



Department of Lands
Sahtu Region
PO Box 126
Norman Wells, NT, X0E0V0

Telephone: 867-587-7206
Fax: 867-587-2928

October 25, 2016

Apache Canada Ltd.
4700 Bankers Hall West 888 3rd Street SW
Calgary, AB T2P 5C5

Attention: Terence Hughes

File Number	S03A-008
Type of Operation	OIL AND GAS DRILLING - WELLSITE
Location	Wellsites B-23 and E-44

Dear Terence Hughes,

An inspection of the above noted operation was conducted on September 09, 2016 by Resource Management Officers Trevor Bremner and Katherine Ades. 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.

I also want to bring to your attention the need to contact the Sahtu Land and Water Board to update the ownership of your Land Use Permits. Apache, MGM, and Paramount LUPs should be reflected to show who the responsible Permittee is.

If you have any questions, please contact me at 867-587-7206 or email Trevor_Bremner@gov.nt.ca.

Sincerely,

ORIGINAL SIGNED

Trevor Bremner
Resource Management Officer II
Department of Lands
Sahtu Region

CC: Sahtu Land and Water Board



ENVIRONMENTAL INSPECTION REPORT

Permittee:	Apache Canada Ltd.	Permit Expiry Date:	December 12, 2010
Land Use Permit No.	S03A-008	Previous Inspection:	June 18, 2015
Quarrying Permit No.	NA	Inspection Date:	September 09, 2016
Contractor:	NA	Subcontractor:	NA
Location(s) Inspected:	Wellsites B-23, E-44		
Current Stage of Operation:	Reclamation/Monitoring		
Program Modifications Approved:	None		

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

Operating Condition	Aspect Inspected				
	B-23	E-44			
Location as Permitted	A	A			
Time as Permitted	A	A			
Equipment as Approved (Type & Size)	N/A	N/A			
Methods & Techniques	N/A	N/A			
Facilities	A	A			
Erosion (Control or Prevention)	A	A			
Chemicals	N/A	N/A			
Wildlife and Fisheries Habitat (Protection)	A	A			
Wastes	N/A	N/A			
Historical / Archaeological Sites	A	A			
Ecological Resources	A	A			
Fuel Storage	A	A			
Brush Disposal	A	A			
Restoration of Lands	U	U			
Permits	A	A			
Matters not Inconsistent	A	A			
Sections 12 to 19 T.L.U.R.	U	U			
Sections 8 to 12 / 14 to 16 M.V.L.U.R.	U	U			



ENVIRONMENTAL INSPECTION REPORT

Explanatory Remarks –

Historical Summary:

As with S03A-007 this project took place in the 2003/04 operating season. Files show the B-23, E-44, and K-14 wellsites having a few environmental concerns in the past. MGM/Apache sent a Reclamation Plan to the Sahtu land and Water Board in 2012 stating there were confirmed areas of hydrocarbon contamination on both the B-23 and K-14 wellsites. A Phytoremediation program was discussed to address the hydrocarbon contamination. The 2015 Sahtu Workplan mentioned the sampling of impacted soils again, to date Inspector has not received these results nor has the Sahtu Land and Water Board.

Logistical issues resulted in wellsite K-14, also associated with this Land Use Permit, not being inspected this season.

B-23 Wellsite:

Vegetation is doing well in most parts on the site. The problematic areas for vegetation are the bare areas which are also holding water. Evidence of ungulate wallowing is present in these “ponds” as well. These areas are not directly related to a sump, like in most cases, but may be related to other issues such as contamination, which could also explain ungulate activity (ei. salts from muds) As previously mentioned, sampling results are not being provided to the Department of Lands; please provide these A.S.A.P. to discuss the future land management of this site. Besides the bare areas, Inspector has no concerns; sump on B-23 seems stable.

E-44 Wellsite:

Vegetation is doing very well on the E-44 wellsite. The area of concern on this site is in relation to the remote sump. The sump has some slumpage in the middle section and is now pooling water. Again, it is unsure to Inspector as to when samples were taken from this site, and if so, what the results were. Inspector is interested in all studies related to the signs of slumpage with the sump.

Items for Follow-up: Please provide all sampling results for LUP S03A-008.

Representative Signature

Inspector’s Signature

Date:	September 09, 2016	Permit #:	S03A-008	Page No:	2
-------	--------------------	-----------	----------	----------	---



ENVIRONMENTAL INSPECTION REPORT

Inspection Images:

Figure 1

Photograph of wellsite B-23, notice pooling of water in various locations located in permit area.



Figure 2

Photograph of E-44. Notice gleam of water pooling on sump area.





ENVIRONMENTAL INSPECTION REPORT

Date:	September 09, 2016	Permit #:	S03A-008	Page No:	4
-------	--------------------	-----------	----------	----------	---