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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 9th 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



INDUSTRIAL WATER USE INSPECTION REPORT
(OIL AND GAS EXPLORATION, PRODUCTION, PROCESSING AND REFINING)

DATE:	January 26, 2004	COMPANY REP:	Blaine Tucker
LICENSEE:	Apache Canada Ltd.	LICENCE NUMBER:	S03L1-016

WATER SUPPLY:

Source:	Lakes off Access Road	Quantity Used:	N/I	Meter Rdg:	Per truck load
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Indicate: A - Acceptable U - Unacceptable N/A - Not Applicable N/I - Not Inspected

Intake Facilities	N/I	Storage Structures	n/a	Treatment Systems	n/a	Recycling	n/a
Flow Meas. Device	n/a	Conveyance Lines	n/a	Pumping Stations	n/a	Modifications	n/a

Comments: New water source approved by Inspector, location: 66-30-53 N 125-46-30 W.

WASTE DISPOSAL:

Well Wastes:	Drilling Sump	n/a	Off-Site Removal	n/a	Downhole	n/a	Landspread	n/a
Sewage:	Sewage Treat.	n/a	Camp Sump	N/I	Natural Water Body	n/a	Wetlands Treat.	n/a
	Continuous	n/a	Inter. Discharge	n/a	Spread	A		
Solid Waste:	Open Dump	n/a	Landfill	n/a	Burn\Remove	A	Sludge Disposal	n/a

Indicate: A - Acceptable U - Unacceptable N/A - Not Applicable N/I - Not Inspected

Discharge Quality	n/a	Conveyance Lines	n/a	Disch. Meas. Dev.	n/a	Freeboard	n/a
Decant Process	n/a	Sump Treatment	n/a	Dykes, Berms	n/a	Seepages	n/a
Sump Liners	n/a	Runoff Diversion	n/a	Erosion		Spills	A

Effluent Discharge Rate:	n/a	SNP Samples Collected:	n/a
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GENERAL CONDITIONS:

Indicate: A - Acceptable U - Unacceptable N/A - Not Applicable N/I - Not Inspected

Maintenance	N/I	Records & Reporting	N/I	Surveillance Network Program (SNP)	n/a
Geotechnical Inspection	n/a	Posting of Facilities	n/a	Contingency Plan	N/I
A & R Plan	N/I	Modifications	n/a	Fuel/Product Storage	U*
Groundwater Discharge	n/a	Chemical Storage	n/a	Annual Report/Final Report	n/a

Comments:
*Please refer to Environmental Inspection report for Land Use Permit S03A-008 dated January 26, 2004.

Violation(s) of Act and/or Licence: None

General Comments:

Under the Water License S03L1-016 Part C(1) CONDITIONS APPLYING TO WATER USE
Water sources used for the construction and maintenance of the access road must be the same sources identified in Part A of the Water License, unless otherwise approved by the Water License Inspector. Therefore, any water sources not listed in the Water License may not be used to draw water from without approval of the Inspector. Please be advised that drawing water from unapproved sources would place you in contravention of the conditions in your Water License. One new water source location was approved by this Inspector for access road construction.

The wellsites and main camp are still under construction and as such, sumps have not yet been dug.

If you have any questions in regards to this Inspection please feel free to contact me at 867-587-2911.

Additional Comments Attached:	Yes	No	X
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Danette Sharun

Danette Sharun

Resource Management Officer II

Licensee Representative's Title

Licensee Representative's Signature

Not Available

Not Available