



Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

September 6, 2006

Your file / Votre référence

Our file / Notre référence

Patrick Duxbury
Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
P.O. BOX 938
YELLOWKNIFE NT X1A 2N7

BY FAX: 766-7074

Re: INAC Response to Information Request IR0506-007-27 on the Paramount Resources Ltd. SDL8 Geophysical Program Environmental Assessment

Dear Mr. Duxbury:

Please find attached, Indian and Northern Affairs Canada's additional information provided in response to Information Request IR0506-007-27, parts 1, 2, and 3. Paper copies of the requested inspection reports have been hand-delivered to your office.

If you have any questions about this information, please contact Fraser Fairman by phone at 669-2587 or via email at fairmanf@inac.gc.ca.

Yours sincerely,



F. Jackson

David Livingstone
Director, Renewable Resources and Environment

Canada

EA0506-007 Paramount SDL 8 Geophysical Program – INAC Round 2 IR Responses
Additional Information

IR Number: IR0506-27

Source: Ka'a'gee Tu First Nation

To: Indian and Northern Affairs Canada

Reference: No reference

Preamble:

One of the conditions proposed by INAC would give the Inspector the authority to extend project activities beyond April 1st but does not mention any authority to end project activities prior to April 1st.

Request: Please provide the following information.

1. Copies of all previous inspection reports of Paramount seismic operation in the NWT with any problems, concerns or infractions highlighted. Does the MVLWB or the inspector have the authority to order a halt to project activities prior to April 1st, in the event of an early spring? If yes, describe the process and speed with which such an order could be issued.

Response:

Paramount's seismic operations conducted under Land Use Permit MV2001B0088 and MV2000B0066 were inspected on several occasions by staff from INAC's South Mackenzie District, Hay River Sub-District Office. Copies of those inspection reports are attached (Annex 1 and 2).

Concerns noted during these inspections were as follows:

Land Use Permit MV2000B0066

March 11, 2002 - no concerns noted; see explanatory remarks
April 3, 2002 - see explanatory remarks in relation to conditions 25, 26, 27, 28, and 29
June 28, 2002 - no concerns noted; see Note to File
September 10, 2002 - no concerns noted; see explanatory remarks

Land Use Permit MV2001B0088

February 15, 2002 – no concerns noted; see explanatory remarks

February 27, 2002 – see explanatory remarks in relation to conditions 39, 40, 41
March 8, 2002 – no concerns noted; see explanatory remarks
March 25, 2002 – no concerns noted; see explanatory remarks
June 28, 2002 – no concerns noted; see Note to File
September 10, 2002 – no concerns noted; see explanatory remarks

The second part of the question was answered by INAC in its August 25th, 2006, responses to Round 2 Information Requests for this environmental assessment.

IR Number: IR0506-007-25. **Reference:** INAC Response to IR 0506-007-11.

2. Copies of any orders or instructions that were issued to Paramount.

Response:

INAC's South Mackenzie District office has not issued any orders or instructions to Paramount .

3. Identification any outstanding concerns and plans for resolving those concerns.

Response:

INAC's South Mackenzie District office has identified no outstanding concerns with these operations.

ANNEX I

**Environmental Inspection Reports for Paramount Resources Ltd.'s
2002 2D Seismic Program, Cameron Hills.**

LUP MV2001B0088

Hay River Subdistrict
South Mackenzie District, DIAND
41 Capital Drive, #203
Hay River, NT X0E 1G2
Ph: (867) 874-6995
Fax: (867) 874-2460

February 18, 2002

Paramount Resources Ltd.
4700 Bankers Hall West
888 3rd Street SW
Calgary, AB T2P 5C5

ATTENTION: SHIRLEY MAASKANT

Dear Ms. Maaskant:

RE: LAND USE PERMIT MV2001B0088
2-D Seismic Program, Cameron Hills

Enclosed, find your copy of my February 15, 2002 Environmental Inspection Report for the land use operation covered under permit number MV2001B0088.

