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Norman Wells Sub-District  
P.O. Box 126  
Norman Wells, NT X0E 0V0

January 29, 2004

Our file - Notre référence

David Calvert  
Coordinator, Surface Land  
Aboriginal and Community Relations  
Apache Canada Ltd.  
1000, 700 9<sup>th</sup> Ave SW  
Calgary, AB  
T2P 3V4



**RE: Land Use Permits S03A-007 Lac Maunoir  
S03A-008 Nogha/ Tunago  
Water License S03L1-016 Nogha/ Tunago**

On January 26 and 27, Environmental Inspections and an Industrial Water Use Inspection were conducted of the above operations. Enclosed are copies of the Inspection Reports.

**S03A-007 Lac Maunoir**

All conditions are being met at this time. A new route of a more suitable grade was followed up to the wellsite C-34, as approved by the Inspector. Rig construction was underway and spud-in was set to commence soon.

**S03A-008 Nogha/ Tunago**

Construction of wellsites B-23 and K-14 and access roads is still underway. The temporary camp is tidy, however, this Inspector found the condition of the fuel sloop unacceptable. Mr. Tucker was informed of the poor condition of the fuel sloop and immediately acted to remedy the situation. This Inspector would like to thank Mr. Tucker for his timely response to this issue.

**S03L1-016 Nogha/ Tunago**

A new water source was approved (See Industrial Water Use Inspection Report S03L1-016). However, water withdrawal from any other new sites is prohibited without prior approval from an Inspector.

Please note the comments in the Explanatory Remarks section of the Environmental Inspection Reports. If you have any questions regarding this or any other matter, please do not hesitate to contact me at (867) 587 2911.

Yours truly,

Danette Sharun  
Resource Management Officer II  
Norman Wells

cc: Inuvik District files  
Sahtu Land & Water Board

Canada



### ENVIRONMENTAL INSPECTION REPORT

Permittee:	Apache Canada Ltd. 1000, 700 9 <sup>th</sup> Ave SW Calgary, AB T2P 3V4		
	Permit Expiry Date		Last Previous Inspection
Land Use Permit No.	S03A-008	December 13, 2008	Initial
Quarrying Permit No.			
Contractor:	Arctic Circle	Subcontractor:	

Location(s) Inspected:	B-23, K-14, access road and construction camp.
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Current Stage of Operation	Construction of access roads and lease sites.
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Program Modifications Approved:	Nil.
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Condition of Operation "A" - Acceptable "U" - Unacceptable "N/A" - Not Applicable "N/I" - Not Inspected

	Operating Condition	Aspect Inspected			
		B-23	K-14	construction camp	
A	Location as Permitted	A	A	A	
B	Timing as Permitted	A	A	A	
C	Equipment as Approved (Type & Size)	A	A	A	
D	Methods & Techniques	A	A	A	
E	Facilities	A	N/A	A	
F	Erosion (Control or Prevention of Flooding etc.)	A	A	A	
G	Chemicals	A	A	A	
H	Wildlife and Fisheries Habitat (Protection)	A	A	A	
I	Wastes	A	N/A	A	
J	Historical / Archaeological / Burial Sites	A	A	A	
K	Recreational / Scenic Ecological Value	-	-	-	
M	Fuel Storage	A	N/A	A*	See Comments
N	Debris / Brush Disposal	A	A	A	
O	Restoration of Lands	N/A	N/A	N/A	
	Permits	A	A	A	
Q	Matters Not Inconsistent	A	A	A	
R	Sections 8 to 12 / 14 to 16 M.V.L.U.R.	A*	A	A	See Comments
S					
T					

Explanatory Remarks (attach page 2 if required) Yes
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ENVIRONMENTAL INSPECTION REPORT page 2

Permit # S03A-008

Date: January 26, 2004

Wellsite and access road construction is still underway, but, the operation seems to be progressing swiftly. The main camp had not been constructed at the time of this inspection, therefore the remote sump had not yet been dug.

The fuel sloop inspected at the temporary camp did not meet the approval of this Inspector. The containment apron surrounding the sloop was full of snow and debris along with some spilled diesel. A spill kit was not present. Spill kits must be on site at all fuel storage locations. As proper and responsible fuel storage is an important aspect of this land use operation, please consider this the 'first strike' for the fuel sloop. If, upon future inspection, the fuel sloop is again found in unsatisfactory condition, effectively 'strike two', a second warning will be given, if after that, the sloop still is not being maintained to the satisfaction of this Inspector, it will have to be removed from the permitted area.

Please have Mr. Tucker submit to this office the location of the diesel contaminated material that was removed from the containment apron of the fuel sloop.

As stated under Section (15) of the Mackenzie Valley Land Use Regulations, RESTORATION OF PERMIT AREAS

-After completing a land use operation, the permit area shall be restored substantially to the same condition as it was prior to the commencement of the operation. This entails re-contouring the wellsites. Two permafrost areas had been identified within wellsite B-23. Any material removed from these sensitive areas should be replaced at the time of demobilization to create an insulative cover to prevent the underlying permafrost from melting out.



Danette Sharun  
Land Use Inspector