

**Mackenzie Valley Land and Water Board**

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May 28, 2003

File: MV2002L1-0007/MV2002A0046

Mr. Vern Christensen, Executive Director
Mackenzie Valley Environmental Impact Review Board
Box 938
200 Scotia Center
YELLOWKNIFE NT X1A 2N7

Fax: (867) 766-7074

Dear Mr. Christensen:

Paramount Resources
Amendment to Land Use Permit MV2002A0046,
Water License MV2002L1-0007 5 Well Drilling and Tie-in Project

The Mackenzie Valley Land and Water Board (MVLWB) met on May 28, 2003 to deal with the aforementioned Land Use Permit and Water License amendment applications. The decision was made to refer the application to the Mackenzie Valley Environmental Impact Review Board (MVEIRB) for an environmental assessment pursuant to Subsection 125 (1) of the *Mackenzie Valley Resource Management Act*. The reasons for decision and the preliminary screening report are attached for your information.

If you have any questions, contact Bob Wooley, Executive Director at (867) 669-0506 or email mvlwbpermit@mvlwb.com.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Melody J. McLeod". The signature is fluid and cursive.

Melody J. McLeod
Chair

Copy to: Vern Christensen, Mackenzie Valley Environmental Impact Review Board
Laurie Cordell, MVLWB

Attachments

REASONS FOR DECISION

MACKENZIE VALLEY LAND AND WATER BOARD (MVLWB or the Board)

IN THE MATTER OF:

An Application by Paramount Resources Ltd., for amendments to a Type 'A' Land Use Permit and Type 'B' Water License for a 5 Well Drilling and Tie-in Project, in the Cameron Hills Area;

and

A Preliminary Screening of the amendment applications by Paramount Resources Ltd., for amendments to a Type 'A' Land Use Permit and Type 'B' Water License for a 5 Well Drilling and Tie-in Project, in the Cameron Hills Area;

Background:

Paramount Resources Ltd., applied to the MVLWB for amendments to a Type 'A' Land Use Permit and Type 'B' Water License for a 5 Well Drilling and Tie-in Project, in the Cameron Hills Area.

The MVLWB conducted a preliminary screening of the amendment applications and received comments from government agencies, communities, and First Nations. Mandell Pinder, Legal Counsel for The Ka'a' Gee Tu First Nation (KTFN), submitted concerns to the MVLWB expressing concern about unresolved land use conflicts between KTFN and the applicant in the Cameron Hills region. The KTFH also expressed concern about the environmental and cumulative impacts of the proposed development on the traditional and contemporary use of the land by KTFN.

The Issue:

The MVLWB is aware and concerned that the Cameron Hills Area has already been intensively developed and will continue to experience a steady increase in development in the reasonably foreseeable future. The MVLWB decided that the concern of cumulative negative environmental effects in relation to past and completed developments, current developments, and reasonable foreseeable future developments constitutes significant environmental impacts for the Cameron Hills Area.

Evidence of Public Concern

On May 2, 2003 the MVLWB received a copy of a letter from Mandell Pinder, Legal Counsel for The Ka'a' Gee Tu First Nation (KTFN) This letter emphasized the traditional and contemporary land use importance of the Cameron Hills Area

and expressed concern over cumulative impacts to the KTFN's culture and economy. The KTFN stated that the MVLWB should scrutinize all aspects of the amendment applications to ensure that the environmental impacts on their traditional territory are identified, and the impacts minimized or eliminated.

Reasons

The text outlined in Subsection 125 (1) required that the MVLWB determine whether the development might in its opinion:

- a) have a significant adverse impact on the environment or be a cause for public concern.

The responses provided to the Land and Water Board by the KTFN are a clear indication of public concern and significant adverse impacts on the environment about development in the Cameron Hills Area.

Decision:

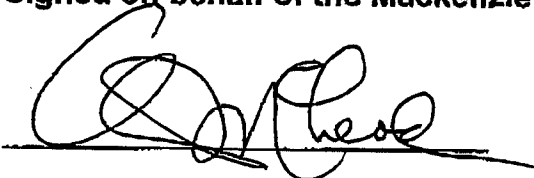
On May 28, 2003 the MVLWB held a meeting to consider the above noted amendment applications. During this meeting the Board determined that the proposed operation might be a cause for public concern and significant environmental impact.

The MVLWB determined that significant negative environmental impacts could result from the cumulative effects of the proposed development in relation to;

- past or completed developments in the Cameron Hills Area;
- current developments;
- reasonably foreseeable future developments.

The MVLWB recommends that the Mackenzie Valley Environmental Impact Review Board (MVEIRB) include the above mentioned points in the scope of the Environmental Assessment to provide an accurate and spatial assessment of Cumulative Effects for the Cameron Hills Area and that the MVEIRB conduct Public Hearings as part of the Environmental Assessment. Further, the MVLWB recommends that the MVEIRB consider joint Public Hearings with the MVLWB.

Signed on behalf of the Mackenzie Valley Land and Water Board:



Melody J. McLeod, Chair
May 28, 2003