Your land use operation appeared satisfactory in all aspects and no environmental concerns are noted at time of inspection.

Your cooperation is appreciated.

If you have any questions, I can be reached at (867) 874-6995.

Sincerely,

Norman McCowan
Resource Management Officer II
Hay River area



ENVIRONMENTAL INSPECTION REPORT

Permittee: Paramount Resources Ltd., 4700 Bankers Hall West, 888 3rd Street SW, Calgary, AB T2P 5C5

		Permit Expiry Date	Previous Inspection
Land Use Permit No.	MV2001B0088	December 19, 2003	
Quarrying Permit No.			
Contractor:	Trace Energy Ltd.	Subcontractor:	

Location(s) Inspected: 2-D Seismic Program, Cameron Hills

Current Stage of Operation: Lines CH-05, CH-07 and CH-08 have been cut, access through the project area has been cleared of snow.

Program Modifications Approved: Field approval for clearing existing line from CH-06 to CH-07

Condition of Operation "A" - Acceptable "U" - Unacceptable "N/A" - Not Applicable

	CONDITIONS OF PERMIT Mackenzie Valley Land Use Regulations Section 26 (1)	Aspect of the Land Use Operation Inspected				Applicable Permit Conditions
		2-D				
a	Location & Area	A				1
b	Time	A				2
c	Type & Size of Equipment	A				7
d	Methods & Techniques	A				8
e	Facilities					
f	Ponding, Flooding, Erosion, Slides & Subsidence	A				14, 15, 16, 17, 18, 20
g	Chemical or Toxic Material	A				21
h	Wildlife & Fish Habitat					
i	Refuse or Sewage	A				27, 28, 29, 30
j	Historical & Archaeological Sites & Burial Grounds					
k	Recreational, Scenic & Ecological Value					
m	Fuel Storage	A				33, 34, 35, 36, 38
n	Debris & Brush Disposal	Not Yet				39, 40, 41
o	Restoration of the Lands					
p	Display of Permits & Permit Numbers	A				43, 44
q	Matters Not Inconsistent With Regs.	A				45, 46, 47

Explanatory Remarks

Refer to page 2

Representative on site (print name)	Inspector's Name	Inspector's Signature
Gary Boyer	Norman McCowan	

MV2001B0088 Environmental Inspection Report 02/15/02

Clearing snow from the existing access started on February 11th; cutting line started on February 13th.

Lines CH-05, CH-07 and CH-08 have been cut (total of 29.5 km). The access throughout the project area has been cleared of snow.

Slashing of cut lines scheduled to start on February 19th; 6 slashers from Fort Providence arriving at the camp on February 18th.

The 2-D seismic operation appeared satisfactory in all aspects and no environmental concerns are noted.

Field modification approved: Clearing existing line from CH-06 south to CH-07. This approval allows for the access to follow an unnamed creek instead of clearing a new line with 2 creek crossings.

The campsite is established at the west end of the airstrip west of N-28 60° 08' 01"N 117° 34' 34"W. The campsite will be inspected under the authority of LUP MV2000B0066.

Hay River Subdistrict
South Mackenzie District, DIAND
41 Capital Drive, #203
Hay River, NT X0E 1G2
Ph: (867) 874-6995
Fax: (867) 874-2460

February 28, 2002

Paramount Resources Ltd.
4700 Bankers Hall West
888 3rd Street SW
Calgary, AB T2P 5C5

ATTENTION: SHIRLEY MAASKANT

Dear Ms. Maaskant:

RE: LAND USE PERMIT MV2001B0088
2-D Seismic Program, Cameron Hills

Enclosed, find your copy of my February 27, 2002 Environmental Inspection Report for the land use operation covered under permit number MV2001B0088.

