



**Indian and Northern
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January 30, 2007

Cyries Energy Inc.
Suite 3200, 500 – 4th Ave. S.W.,
Calgary , AB. T2P 2V6

ATTENTION: Thomas Emerson

Dear Sir,

Re: Remediation of Sumps at Thunder River, Tree River and Ontaratue sites for Land Use Permits G02A011, 012, 013 and 014

As per our last inspection report it was identified problems have surfaced with the closure of these sumps. There were some recommendations outlined in the reports, but in discussing the matter in more detail with the Land & Water Board we feel that the following steps are appropriate in addressing these sites at this time.

1. We recommend that the site be monitored for a period of two seasons.
2. This is to include a sampling regime inclusive of surrounding soils and surface water.
3. An EM survey of each sump site is recommended to determine the degree (if any) of fluid migration outside the confines of the sumps.
4. There is also some merit in placing thermistors into the sumps to determine the core temperatures of sites.
5. We would also suggest that the Tree River sump be worked on this spring by using sand bags to divert the water running thru the sump to one side.

As the permits for these sites are now expired, should any of this work fall above the threshold of a Land Use Permit, a new permit will need to be applied for. In relation to the work to be complete this season and next, we recommend the Community of Tsiigehtchic be consulted to take into consideration concerns and input from a traditional knowledge perspective.

For more direction on the application process please contact the Gwichin Land & Water Board.

If you have any questions on this issue please contact Rob Walker at (867) 777-5968, or myself at 777-2997.

Yours truly,

Conrad Baetz
District Manager
North Mackenzie District

cc: RMO, North Mackenzie District
Gwichin Land & Water Board