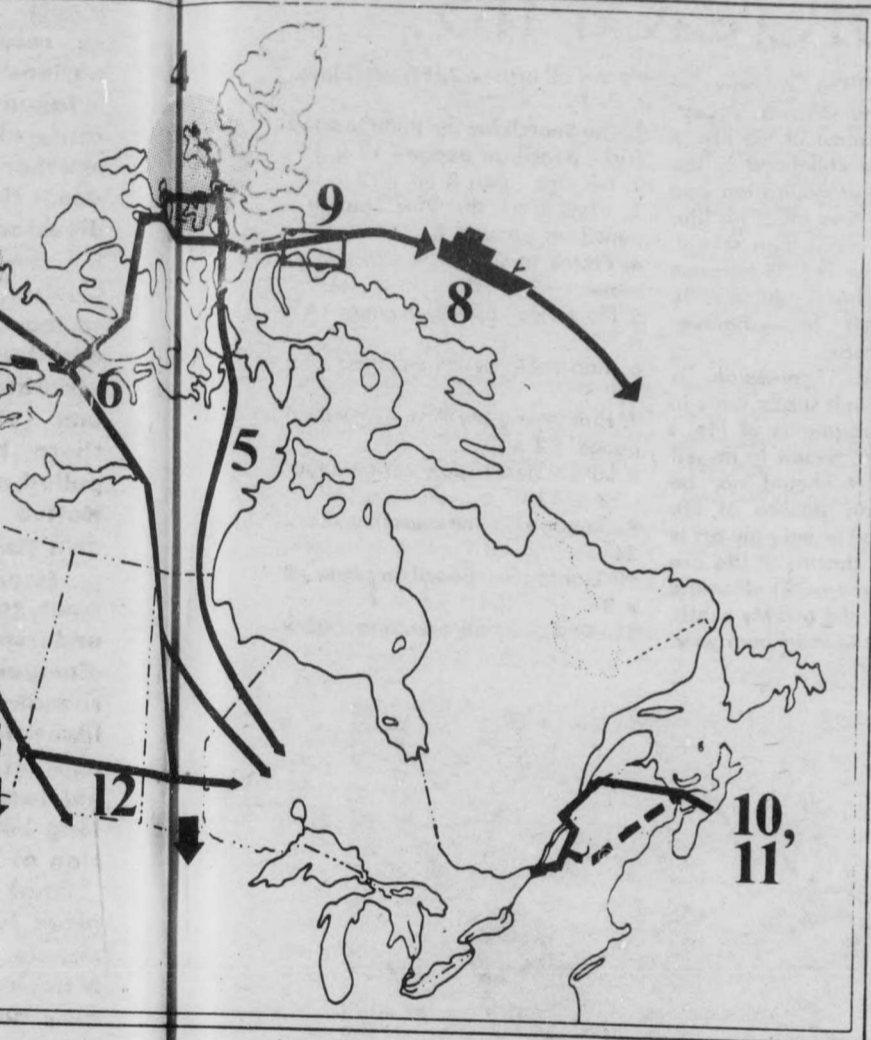


ARNNATURAL GAS

By MIKEMACKINNON



Will this moose, grazing here in a pond in the Kenai Mosse Range, be a victim of the pipeline?

Polar Gas has already had meetings with potential producers in the Delta and also with Dome Petroleum, the operation in the Beaufort Sea.

Only one system can be used in the north to move the gas to markets in Canada and the United States. Arctic Island gas reserves cannot justify the original proposal.

PIPELINES IN THE DELTA

July 1 is the date that the AGTC-West Coast Transmission companies have to report with the results of its studies on a line from the Dempster highway corridor to the gas fields in the Delta. At this time Polar Gas will also submit its studies on the Y-line.

Also planned is a joining of Alberta Gas Trunk and Dome Petroleum on the MacKenzie Valley pipeline.

FOOTHILLS

Even bigger than the previously mentioned plans is the alliance Trans-Canada-Pipelines has with the Foothills partnership to construct the Alaska Highway pipeline.

Latest in the talks is a change for the eastern part of the Alaska Highway gas line.

The original plan was the construction of a completely new system for the gas through Saskatchewan and the mid-west/north-central regions of the U.S. The new plan is a direct hook-up with the Alaskan main system. This would allow TCPL to become a member of the Foothills Partnership.

Dome is the largest shareholder in TCPL so it is no wonder that TCPL would try to get into this project - the biggest project in history.

This expansion would be consistent with previous development of Dome. A connection with the Foothills project in the MacKenzie Valley would be a big step in that direction.

BEAUFORT SEA

Dome also has a stake in Beaufort Sea gas fields. The off-shore drilling program which has been going on for three years now has been the focus of much controversy. Although Dome has found some gas in the Beaufort

Sea area it has yet to find the amount needed to justify their plan as a national interest. This shortness of gas is certainly not due to insufficient federal funds.

Even before the risks of the plan were known, the 1974 Cabinet gave the program its approval-in-principle. In 1976 this authority-in-principle became operative authority.

The drilling season for Dome is extended every year, ice breaker's have been leased to assist Dome by the federal government and there have been the tax allowances, they gave investors more than 100 percent deductibility on their investments.

Not only has Dome failed to find the large gas deposits necessary for the project but also they have failed to prove the safety assurances they had promised. In the last three years there have been three accidents.

Although environmental policies, manpower and social programs reform the processes used and reduce the risk they are still unable to stop the project. One example is the off-shore drilling in the eastern Arctic.

CASE: EASTERN ARCTIC

Northern Affairs Minister Faulkner announced that the government is now considering the proposal to drill in the Davies Strait off Baffin Island.

Some of the operators plan to start drilling this summer, while preparations for the exploration of Tancaster Sound on the north coast of Baffin have not ended.

The federal government has organized and funded the environmental studies which are to be done on the drilling. Also Ottawa has created a panel to review the risks of the project and to recommend alternative actions.

It will be a while yet before the output level of the eastern Arctic will be equal to that of Delta or Panarctic.

What does all this lead to? Although at first it may appear that a large number of companies are involved, there are, in fact, only a handful. Is the solution to export the abundance of gas in the west and pipe down from the North the gas that is needed to replace the exported gas? This is a question that will require a lot of deliberation before it can be properly answered.



The straits from Prince William Sound into Valdez Arm. It is here where tankers will join up with the southern terminal of the Trans Alaska Pipeline