The inspection covered all aspects of your land use operation in the Cameron Hills. Most aspects of your operation appeared satisfactory with the exception of the slashing. It was observed that a significant number of leaners have been left on the more northerly lines (CH-01 to CH-04). In addition, slashing on the windrows has been done poorly. These issues have been addressed in the field with Mr. Gary Boyer, Party Manger for Trace Energy on the inspection date.

If you have any questions, I can be reached at (867) 874-6995.

Sincerely,

Norman McCowan
Resource Management Officer II
Hay River area



ENVIRONMENTAL INSPECTION REPORT

Permittee:	Paramount Resources Ltd., 4700 Bankers Hall West, 888 3 rd Street SW, Calgary, AB T2P 5C5		
		Permit Expiry Date	Previous Inspection
Land Use Permit No.	MV2001B0088	December 19, 2003	February 15, 2002
Quarrying Permit No.			
Contractor:	Trace Energy Ltd.	Subcontractor:	

Location(s) Inspected:	2-D Seismic Program, Cameron Hills
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Current Stage of Operation:	All lines have been cut; slashing is on-going. Recording crew to arrive on March 02. Layout on line 8 has started.
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Program Modifications Approved:	
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Condition of Operation "A" - Acceptable "U" - Unacceptable "N/A" - Not Applicable

	CONDITIONS OF PERMIT Mackenzie Valley Land Use Regulations Section 26 (1)	Aspect of the Land Use Operation Inspected				Applicable Permit Conditions
		2-D				
a	Location & Area	A				1
b	Time	A				2
c	Type & Size of Equipment	A				7
d	Methods & Techniques	A				8
e	Facilities					
f	Ponding, Flooding, Erosion, Slides & Subsidence	A				14, 15, 16, 17, 18, 20
g	Chemical or Toxic Material	A				21
h	Wildlife & Fish Habitat					
i	Refuse or Sewage	A				27, 28, 29, 30
j	Historical & Archaeological Sites & Burial Grounds					
k	Recreational, Scenic & Ecological Value					
m	Fuel Storage	A				33, 34, 35, 36, 38
n	Debris & Brush Disposal	U				39, 40, 41
o	Restoration of the Lands					
p	Display of Permits & Permit Numbers	A				43, 44
q	Matters Not Inconsistent With Regs.	A				45, 46, 47

Explanatory Remarks

Refer to page 2

Representative on site (print name)	Inspector's Name	Inspector's Signature
Gary Boyer	Norman McCowan	

MV2001B0088 Environmental Inspection Report 02/27/02

All lines have been cut; CH-01 (6.2 km), CH-02 (8.8km), CH-03 (9.5 km), CH-04 (8.1 km), CH-05 (8.6 km), CH-07 (8.8 km), CH-08 (12.1 km). The contractor has done a very good job in clearing lines with minimal disturbance of organic mat observed.

Surveying of lines was completed on February 26th. The recording crew is scheduled to arrive on March 02nd. Crews are currently laying cable on CH-08 and will be starting CH-07 tomorrow.

All lines were inspected for breaks in the brush windows and slashing performance. Breaks of about 5 to 10m have been made in windrows at intervals of 300m which is satisfactory. The slashing on CH-01, CH-02, CH-03 and CH-05 was done poorly. It is required that all leaners be knocked into the standing timber and cut into suitable lengths so all parts of the tree lie flat on the ground. The windrows must be slashed and then compacted with heavy equipment to promote faster decay. More attention is required for areas with poplar and jack pine timber stands.

Following the completion of the recording, the following reclamation work must be completed prior to spring break-up (April 1st):

Slopes located on CH-01 (SL1 and SL2), the west access which runs NE to SE (SL3), CH-02 (SL4), CH-03 (SL5 and SL6) and CH-04 (SL7) require roll back of timber on the upper portion of each slope. The purpose of the roll back is to divert the spring run-off from the slope into the standing timber which will reduce the possibility of erosion.

All snow fills located within your project area must be removed. The location of the creeks and drainages are located on your surveyed map.

