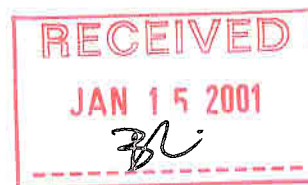


Environment  
CanadaEnvironnement  
CanadaFAXED  
JAN 15/01

Environmental Protection Branch  
Prairie and Northern Region  
#301 - 5204 - 50<sup>th</sup> Ave  
Yellowknife, NT X1A 1E2  
Ph, (867) 669-4735



January 12, 2001

Mackenzie Valley Environmental Impact Review Board  
200 Scotia Center ( P.O. Box 938)  
Yellowknife, NT X1A 2N7

920-4762  
By Facsimile: (867) 873-9636

Attention: Joe Acorn

**Re: Draft Work Plan and Terms of Reference for the Environmental Assessment of the  
Paramount Resources Ltd. Cameron Hills Drilling Project**

The above application documents have been reviewed by myself on behalf of Environment Canada (EC). EC provides the following comments pursuant to Section 22 of the Mackenzie Valley Resource Management Act.

EC agrees with the scope of the assessment and with the development of the draft Work Plan. However, on page 5 of the draft Work Plan, in Table 1 (provided by Paramount Resources) some of the start and end dates have passed. A new up to date schedule should be provided in the Environmental Assessment, as a winter drilling program is substantially different than a summer drilling program, particularly in terms of impacts.

On page 7 of the draft Work Plan, there is some confusion in the third bullet in the Other Instructions to the Review Board staff, please clarify. I assume it is the developer who will provide mitigation measures to the community regarding impacts that the project may have on traditional land use and socio-economic activities.

On page 17 of the draft Workplan in the Milestone Table it appears that the proponent is to prepare and submit their response to the Work Plan and the Terms of Reference on the same day that the MVEIRB is providing their comments to the proponent, January 12, 2001. Please advise as to what the new dates will be and the resulting changes in the schedule.

Accessory Developments and Activities:

Drilling sump wastes are to be disposed of on the lease following testing. If all waste materials are to be analysed and disposed of as per the Alberta Energy and Utilities Board Guide 50 for waste management. This document includes the requirement for Microtox testing of sump supernatants prior to discharge, and given the close proximity of groundwater to surface at the

Canada



wellsite, EC recommends inclusion of such testing in the water licence conditions.

With respect to access road construction, pad construction or other earthworks, the deposition of slash, debris or sediment into any waterbody is prohibited. These materials shall be disposed of above the high water mark in such a fashion that they do not enter the water.

#### Section 4.1.7 Air Quality and Climate

EC recommends the following changes to the identified points:

2. Provide details...the flare stack size (which should include stack height, diameter and temperatures)
4. Describe efforts...meteorological data needed for dispersion modelling of air emissions in a complex terrain.
8. Assess the impacts of flaring activities on human health as well as on wildlife.

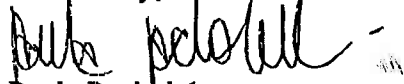
#### Section 4.1.8 Cumulative Impacts

The section on cumulative impacts identifies total land areas which are affected by projects within a defined study area, which provides a good perspective for land issues. However, it would be useful to see whether or not options such as; reducing the area of well site pads will substantially assist in reducing the footprint of such operations and ultimately reduce the environmental impacts.

Although the proponent states that the cumulative effects of their activities will not have a significant impact on the area, the proponent does not provide references to support these statements.

Thank you for allowing us the opportunity to comment on the Work Plan and Terms of Reference for the Environmental Assessment. Please do not hesitate to contact me at (867) 669-4743 with any questions or comments regarding the foregoing.

Yours truly,



Paula Pachblek

Environmental Assessment Coordinator

cc: Steve Harbicht (Head, Assessment & Monitoring, EPB)  
Dave Fox (Data Analyst, MSC, AHSD)