



DECISION

IN THE MATTER OF an application by Corridor Resources Inc. for a permit to construct one pipeline and related well pad facilities from well pad G-48 to connect with existing gathering lines and gas plant for the purpose of gathering and transmitting natural gas in the McCully Natural Gas Field.

August 12, 2008

NEW BRUNSWICK ENERGY AND UTILITIES BOARD

APPLICANT:

Corridor Resources Inc. -----

REPRESENTED BY:

Mr. David M. Norman
Cox & Palmer

Mr. Doug Bailey
Production Operations
Manager, Corridor

INTERVENORS REQUEST FOR STATUS:

There were no intervenors in
this proceeding.

NB ENERGY AND UTILITIES BOARD - COUNSEL -----
STAFF -----

Ms. Ellen Desmond
Mr. Todd McQuinn
Mr. David Keenan

NEW BRUNSWICK ENERGY AND UTILITIES BOARD

Chairman: Mr. R. German
Vice-Chairman: Mr. C. Johnston

Panel: Ms. Constance Morrison
Mr. S. Toner

Board Secretary: Ms. L. Légère

DECISION

Corridor Resources Inc. (the “Applicant” or “Corridor”) applied to the New Brunswick Energy and Utilities Board (“Board”) for a permit to construct pipelines and associated well pad facilities in order to gather and transmit natural gas by connecting to the existing gathering system of pipelines and gas plant in the McCully Natural Gas field at or near Penobsquis N.B. This application was made pursuant to the *Pipeline Act, 2005* (the “Act”).

In conjunction with the application, the Public Information Program (“PIP”) had been filed and was approved by the Board on April 17, 2008. An open house session was held on April 28, 2008.

A pre-hearing conference was scheduled for Sussex, New Brunswick on August 12, 2008. Notice of this pre-hearing conference had been published pursuant to the Board Order of July 15, 2008. There were no filings of intervention in this matter prior to the pre-hearing conference, nor did any parties attend the pre-hearing conference in opposition to the application for a permit to construct the pipeline.

In accordance with Section 6 of the Pipeline Act, copies of the application were sent to the departments and agencies represented on the Pipeline Coordinating Committee. The Committee agreed that a construction permit should be issued, subject to the conditions outlined in its report of July 4, 2008.

On August 6, 2008, the Applicant requested that the Board treat the pre-hearing conference as a final hearing for approval of the Application. The Applicant based its request on the following factors:

- No one had indicated an intention to intervene formally or otherwise.
- No one has attended any of the locations where Volumes 1 and 2 of the application have been deposited for the purpose of inspection.

- Corridor has met all technical and environmental requirements for the work to be carried out with respect to the application, and nothing further in that regard remains to be done.

At the commencement of the hearing the Applicant filed several exhibits, including a Certificate of Determination issued by the Minister of the Environment (Exhibit 5) and a liability insurance policy (Exhibit 6). The Board then considered the Applicant's request to treat the pre-hearing conference as the final hearing. As there were no intervenors present at the hearing in opposition to the application, and no objection from Board Staff, the Board granted the request and proceeded to a final hearing of the application.

At the hearing concern was raised about whether the Applicant's liability insurance policy, that had been filed (Exhibit 6), conformed to the specimen policy filed with the application. Subsequent to the hearing, the Applicant filed an amended policy with the Board (dated August 13, 2008) which satisfied the Board's concerns.

The Board has considered the motion from the Applicant for a Permit to Construct the pipeline and has determined that the Permit to Construct, as requested, will be issued forthwith subject to the 15 conditions contained in the Certificate of Determination from the Department of the Environment, dated July 17, 2008 (Exhibit 5); and the 21 conditions contained in the Pipeline Coordinating Committee's report to the New Brunswick Energy and Utilities Board, dated July 4, 2008, excepting Condition #4. The 21 conditions are as follows:

1. Subject to Condition (2), Corridor shall comply with all undertakings made by its counsel and witnesses, and shall construct the facilities and shall restore the land according to the evidence of its witnesses at this hearing and in accordance with the Pipeline Act, 2005, any other applicable legislation and the conditions contained in this decision.
2. The Board's designated representative for the purpose of these conditions shall be the Director of Safety, or in his/her absences the Secretary of the Board. Corridor shall advise the Board's designated representative of any proposed significant change in

construction or restoration procedures, and except in an emergency, Corridor shall not make such change without prior approval of the Board or its designated representative. In the event of an emergency, the Board shall be informed forthwith.