All other aspects of your operation appeared satisfactory at time of inspection.

Hay River Subdistrict
South Mackenzie District, DIAND
41 Capital Drive, #203
Hay River, NT X0E 1G2
Ph: (867) 874-6995
Fax: (867) 874-2460

March 12, 2002

Paramount Resources Ltd.
4700 Bankers Hall West
888 3rd Street SW
Calgary, AB T2P 5C5

ATTENTION: SHIRLEY MAASKANT

Dear Ms. Maaskant:

RE: LAND USE PERMIT MV2001B0088
2-D Seismic Program, Cameron Hills

Enclosed, find your copy of my March 08, 2002 Environmental Inspection Report for the land use operation covered under permit number MV2000B0066.

There has been a significant improvement in the slashing since the previous inspection conducted on February 27, 2002. Your cooperation in this matter has been appreciated.

All aspects of this operation appeared satisfactory in all aspects and no environmental concerns are noted.

If you have any questions, I can be reached at (867) 874-6995.

Sincerely,

Norman McCowan
Resource Management Officer II
Hay River area



ENVIRONMENTAL INSPECTION REPORT

Permittee:	Paramount Resources Ltd., 4700 Bankers Hall West, 888 3 rd Street SW, Calgary, AB T2P 5C5		
		Permit Expiry Date	Previous Inspection
Land Use Permit No.	MV2001B0088	December 19, 2003	February 27, 2002
Quarrying Permit No.			
Contractor:	Trace Energy Ltd.	Subcontractor:	

Location(s) Inspected:	2-D Seismic Program, Cameron Hills
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Current Stage of Operation:	Lines CH-01 through CH-08 have been cut. Recording started on March 02 nd .
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Program Modifications Approved:	
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Condition of Operation "A" - Acceptable "U" - Unacceptable "N/A" - Not Applicable

	CONDITIONS OF PERMIT Mackenzie Valley Land Use Regulations Section 26 (1)	Aspect of the Land Use Operation Inspected			Applicable Permit Conditions
		2-D			
a	Location & Area	A			1
b	Time	A			2
c	Type & Size of Equipment	A			7
d	Methods & Techniques	A			8
e	Facilities				
f	Ponding, Flooding, Erosion, Slides & Subsidence	A			14, 15, 16, 17, 18, 20
g	Chemical or Toxic Material	A			21
h	Wildlife & Fish Habitat				
i	Refuse or Sewage	A			27, 28, 29, 30
j	Historical & Archaeological Sites & Burial Grounds				
k	Recreational, Scenic & Ecological Value				
m	Fuel Storage	A			33, 34, 35, 36, 38
n	Debris & Brush Disposal	A			39, 40, 41
o	Restoration of the Lands				
p	Display of Permits & Permit Numbers	A			43, 44
q	Matters Not Inconsistent With Regs.	A			45, 46, 47

Explanatory Remarks

At time of inspection the line slashing was almost complete. There has been a significant improvement in the slashing since the previous inspection conducted on Feb. 27/02. The slash crews are currently working on lines CH-01, CH-02 and CH-03 where there was a number of leaners left standing which was noted on the previous report. Roll back requirements were addressed with the cat push, Bruce Phillips. All reclamation work will start following the completion of the recording. All aspects of the operation appeared satisfactory at time of inspection.

Representative on site (print name)	Inspector's Name	Inspector's Signature
Gary Boyer	Norman McCowan	

Hay River Subdistrict
South Mackenzie District, DIAND
41 Capital Drive, #203
Hay River, NT X0E 1G2
Ph: (867) 874-6995
Fax: (867) 874-2460

March 26, 2002

Paramount Resources Ltd.
4700 Bankers Hall West
888 3rd Street SW
Calgary, AB T2P 5C5

ATTENTION: SHIRLEY MAASKANT

Dear Ms. Maaskant:

RE: LAND USE PERMIT MV2001B0088
2-D Seismic Program, Cameron Hills

Enclosed, find your copy of my March 25, 2002 Environmental Inspection Report for the land use operation covered under permit number MV2001B0088.

