alberta*, (July 18, 2022) 2203 10939 ABKB.

game and other harvested foods as well as to engage in traditional activities in such areas;

- we have seen increasing disease-related stressors weakening large mammals and the growth in diseases, which potentially make it dangerous to consume them by our community members;
- in recent years, we have seen a rise in intense, out-of-control wildfires, which damage large game habitat, creeks, rivers, and plant communities over the long term;
- although our elders have taught us that caribou were once plentiful and helped support our people through key times of the year, the species – to which our people have a Treaty right and interest – now face extirpation and serve as a warning signing of the effects of unsustainable levels of development to our people;
- moose, another key species which are critical to our people and our identity, are not doing well across our Territory and our people are hard-pressed to hunt;
- there has been a marked decline in other culturally important species, including squirrel, lynx, marten, and various kinds of fish, throughout DFN's territory;
- we have witnessed decreased water quantity and water quality throughout many portions of DFN's territory;
- there has been a rise in fish consumption advisories in many sub-watersheds within our territory, including on and downstream the Peace River, on account of pulp mills, agricultural operations, and industrial and residential development;
- we have seen a decline in cool water fish closer to the mountain and high ground in our territory, as well as in warm water species further down in the Peace Watershed and its sub-watersheds; and

As a result of these devastating impacts, our members have an increased need to hold on to, use, and access areas that have been subjected to less intense development – areas which are deemed, quieter, cleaner, less disturbed, and more conducive to the successful exercise of our rights and the practice of our culture. Many of these areas fall within the region described above and stand to be adversely affected by increased development.

Notwithstanding that need, however, there have been very limited governmental efforts to date to review and regulate cumulative impacts, and to protect remaining areas from unconstrained development, as set out below.

Need for Assessing Cumulative Effects and Impacts in the Region

DFN is especially concerned about future development in the Montney and the Basins, given the predictions of substantial future growth in the region.⁸ As Alberta's Natural Gas Advisory Panel predicted in a 2018 report:

Tight rock in the Deep Basin, Montney, and Duvernay formations has also become highly attractive for light oil, condensate, and natural gas liquids (NGLs) production. Condensate production from Alberta and B.C. tight rock is used to dilute bitumen production from the oil sands. Imports of diluent will shrink, possibly to zero, as western Canadian condensate production grows in the years ahead.

These tight rock formations are expected to drive significant growth in light oil production in coming years. The oil in place in these formations is many times greater than Western Canada's entire cumulative oil production over the past century. The advent of horizontal drilling with multi-stage fracturing enables industry to tap an enormous tight rock resource base that was previously considered technically and economically stranded.⁹

It is likely that this growth will disproportionately affect the Alberta side of the Montney and the Basins. Significantly, in January 2023, the Province of British Columbia and Blueberry River First Nations arrived at an agreement following the groundbreaking court case of *Yahey v British Columbia*. One consequence of the agreement will be to substantially slow development on the British Columbia side of the border.¹⁰ Since no such limitations apply in Alberta, DFN expects to see a commensurate increase within its Alberta territory.¹¹

The Montney and the Adjacent Basins are already home to several major federally regulated pipeline systems which north-east BC and north-west Alberta upstream and midstream oil and gas shippers utilize to move hydrocarbon resources to varied markets.

The DFN highlights with great concern, the list of recently approved and newly proposed major transmission gas pipelines designed to increase the take away capacity

⁸ Chris Podetz et al, "The Evolution of the Montney Development" (2022) at p 2; Heather Exner-Pirot, "Opinion: Unleash the Montney: Canada's world-class gas field is waiting to be tapped" (September 29, 2022) *Financial Post*, Alberta, "Unconventional resource potential and development" (2023).

⁹ Natural Gas Advisory Panel, *Roadmap to Recovery: Reviving Alberta's Natural Gas Industry* (2018) at p 22, online: open.alberta.ca/dataset/33cee3b8-f393-47c2-817f-6899a55e697b/resource/90906b33-443d-48f1-b8dc-9c42515fb0c2/download/00736-ngap-report-2018.pdf.

¹⁰ See Meghan Potkins, "Long-awaited Blueberry River deal means it's no longer 'business as usual' for Montney gas producers" (January 19, 2023), *Financial Post*, online: financialpost.com/commodities/energy/oil-gas/blueberry-river-deal-no-longer-business-as-usual-montney-gas-producers.

¹¹ See, for example, Nia Williams, "Natural gas firms warn clock ticking on Montney shale deal with First Nations" (November 1, 2022), *EnergyNow Media*, online: energynow.ca/2022/11/natural-gas-firms-warn-clock-ticking-on-montney-shale-deal-with-first-nations.

of shale gas/liquids from the Montney Basin to the west coast of BC, east and south in Alberta to boost oil sands refining and petrochemical production and south to the United States. A list of these pipeline projects (federally and provincially regulated) include:

- the Nova Gas Transmission Ltd Towerbirch Expansion Project: Federal/Approved
- Nova Gas Transmission Ltd. 2021 System Expansion Project: Federal / Approved
- Nova Gas Transmission North Central Corridor Loop Project: Federal / Approved
- Nova Gas Transmission North Project: Corridor Expansion Project: Federal / Approved
- Nova Gas Transmission Valhalla North and Berland Project: Federal / Approved
- Keyera KAPS Pipeline – Zones 1-4: Provincial / Approved
- North River NC BC Connector Project: Federal / Approved
- Pembina Taylor to Gordondale Project: Federal / Proposed
- Nova Gas Transmission Ltd: Grand Prairie Mainline Loop #3: Federal / Proposed

All of these projects will promote, shape and increase upstream and midstream further oil and exploration development giving rise to an increase in energy industry footprint, energy industry activity, landscape disturbance and a deepening of impacts on the DFN People's rights, way of life and culture. Other projects such as the recently unveiled 'Wonder Valley' Artificial Intelligence Data Centre, if approved, would also consume considerable volumes of gas from the Montney Basin and Adjacent Basins.

