

National Energy Board



Office national de l'énergie

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Message to/Destinataire :

MVLWB Files: MV2000A0041
MV2000L1-0009

Mr. Janpeter Lennie-Misgeld, Mackenzie Valley Land and Water Board
Ms. Heidi Klein, Mackenzie Valley Environmental Impact Review Board
Ms. Shirley Maaskant, Paramount Resources Ltd.

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Message From/Expéditeur : John Korec
Environmental Assessment Officer

Date: 19 October 2000

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Remarks/Commentaires: **Paramount Cameron Hills Oil and Gas wells
Response to MVLWB Notification and Request for Comments**

John Korec
(403) 292-6614

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NEB Files: To be assigned
Your Files: MV2000A0041; MV2000L1-0009
19 October 2000

Facsimile (867) 873-6610

Janpeter Lennie-Misgeld
Mackenzie Valley Land and Water Board
P.O. Box 2130
Yellowknife, Northwest Territories X1A 2P6

Dear Mr. Lennie-Misgeld

**Paramount Resources Ltd. (Paramount) - Cameron Hills Area, NT
Applications for Land Use Permit MV2000A0041 and Water Licence MV2000L1-0009**

On 12 September 2000, the National Energy Board (NEB) received a copy from your office of Paramount's Land Use Permit and Water Licence for the following projects in the Cameron Hills area (60° 00' to 60° 20' N and 117° 15' to 117° 50' W):

- drilling of 9 new wells;
- testing of 7 existing wells;
- access for up to 19 existing well sites; and
- drilling of up to an additional 10 wells (depending on prior drilling success).

As yet, Paramount has not applied to the NEB pursuant to paragraph 5(1)(b) of the *Canada Oil and Gas Operations Act* (COGOA) for Approval to Drill a Well (ADW) or an authorization to Alter Condition of a Well (ACW) for these wells. 5(1)(b) applications would trigger MVRMA preliminary screening requirements. However, we note that the Mackenzie Valley Land and Water Board is undertaking a preliminary screening for the proposal and the NEB is therefore not required to conduct a preliminary screening. We request that a copy of any preliminary screening report be forwarded to us so that we may determine its acceptability for meeting NEB's preliminary screening requirement under the MVRMA.

The following information should be considered in your preliminary screening.

Scope of the Development Proposal

We have reviewed Paramount's proposed 2000/2001 oil and gas well program and applications for Land Use Permit MV2000A0041 and Water Licence MV2000L-0009. We provide the following comments to the Mackenzie Valley Land and Water Board in respect of the scope of the proposals. We suggest that

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the following categories, from the Preliminary Screening Report Form¹ Sections 1, 2 and 3, would apply.

1. Type of Development

- New Development
- Requires permit, licence or authorization

2. Principal Activities (relating to scoping)

- Construction
- Exploration (drilling, testing, completion, and suspension or abandonment activities)
- Maintenance (if wells are to be re-entered, completed, suspended, or abandoned)
- Operation (if the well becomes a producer)
- Camp

3. Principal Development Components (relating to scoping)

- Access Road (construction)
- Waste management
- Fuel storage
- Waste generation
- Sewage
- Disposal of sewage
- Site Restoration
 - planting / seeding
 - recontouring
- Slashing and removal of vegetation
- Other (Water Intake)

At this time we have no specific conditions or recommendations for attachment to any other regulatory authority's permits, licences, or authorizations as a result of our examination of Paramount's 2000/2001 oil and gas well programs. Please note that the information and operator's requirements outlined below are contained in the *Canada Oil and Gas Drilling Regulations* (Drilling Regulations) or will be addressed in any authorization of the drilling operation by the Chief Conservation Officer (CCO). As well, additional operator requirements for safety, protection of the environment and conservation of the resources specified in the COGOA, the Drilling Regulations and the *Oil and Gas Occupational Safety and Health Regulations* (OSH Regulations) will, as appropriate, continue to apply to the operator.

We recommend the Mackenzie Land and Water Board, when conducting a preliminary screening, be aware of the following regulatory requirements of the Drilling Regulations (this is not an inclusive listing):

- ▶ section 79 requires that every operator formulate contingency plans and have equipment available to cope with any foreseeable emergency situation during a drilling program including a major fire, loss of well control, arrangements for drilling a relief well should it become necessary, hazards unique to the site, and spills of oil or other pollutants;
- ▶ section 89 requires that every operator submit information to the CCO in respect of the

¹ The Preliminary Screening Report Form is found in the Mackenzie Valley Environmental Impact Review Board's *Environmental Impact Assessment in the Mackenzie Valley: Interim Guidelines*.

subsurface conditions anticipated at the proposed drill site that may affect the safety and efficiency of the drilling operations, including the equipment, procedures and resources to be employed to protect the natural environment in the vicinity of the proposed well:

- ▶ section 136 requires that drilling fluid additives are stored and handled in a manner that minimizes deterioration and prevents damage to the environment;
- ▶ with regards to drilling waste, section 137 requires that every operator ensure that all waste material, drilling fluid and drill cuttings generated at the drill site are handled and disposed of in a manner that does not create a hazard to safety, health or the environment;
- ▶ section 139 requires that combustible trash not be burned at the drill site except where precautions are taken to ensure that fire does not endanger personnel or the safety of the well;

The following information should also be noted:

- ▶ any operational-related spills will be reported to the 24-hour NWT Spill Line (867-920-8130) and to the NEB (403-292-6614) - the NEB is the lead agency for operational spills and operational-related emergency response;
- ▶ the CCO notes that Paramount and any contractors must meet the requirements of the OSH Regulations; and
- ▶ the NEB will review Paramount's and/or the contractor's emergency response/spill contingency information with respect to
 - ▶ procedures for the activation of the plan,
 - ▶ an identification of, and response tasks of, the personnel,
 - ▶ an identification of available resources including contact lists,
 - ▶ an acceptable level of preparedness (hazard analysis, training and maintenance of response equipment),
 - ▶ response procedures for protection of personnel, local residents, if any, and the environment from spills and emissions (including fuel spills and equipment leaks),
 - ▶ a waste management plan (related to operations, equipment maintenance, personal garbage, and camp operations),
 - ▶ fuel storage plan,
 - ▶ emergency response procedures in case of fire, and
 - ▶ emergency and spills reporting forms and procedures.

If you have any questions regarding the above, please call me at (403) 292-6614 or e-mail at jkorec@neb.gc.ca. Thank you.

Yours truly,



John Korec, P.Geol.
Environmental Assessment Officer

cc: Ms. Shirley Maaskant, Paramount Resources Ltd. (403-262-7994)
Mackenzie Valley Environmental Impact Review Board (867-920-4761)

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