Your land use operation appeared satisfactory in all aspects and no environmental concerns were noted. Please note that I was unable to complete a final inspection of the north portion of your project area. The rollback that was completed on the slopes on Lines CH-01 and CH-02 prevented access. These areas will be looked at in the summer/fall via helicopter. The rollback and slashing which was observed during the inspection appeared satisfactory.

I would like to take this opportunity to thank you for your cooperation.

If you have any questions, I can be reached at (867) 874-6995.

Sincerely,

Norman McCowan
Resource Management Officer II
Hay River area



ENVIRONMENTAL INSPECTION REPORT

Permittee:	Paramount Resources Ltd., 4700 Bankers Hall West, 888 3 rd Street SW, Calgary, AB T2P 5C5		
		Permit Expiry Date	Previous Inspection
Land Use Permit No.	MV2001B0088	December 19, 2003	March 08, 2002
Quarrying Permit No.			
Contractor:	Trace Energy Ltd.	Subcontractor:	

Location(s) Inspected:	2-D Seismic Program, Cameron Hills
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Current Stage of Operation:	Land use operation is complete. All reclamation work was completed on March 23, 2002.
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Program Modifications Approved:	
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Condition of Operation "A" - Acceptable "U" - Unacceptable "N/A" - Not Applicable

	CONDITIONS OF PERMIT Mackenzie Valley Land Use Regulations Section 26 (1)	Aspect of the Land Use Operation Inspected			Applicable Permit Conditions
		2-D			
a	Location & Area	A			1
b	Time	A			2
c	Type & Size of Equipment	A			7
d	Methods & Techniques	A			8
e	Facilities				
f	Ponding, Flooding, Erosion, Slides & Subsidence	A			14, 15, 16, 17, 18, 20
g	Chemical or Toxic Material	A			21
h	Wildlife & Fish Habitat				
i	Refuse or Sewage	A			27, 28, 29, 30
j	Historical & Archaeological Sites & Burial Grounds				
k	Recreational, Scenic & Ecological Value				
m	Fuel Storage	A			33, 34, 35, 36, 38
n	Debris & Brush Disposal	A			39, 40, 41
o	Restoration of the Lands				
p	Display of Permits & Permit Numbers	A			43, 44
q	Matters Not Inconsistent With Regs.	A			45, 46, 47

Explanatory Remarks

Reclamation work has been completed. All creek crossings have been pulled without disturbances to the banks and appeared satisfactory. Roll back of timber on CH-01, CH-02, CH-03 and CH-04 has been completed. It was not possible to complete inspection on CH-01 and portion of CH-02 as the rollback prevented access. Rollback / slashing observed on CH-02, CH-03 and CH-04 appeared satisfactory.
--

Representative on site (print name)	Inspector's Name	Inspector's Signature
Gary Boyer	Norman McCowan	

- NOTE TO FILE -

*Department of Indian Affairs & Northern Development
Hay River Subdistrict
South Mackenzie District*

File: MV2001B0088, 2D Seismic **From:** Andrew Forbes
MV2000B0066, 3D Seismic Resource Management Officer
Paramount Resources

Date: June 28, 2002

By means of helicopter transportation I checked from the air the various locations suggested to me by Land Use Inspector Norm McCowan on June 12, 2002. This was a quick inspection, looking mainly for signs of surface erosion which might have resulted from the spring runoff. A more intense inspection should be conducted in late August or early September and it should include random ground checks. My comments follow.