As mentioned, the volume of projects expected for the region is only set to increase in future years. For example, pending projects include the NorthRiver Midstream – NEBC Connector Project – a \$350-million pipeline project that would move 98,000 b/d of Montney Shale liquid byproducts.¹²

Notwithstanding the significant economic potential of the region, little work has been undertaken to date to understand cumulative effects in the Alberta portion of the Montney and the Basins and to identify appropriate baselines. For instance, while the Province of British Columbia is currently working with Blueberry River First Nations and other Treaty 8 First Nations situated in British Columbia to better manage cumulative effects, no such initiatives are taking place in Alberta. In addition, the Province of

¹² Gordon Jaremko, "Montney NGL System OK'd in Split Decision by Canada Regulators" (September 2, 2022), *Natural Gas Intelligence*, online: naturalgasintel.com/montney-ngl-system-okd-in-split-decision-by-canada-regulators.

Alberta has yet to commence regional land use planning – a process which in theory is meant to address cumulative effects – in the region.

We are on the cusp of accelerated growth in the Montney and the Basins. That being so, now is the time to conduct a regional assessment to better understand the existing regional context, to analyze trends and to identify baselines against which to assess future projects.

Initial Vision for Regional Assessment

Appreciating the iterative and collaborative nature of regional assessments, DFN tentatively proposes the following vision for a regional assessment of the Montney and the Basins:

<p>Scope: The regional assessment should focus on the Alberta portions of the Montney Formation (Fig 3) as well as the North Nordegg Member (Fig 4), the Wilrich Formation (Fig 5) and the Muskwa Formation (Fig 6)</p>
<ul style="list-style-type: none">➤ Accelerated development is expected for the region, with much of this development likely to engage federal regulatory processes➤ The limits of development imposed in light of the <i>Yahey</i> decision are likely to push further development to the Alberta side of the provincial border➤ Unlike the British Columbia portions of the Montney and the Basins, no current initiatives exist for understanding or addressing regional cumulative effects in the Alberta portions, for which reason it makes both practical and economic sense to prioritize the Alberta portions
<p>Type: The regional assessment should focus on data gathering and trend analysis, particularly with respect to impacts on Indigenous physical and cultural heritage, current traditional land use, culturally important sites and Aboriginal and Treaty rights</p>
<ul style="list-style-type: none">➤ As it stands, there is little available information and data focusing on non-project-specific cumulative effects in the Montney and the adjoining hydro-carbon basins➤ The region is of great significance to DFN and other Indigenous groups, who have used the region since time immemorial to hunt, fish, trap, harvest and carry out other important cultural activities and who continue to exercise constitutionally protected Aboriginal and Treaty rights in the region➤ DFN and other Indigenous groups have already been raising concerns around the cumulative impacts of development on their rights, interests and way of life in the region, including on account of agricultural development, forestry,

transportation networks and extensive (and ever increasing) oil and gas exploration and development

- These concerns will only grow worse as the pace of development accelerates in the region
- It is vital for Canada to get a head start on that excepted acceleration by identifying baselines and collecting information and data now

By conducting a regional assessment of the Montney as well as the Basins, Canada would be able to significantly improve both the effectiveness and the efficiency of the impact assessment process for unconventional petroleum and other hydro-carbon projects in the region. Baseline information, regional landscape analysis and impact identification arising from this process would lead to more informed decision-making by the Crown. That is especially so given the very real potential of those projects to contribute to further cumulative impacts on the rights of DFN and other Indigenous groups with territory in the region.

Interested Indigenous Governments and Stakeholders

The Alberta portions of the Montney and the Basins are home to several other Indigenous groups besides DFN. We anticipate that these other groups will be interested in and may seek to participate directly in the development of the requested regional assessment. We would welcome their involvement.

As for DFN, we have already collected community information and data on the cumulative impacts of development within our traditional territory, including with respect to the areas covered by the Montney and the Basins. DFN would be able to contribute disturbance-mapping and traditional land use information to support the regional assessment.

In addition, DFN is hopeful that the Province of Alberta will support and participate in the requested regional assessment as an interested provincial jurisdiction.

Conclusion

Canada is in an opportune – albeit fleeting – position to better understand and respond to the unique issues facing the Montney and the adjoining hydro-carbon basin, especially as they pertain to cumulative effects and result impacts on Indigenous rights, interests and ways of life. Time is truly of the essence, as we move closer and closer in the Montney to total elimination of our people’s ability to exercise our way of life. We truly hope that you make use of this opportunity to order a regional assessment for the Alberta portions of the Montney and the Basins.

We ask that you direct any correspondence in relation to this request to myself, Ken Rich: Director: DFN Land, Environment and Community Development Unit at

ed.dir@duncansfirstnation.ca and Chief Virginia Gladue and Council at
virginia@duncansfirstnation.ca

Yours in Peace and Respect,

<Original signed by>

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cc: Chief Virginia Gladue and Council
DFN Elders, Youth and Community Members