

# Kitimat LNG community news

issue 8, fall 2016

# message from Alan Dunlop



Since the last issue of our Community Newsletter, Chevron, Woodside and the teams working on the Kitimat LNG project remain focused on developing a globally competitive project that is ready at the right time and aligned with LNG market demand.

Global LNG prices have weakened significantly in the last 24 months and low energy prices and market conditions have

significantly reduced energy industry capital spending over this period. However, the long-term outlook for LNG volumes remains strong, with an opportunity for significant new LNG demand to Asia forecasted to develop in the next decade. The competition to supply this market is strong, in particular from new U.S. Gulf Coast LNG export facilities, and proposed LNG projects in British Columbia must be cost competitive relative to these other jurisdictions.

So what's been happening and how is our project responding to these challenges? Chevron and our co-venturer Woodside – both experienced LNG project developers and operators – are well aligned on the current pace of the project across the entire value chain.

Significant engineering and planning work is continuing on the LNG plant design and good progress has been made in finding ways to reduce costs, unlock value, increase execution certainty, and improve overall project competitiveness.

The project's upstream resource appraisal program in northeastern B.C.'s Liard basin has confirmed a prolific unconventional natural gas resource. We are currently assessing performance from recently drilled wells that are similar to those that would be drilled under a full scale development project. We are encouraged by the production performance to date, and our teams continue to progress opportunities to reduce the costs and time required to drill and complete Liard wells. Our dialogue with local communities and First Nations is ongoing as we continue to build a strong foundation for our future collaboration. Along the proposed Pacific Trail Pipeline route, our near-term focus is on maintaining the pipeline right-of-way and compliance with our existing environmental permits. Although the level of field work activity has been reduced relative to prior summers, we continue to work with the First Nations Limited Partnership on the training and skills development programs that will assist their members to participate in future LNG industry opportunities.

On the fiscal and commercial fronts we continue to engage with the B.C. Government on evolving policy matters, and with potential LNG customers.



Kitimat LNG Project, Liard North Pad

Keeping local communities informed of our activities is always a priority. All of us at Kitimat LNG trust you, your families and friends are enjoying the colours of the changing season and if you have any questions or feedback, please drop us a note at kitimatLNGfeedback@chevron.com.

Alan Dunlop

Vice President and General Manager, Asset Development Chevron Canada Resources





## habitat enhancement project will introduce fish to the Cecil Ponds

The Cecil Ponds, located 20 kms north of Kitimat, will soon be home to Coho salmon thanks to an innovative habitat restoration effort being undertaken by the Kitimat LNG Project.

The three ponds are old gravel borrow pits that were developed 40 to 50 years ago when the Wedeene Forest Service Road was built. They have since filled with water and currently do not support fish.

Upgrading and construction of the Bish Forest Service Road and site preparation activities at the Kitimat LNG Bish Cove plant site in recent years resulted in some loss of fish habitat, including marine



infrastructure. To compensate for, or "offset" the habitat loss, Kitimat LNG is providing access for fish to the Cecil Ponds from nearby fish bearing, tributary streams.

The project involves providing new access via a man-made fishway for fish to travel from the tributary to the largest pond, and then improving access to the other two ponds with the goal of populating all three with juvenile coho. When completed, the project will create an estimated 13,000 square metres of aquatic habitat.

"We looked at 37 potential freshwater habitat offsetting opportunities in the vicinity and the Cecil Ponds project best met all the criteria we used in our evaluation," says Nicole Romanczuk, Kitimat LNG plant site environmental team lead.

The work at Cecil Ponds, to be conducted by Ledcor-Haisla, is expected to begin in September and will take about a month to complete. Over the coming years, the site will be regularly monitored to ensure the improvements made to create this new aquatic habitat are functioning as designed.

## service road access agreement will benefit Kitimat community

Kitimat LNG has signed a road access agreement with the LNG Canada project that will benefit the community by taking hundreds of heavy duty trucks off public roads.

As part of an early works program, LNG Canada is planning to haul gravel from the Sandhill gravel pit to its site, where ongoing site preparation work is underway. The agreement will allow LNG Canada to use the Kitimat LNG Industrial site ring road, located around the perimeter of the Kitimat LNG Industrial site, instead of local public roads to bring the gravel to the LNG Canada site.

"This agreement is really about benefitting the community by diverting heavy duty haul trucks onto a private road, thereby reducing traffic, public risk, and wear and tear on public roads," says Murray Cronk, site operations superintendent, Kitimat LNG. Cronk says LNG Canada approached Kitimat LNG, which owns and maintains the road, about using it for their project. Under the agreement, LNG Canada is undertaking necessary work



to ensure the road can handle the heavy trucks – which can weigh up to approximately 40 tonnes when loaded. "We may be competitors, but we also have a good working relationship with LNG Canada," Cronk adds.

# long-time fixture at the former Eurocan site to be removed

Planning is underway to remove one of four tall stacks at the former Eurocan Pulp and Paper Mill in Kitimat.

Earlier this year, Kitimat LNG personnel on site detected corrosion defects at the base of the 6 foot diameter, 210 foot tall carbon steel stack structure. Two independent engineering assessments were completed to ascertain safety issues and the structural condition of the stack.

"The engineering assessments concluded that the stack had lost some critical wall thickness and temporarily repairing it would be too costly," says David Stein, site coordinator, Kitimat LNG. He added that "considering it will eventually be removed as part of a planned demolition of the other buildings and structures, the decision was made to remove the stack altogether."