3. Corridor shall furnish the Board's designated representative with every reasonable facility for ascertaining whether the work has been, and is being, performed in accordance with this decision.
4. Corridor shall give the Board's designated representative ten days written notice, in advance of the commencement of construction.
5. Corridor shall designate one of its employees as project manager who will be responsible for the fulfillment of undertakings on the construction site and Corridor shall provide the name of the project manager to the Board's designated representative.
6. Corridor shall notify the Board's designated representative of the date on which any installed pipeline is proposed to be pressure tested at least 72 hours prior to the start of the test.
7. Both during and after construction, Corridor shall monitor the effects upon the land and the environment, and shall file three copies of both an interim and final monitoring report in writing with the Board. The interim monitoring report shall be filed within six months of the in-service date and the final monitoring report shall be filed within 15 months of the in-service date.
8. The interim monitoring report shall confirm Corridor's adherence to Conditions (1) and (2) and shall include a description of the effects noted during construction and the actions taken or to be taken to prevent or mitigate the long-term effects of the construction upon

the land and the environment. This report shall describe any outstanding concerns identified during construction.

9. The final environmental monitoring report shall describe the condition of the rehabilitated right-of-way. The results of the monitoring programs and analysis shall be included and recommendations made as appropriate. Any deficiency in compliance with undertakings shall be explained.

10. Corridor shall attach to its interim and final monitoring reports a log of all complaints that have been received during construction. Such logs shall record the times of all complaints received, the substance of each complaint, the actions taken in response, and the reasons underlying such actions.

11. Where properties or structures exist within 200 metres of the pipeline and blasting is necessary, Corridor shall:
 - i. Use restricted blasting techniques by ensuring that all charged acres are covered with blasting mats to eliminate flying rocks;

 - ii. Have the vibrations from blasting operations monitored and measured by a vibration measurement specialist;

 - iii. Notify all property owners within 200 metres of the proposed blasting in writing at least 24 hours prior to the blasting and confirmations (if necessary) of the actual day or days on which blasting will occur;

- iv. Have buildings within 200 metres of the blasting checked by an independent examiner before and after operations to check for problem areas.

- 12. Where blasting is required, the well location and water quality of all wells within 500 metres of the pipeline shall be tested before and after blasting operations. Results of well testing shall be included in the post construction monitoring reports.

- 13. Corridor shall take *immediate* corrective action upon being notified of deficiencies in environmental protection measures by an environmental inspector (from any agency).

- 14. Corridor shall ensure that there is appropriate environmental training of contractor personnel.

- 15. Unless the Board otherwise directs, Corridor shall maintain, in New Brunswick, copies of any permits, approvals or authorizations for the applied-for facilities issued by federal, provincial and other permitting agencies, which include environmental conditions or site-specific mitigative, monitoring and restorative measures. In addition, Corridor shall file with the Board any subsequent variations to any permits, approvals or authorizations obtained prior to, or following, the commencement of construction.

- 16. Unless the Board otherwise directs, Corridor shall maintain for audit purposes, in New Brunswick, a copy of the joining procedures and non-destructive testing procedures used on the project, together with all supporting documentation.

- 17. Corridor shall preserve any historical materials found during construction and promptly notify the appropriate authorities of any such findings.

18. Corridor will inform and work in conjunction with the Union of New Brunswick Indians if any sites of archaeological significance to the aboriginal people are found during construction.

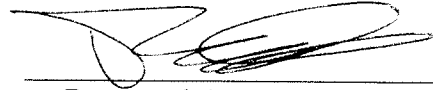
19. Corridor shall obtain and maintain liability insurance in a form acceptable to the Board. Corridor shall furnish the Board with a certificate evidencing coverage and describing the relevant particulars prior to the start of construction. The certificate shall state that the Board will be notified not less than sixty (60) days prior to cancellation of or any material change in the policy.

20. Corridor shall comply with all requirements stated in the Certificate of Determination under the EIA legislation that was issued with respect to this project.

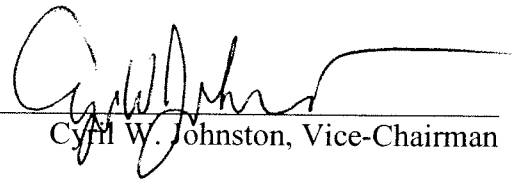
21. The permit to construct shall terminate December 31, 2008, unless otherwise ordered by the Board.

With respect to Condition #4, Corridor shall give the Board's designated representative three days notice, in advance of the commencement of construction, rather than ten days notice as required in the report of the Pipeline Coordinating Committee.

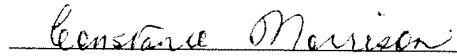
Dated at the Town of Sussex, New Brunswick this 12th Day of August, 2008.



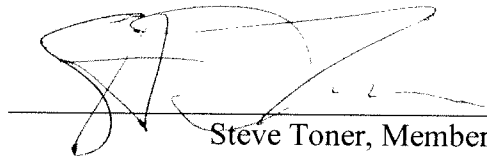
Raymond Gorman, Q.C., Chairman



Cyril W. Johnston, Vice-Chairman



Constance Morrison, Member



Steve Toner, Member