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Norman Wells Sub-District
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Your file - Votre référence

March 16, 2004

Our file - Notre référence

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

S03A-007,008
S03L1-017016
INS-REPORTS

**RE: Land Use Permits S03A-007 Lac Maunoir
S03A-008 Nogha/ Tunago**

On March 09, Environmental Inspections 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. The service rig was being moved on site the day of this inspection. The main camp sewage sump has been backfilled and all equipment and debris has been removed from the area.

S03A-008 Nogha/ Tunago

Construction of wellsites B-23 and K-14 and access roads is complete. Well site E-44 was cleared and a sump constructed, however, it is this Inspector's understanding this well will not be drilled this season. The sump is to be backfilled and the conductor pipe and cellar are to be capped. A temporary camp to house the crew working on wellsite K-14 was approved at location 66 35 28 N 125 57 41 W.

A few concerns were noted at wellsite B-23. A load of invert drilling waste was deposited into the gel/chem sump the day of this inspection, as well, there was a spill of petroleum product near the invert storage tank. Bill Murray, Drilling Supervisor, assured this Inspector that both of the spills would be cleaned up, however, no spill reports were filed. Please submit to this office more information regarding the invert spill into the sump, specifically the chain of events leading up to the spill, the actions taken to clean up the invert and Apache Canada's plan to ensure this type of occurrence does not happen again in the future.

Further, the stationary fuel storage containers on both wellsites are not in compliance with this Land Use Permit. 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

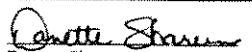
Permittee:	Apache Canada Ltd. 1000, 700 9 th Ave SW Calgary, AB T2P 3V4		
		Permit Expiry Date	Last Previous Inspection
Land Use Permit No.	S03A-007	December 12, 2008	January 26, 2004
Quarrying Permit No.			
Contractor:	Arctic Circle	Subcontractor:	
Location(s) Inspected:	C-34 wellsite, access road, mobile camp, remote sump and main camp location.		
Current Stage of Operation	Drilling complete. The service rig was moving onto C-34 the day of this inspection. Access road construction is complete.		
Program Modifications Approved:	Nil.		

Condition of Operation "A" - Acceptable "U" - Unacceptable "N/A" - Not Applicable "N/I" - Not Inspected

	Operating Condition	Aspect Inspected			
		C-34	main camp	temporary camp	remote sump
A	Location as Permitted	A	A	A	A
B	Timing as Permitted	A	A	A	A
C	Equipment as Approved (Type & Size)	A	A	A	A
D	Methods & Techniques	A	A	A	A
E	Facilities	A	A	A	A
F	Erosion (Control or Prevention of Flooding etc.)	A	A	A	A
G	Chemicals	A	A	A	A
H	Wildlife and Fisheries Habitat (Protection)	A	A	A	A
I	Wastes	A	A	A	A
J	Historical / Archaeological / Burial Sites	A	A	A	A
K	Recreational / Scenic Ecological Value	-	-	-	-
M	Fuel Storage	N/A	A	N/A	N/A
N	Debris / Brush Disposal	A	A	A	A
O	Restoration of Lands	N/A	A	N/A	N/A
	Permits	A	A	A	A
Q	Matters Not Inconsistent	A	A	A	A
R	Sections 8 to 12 / 14 to 16 M.V.L.U.R.	A	A	A	A
S					
T					

Explanatory Remarks (attach page 2 if required) No

The drilling rig has been removed and the service rig was being transported to wellsite C-34 at the time of this inspection. The main camp location along the access road has been abandoned and restored. The camp sewage sump has been filled and is capped. The fuel storage tank remains at this location and will continue to be utilized to refuel equipment and vehicles. A temporary camp exists at 67 12 36 N 125 22 45 W. Construction of the access is complete while road maintenance continues. All aspects of the land use permit are being adhered to at this time.


Danette Sharun

Resource Management Officer II