



**Indian and Northern
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November 26, 2008

Cyries Energy Inc
C/O Iteration Energy Ltd.
Suite 700, 700-2nd St. S.W.
Calgary AB. T2P2W1

Attn: Kyla Cuthbertson

RE: Land Use Permit G02A013 Thunder River Sump.

To Ms. Cuthbertson,

On June 24th 2008, Resource Management Officer, Glenn Sorensen conducted an inspection of your operation under the above mentioned Land Use Permit.

Enclosed is a copy of the Environmental Inspection Report. Please refer to the unacceptable and noted conditions in the general comments section of this report. Your attention to this matter is appreciated.

This office has reviewed your letter dated Oct 31st, 2008 and has no concerns with the proposed monitoring program. We look forward to a remediation plan being submitted to the North Mackenzie District Office upon completion and analysis of your monitoring program findings.

If you have any questions, please contact me at (867) 777-5909.

Sincerely,

Glenn R Sorensen
Resource Management Officer

Cc: Conrad Baetz, District Manager, North Mackenzie District, Inuvik, NT
Gwich'in Land and Water Board



ENVIRONMENTAL INSPECTION REPORT

Permittee:	Dan Gunderson, Cyries Energy Inc, suite 3200-500-4 th Ave S.W. Calgary AB. T2P2V6
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Previous Inspection		Permit Expiry Date	Last
Land Use Permit No.	G02A013	December 31 st , 2005	May 31 st 2006
Quarrying Permit No.	N/A		
Contractor:	Canadian Petroleum Eng.	Subcontractor:	

Location(s) Inspected:	Thunder River Sump N73
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Current Stage of Operation:	Operations Complete
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Program Modifications Approved:	
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Condition of Operation “A” - Acceptable “U” - Unacceptable “N/A” - Not Applicable “N/I” - Not Inspected

	Operating Condition	Aspect Inspected				
A	Location as Permitted	A				
B	Timing as Permitted	A				
C	Equipment as Approved (Type & Size)	N/A				
D	Methods & Techniques	N/A				
E	Facilities	N/A				
F	Erosion (Control or Prevention)	U				
G	Chemicals	A*				
H	Wildlife and Fisheries Habitat (Protection)					
I	Wastes	A*				
J	Historical / Archaeological Sites	N/A				
K	Ecological Resources	N/A				
M	Fuel Storage	N/A				
N	Brush Disposal	N/A				
O	Restoration of Lands	U				
P	Permits	N/A				
Q	Matters Not Inconsistent	N/A				
R	Sections 8 to 12 / 14 to 16 M.V.L.U.R.	N/A				
S	Quarrying Methods	N/A				
T						

Representative Signature

Inspector’s Signature



ENVIRONMENTAL INSPECTION REPORT Pg. 2
(Continued)

Date:	June 26th 2008	Permit #:	G02A013
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General Comments:

Due to the subsidence this Sump requires a remediation plan, this should include a EM Survey to ensure that the fluids have not migrated.

Please see previous inspections for outstanding issues and recommendations.

Inspectors Signature



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ENVIRONMENTAL INSPECTION REPORT Pg. 3 (Continued)

Date:	June 26 2008	Permit #:	G02A013
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Inspection Images:



Figure 1: N 73 Aerial Overview



Figure 2: N 73 Ground