

 Indian and Northern  
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North Mackenzie District  
P.O. Box 2100  
Inuvik, NT XOE 0T0

Telephone: (867) 777-3361  
Fax: (867) 777-2090

November 7, 2008

~~Cyries  
C/O Iterations  
700-700 2<sup>nd</sup> Avenue, S.W.  
CALGARY, AB T2P 2W1~~

RECEIVED  
NOV 17 2008

Attn: **Kyla Cuthbertson**

Re: **Land Use Permit G02A011  
Drilling Program, Tree River C-36**

To Ms. Cuthbertson,

On June 30, 2008 Resource Management Officer Don Arey, 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.

Please note that a previous inspection in 2003 and 2006 indicated that the cap was settling. In the above noted Inspection Report and photos, indications are that further subsidence has occurred to the point that it is causing significant volumes of water to pool on the sump cap. The integrity of the sump and its contents will be at risk should this be allowed to continue without remediation. Please provide our office with a timeline for these issues to be evaluated and ultimately rectified.

If you have any questions, please contact our office at (867) 777 - 3361.

Regards,

  
Don Arey  
Resource Management Officer

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

## ENVIRONMENTAL INSPECTION REPORT

Permittee:	Cyries C/O Iterations, 700-700 2 <sup>nd</sup> S.W. CALGARY, AB T2P 2W1
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	Permit Expiry Date	Last Previous Inspection
Land Use Permit No.	G02A011	December 31 <sup>st</sup> , 2005
Quarrying Permit No.		May 31, 2006
Contractor:	Canadian Petroleum Eng.	Subcontractor:

Location(s) Inspected:	Tree River Sump C36
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Current Stage of Operation:	
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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	
		Sump	
A	Location as Permitted	A	
B	Timing as Permitted	A	
C	Equipment as Approved	A	
D	Methods & Techniques	A	
E	Facilities	A	* see note
F	Erosion	A	* see pitures
G	Chemicals, Waste	A	
H	Wildlife and Fisheries Habitat	A	
I	Ecological Resource	---	
K	Fuel Storage	A	
L	Brush Disposal	N/A	
M	Matters Not Inconsistent	A	
N	Water Engineering	N/A	
O	Water Supply	N/A	
P	Restoration	N/A	
Q	Quarrying Methods	N/A	
R	Sections 12 to 19 T.L.U.R.	A	
S			

ENVIRONMENTAL INSPECTION REPORT Pg. 2  
(Continued)

Date:	June 30, 2008	Permit #:	G02A011
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General Comments: (Continued)

**26 (1) (E) - TYPE, LOCATION, CAPACITY AND OPERATION OF FACILITIES**

- 5.5 The Permittee shall:
- (a) Place all excavated material over the sump area
  - (b) Overlap the replaced material a minimum of two (2) metres beyond the edges of the existing sump wall.

  
Inspector's Signature



# ENVIRONMENTAL INSPECTION REPORT Pg. 3 (Continued)

Date:	June 30, 2008	Permit #:	G02A011
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## Inspection Images

Figure 1:



Figure 2:



Figure 3:



Figure 4:



Figure 5:



Figure 6:

