



This winter brought talk about the natural gas pipeline once again. Once more we are presented with the question of native rights; their struggle for political and economic rights. The fight for control of Northern Gas still goes on between the energy companies.

ENTER PETRO CANADA

Petro-Canada, the latest company to enter the picture, has taken over Pacific Petroleum with a \$1.4 billion private deal. This would allow Petro-Canada to take over one-sixth of the Alaska Highway gas pipeline project. The national corporation has now become active in the financing and constructing of the project.

Petro-Can joins up with AGTL (Alberta Gas Trunk Lines). This allegiance will be headed by Robert Blair.

In January Petro-Can revealed the Arctic Pilot Project: a plan revealed in conjunction with AGTL and Melville Shipping group that promotes the carrying of liquified natural gas (LNG) by tanker from the Arctic to the East coast.

Panarctic will play the role of prime producer by its having already spent \$200 million in bringing up 13 tcf of gas reserves and planning to spend another 110 million dollars to meet the 1983 delivery date of the Pilot Project. Petro-Can will also own between thirty-three percent to fifty-five percent of the system carrying the gas from Drake Point, a system which includes pipelines built by AGTL, LNG tankers and terminal facilities. Two ships which are estimated cost 250 million dollars will run from Melville Island every twelve days and carry approximately 250 million cubic feet of gas each day.

A pipeline has been proposed to service Quebec and the Maritimes. Petro-Can now has a 20 percent option on this pipeline. This regular supply of gas from the Arctic means that gas will no longer be needed creating a surplus of Albertian gas which can be sold to the United States. The American customers would pay the rate for the Arctic LNG shipped to the Maritimes and Quebec while Quebec and the Maritimes would pay the rate for the Albertian gas going to the States. The mediator in this would be Petro-Can.

OTHER LNG PLANS

There are other LNG plans afoot. One is the plan of the Trans-Canada Pipe Lines (TCPL), a plan similar to that of the Arctic Pilot Project. This plan has been around for about two years now. The system used would cost about \$2 billion and would run the gas from King Christian Island to a terminal not far from Quebec City.

On King Christian Island, just off the southern coast of Ellef Ringnes, north of Melville Island, has about 3 tcf of natural gas. So far this is all that has been discovered, the large percentage of it found by Dome Petroleum. It is not certain how profitable this pipeline would be.

One similarity of the two plans is that TCPL tankers would join up with eastern pipelines - hookup proposed by TCPL itself.

Only one of the two companies would get the go ahead but there is a possibility of the two joining together. Once an LNG system is set up the gas can be moved soon at a reasonable and profitable rate.

POLAR GAS

Charles Hetherington, president of Panarctic had made plans as early as 1974 for piping gas out of the Arctic Island. Still, Polar Gas, just revealed its plans last year.

This pipeline is just another in a string of Energy company combinations. Some of the members are Panarctic, Petro-Can, the Ontario Energy Corporation and Tenmeco Oil of Canada. Options are held by Canadian Pacific Investments, Ltd. and two U.S. companies, Texas Eastern Transmission and the Pacific Lighting Corporation of California. Manager of the project is Trans-Canada Pipe Lines.

The problem with the proposal is that Polar has not got the gas. Of the 17-20 tcf of reserve gas that is needed before the pipe-line can be financed, only 13 tcf have been found.

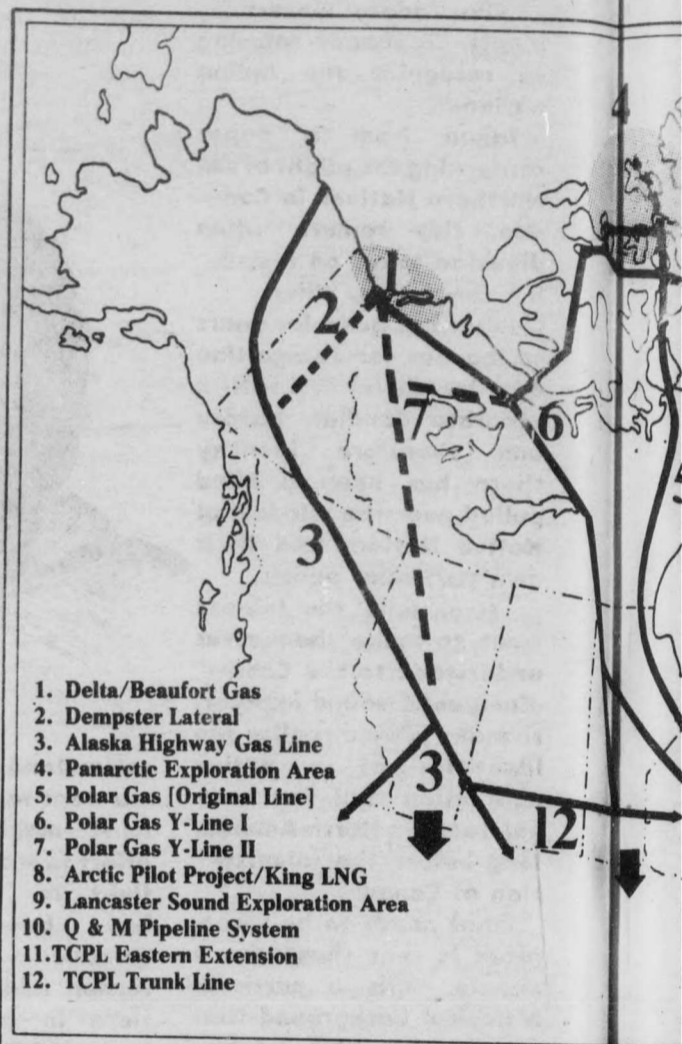
Instead of waiting for the predicted boom Polar gas has come up with a new plan.

Y-LINE

This plan calls for the combination of the Arctic Island gas with the 6 tcf of untapped gas in the MacKenzie Delta.

NORTHERN

By MIKEMACK



The start of the construction on a 360 mile road above the Frozen Yukon River.