The stack removal itself is expected to take up to two weeks and will involve two cranes with crews positioned on either side of the stack. One crew will cut sections of the stack, with the other crew safely removing and lowering the cut sections to the ground. Each section will then be cleaned to remove any residual contaminants from inside the stack before it is shipped offsite to salvage the metal.

The former Eurocan mill, or Industrial Site as it's now known, is an integral part of the proposed Kitimat LNG project. Since acquiring the site in 2011, Kitimat LNG has been maintaining the site and ensuring it is in regulatory compliance as it undertakes a long-term remediation and reclamation program.

For more information on the Kitimat LNG Industrial Site and plans for its future, please visit our website at www.chevron.ca/ KitimatLNG.



# Kitimat LNG Project welcomes two new faces!



Murray and Helen Cronk

Chevron Employees Murray Cronk and Keira Baker have recently joined our Kitimat-based team.

**Murray Cronk** is Kitimat LNG's new site operations superintendent. He will be responsible for managing all aspects of the Industrial Area and the Bish Cove Project Site, including field programs, contracts, and compliance. He will also maintain all project areas, including the Forest Service Road (FSR), Industrial Site and Plant Site.

The Stettler, Alberta, native has split his last 15 years with Chevron between Houston, Texas, where he worked in operations, and West Africa, where he rotated in and out as an operations superintendent for an offshore rig in Angola.

Murray is keen to experience the north coast wilderness, but his more immediate plans are to work on his golf handicap. The avid golfer is looking forward to getting out on the course a few times a week. He is also eagerly awaiting the arrival of his wife, Helen, who is completing a term as an occupational health manager in Qatar.



**Keira Baker** is the new field project engineer for Kitimat LNG. She will manage the ongoing maintenance and compliance construction work on site as well as support future small capital and remediation projects.

Keira has been employed as an engineer with Chevron for nine years. She previously worked at Chevron's St. John's, Newfoundland office before heading

Keira Baker

to Louisiana in 2012 to work as an operations support engineer. There, she oversaw the maintenance of approximately 30 offshore platforms in the Gulf of Mexico.

She is excited for her four kids to be in Kitimat with so much to do, and to enjoy the freedom that comes with living in a small town. The children range in age from 2 to 10 and are already enjoying some of the kids' activities that Kitimat has to offer.

Keira's husband, Tim, a special education teacher, has accepted a teaching position at Kildala Elementary School for the 2016-2017 school year.

# Kitimat LNG renews KVI scholarship grant



For many First Nations youth in the Kitimat area, Kitimat Valley Institute (KVI) is a jumping off point for a career in the trades or the foundation for further career development.

KVI offers students a number of industrial training programs to help them get a full understanding of workplace requirements for a variety of trades, such as welding, pipefitting, carpentry and many others. KVI is in the process of implementing teacher support for upgrading skills and achieving B.C. high school graduation to prepare students for entry-level industrial jobs or further education. "Our goal is to ensure students have the skills and knowledge to take the next step in their careers, whether it's working in the trades or seeking other opportunities," says Sherrie Little, president and CEO. "We try to ensure they know exactly what it means to work in the trades. Some realize it's not for them and decide to seek other careers opportunities or further education."

Kitimat LNG is supporting KVI through a \$10,000 scholarship grant, an increase from the \$5,000 contributed to the institute last year.

"The scholarship funding reflects our goal to help develop a B.C.based workforce," says Deidre Reid, social investment manager for Kitimat LNG. "KVI's commitment to providing the foundational skills for First Nations youth helps ensure they are prepared to find careers most suitable to their interests and skills."

KVI also has a Business Centre for conferences or meetings, offers occupational testing for employers and serves as a recruitment centre for companies of all sizes.

To learn more about the Kitimat Valley Institute visit their Facebook page at: https://www.facebook.com/Kitimat-Valley-Institute-478881495487528/

# open house draws hundreds despite rainy weather

A rainy day failed to dampen the spirits of Kitimat residents at the Kitimat LNG Community Open House and Barbecue in June.

An estimated 500 people attended the indoor-outdoor event at the Riverlodge Recreation Centre, devouring more than 900 hamburgers and hotdogs. The event celebrated the first day of summer and National Aboriginal Day, while offering community members an opportunity to learn more about the Kitimat LNG Project and its current status. Representatives of both project co-venturers Chevron and Woodside were on hand to engage with local residents.

"It was wonderful to see so many community members celebrating the start of the summer season with our project team," says Sandra Bovingdon, community liaison for the Kitimat LNG project. "I had countless people say how much they enjoyed and appreciated the event."

A team from the HR McMillan Space Centre in Vancouver presented its Spacelab portable planetarium and a popular bottle-rocket launching experience. The high-energy, hands-on activities

### **Community Contact**

The Kitimat LNG project welcomes your feedback. If you have any comments, questions or suggestions for future articles, please contact us at KitimatLNGFeedback@chevron.com. Call us toll-free at 1-844-800-0900 gave kids a unique opportunity to have some fun learning about space, while showcasing one of the Kitimat LNG Project's marquee community partnerships.

The open house also featured project information storyboards, interactive infographics, videos, and treats, frosty beverages, games and prizes.

To review the information materials presented at the open house, visit the 'Community News and Events' section of Kitimat LNG project website at www.chevron.ca/KitimatLNG



### **Kitimat Office**

Looking for information about the Kitimat LNG project? Drop by our community office at 369 City Centre in Kitimat. Office hours are generally Monday to Friday, 9:00 a.m. to 3:00 p.m. Or you can call ahead and make an appointment: 250-632-3680.









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