2D Seismic

I inspected the following sites:

- Line 01-CH-01 (slopes # 1 and 2)
- West access that runs NE to SW (slope # 3)
- Line 01-CH-02 (slope # 4)
- Line 01-CH-03 (slopes # 5 and 6)
- Line 01-CH-04 (slope # 7)

No signs of erosion were observed. Roll back was done on some of the slopes but not on all although I do not think that this will contribute to erosion concerns since it appears that the organic layer was not significantly disturbed. This should be confirmed on the ground during the fall inspection. Slashing and the falling of leaners could be better from what I saw but I only covered a small portion of the program.

3D Seismic

I inspected the following sites:

- Slope # 1 located near the jct of S-2 and R-31.
- Slope # 2 located near the jct of S-2 and R-39
- Slope # 3 located near the jct of R-41 and S-10 & S-12.

No erosion was observed however these sites should be checked closely during the fall inspection.

Campsite

I did not visit this site during my inspection.



ENVIRONMENTAL INSPECTION REPORT

Permittee:	Paramount Resources Ltd., 4700 Bankers Hall West, 888 3 rd Street SW, Calgary, AB T2P 5C5		
		Permit Expiry Date	Previous Inspection
Land Use Permit No.	MV2001B0088	December 19, 2003	June 28, 2002
Quarrying Permit No.			
Contractor:	Trace Energy Ltd.	Subcontractor:	

Location(s) Inspected:	2-D Seismic Program, Cameron Hills
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Current Stage of Operation:	Land use operation is complete.
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Program Modifications Approved:	
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Condition of Operation "A" - Acceptable "U" - Unacceptable "N/A" - Not Applicable

	CONDITIONS OF PERMIT Mackenzie Valley Land Use Regulations Section 26 (1)	Aspect of the Land Use Operation Inspected			Applicable Permit Conditions
		2-D			
a	Location & Area	A			1
b	Time	A			2
c	Type & Size of Equipment	A			7
d	Methods & Techniques	A			8
e	Facilities				
f	Ponding, Flooding, Erosion, Slides & Subsidence	A			14, 15, 16, 17, 18, 20
g	Chemical or Toxic Material	A			21
h	Wildlife & Fish Habitat				
i	Refuse or Sewage	A			27, 28, 29, 30
j	Historical & Archaeological Sites & Burial Grounds				
k	Recreational, Scenic & Ecological Value				
m	Fuel Storage	A			33, 34, 35, 36, 38
n	Debris & Brush Disposal	A			39, 40, 41
o	Restoration of the Lands				
p	Display of Permits & Permit Numbers	A			43, 44
q	Matters Not Inconsistent With Regs.	A			45, 46, 47

Explanatory Remarks

Roll back on CH-01 (SL1 & SL2) was done poorly with minimal roll back located on the upper portion of the slopes. A number of leaners were left on CH-01. There was no sign of erosion on any of the slopes. The inspection confirmed that the organic mat was not disturbed during the line cutting which assisted in the erosion prevention. However, better effort will be required for future reclamation operations. All other aspects of the operation appeared satisfactory and no environmental concerns are noted.

Representative on site (print name)	Inspector's Name	Inspector's Signature
	Norman McCowan	

Hay River Subdistrict
South Mackenzie District, DIAND
41 Capital Drive, #203
Hay River, NT X0E 1G2
Ph: (867) 874-6995
Fax: (867) 874-2460

September 16, 2002

Paramount Resources Ltd.
4700 Bankers Hall West
888 3rd Street SW
Calgary, AB T2P 5C5

ATTENTION: SHIRLEY MAASKANT

Dear Ms. Maaskant:

RE: LAND USE PERMIT MV2001B0088
2-D Seismic Program, Cameron Hills

Enclosed, find your copy of my September 10, 2002 Environmental Inspection Report for the land use operation covered under permit number MV2001B0088.

Your land use operation appeared satisfactory in most aspects and no environmental concerns were noted. However, I would like to address the roll back that was completed on CH-01 and CH-02. The roll back was limited to the bottom portions of SL1, SL2 and SL3. It was directed on my 02/27/02 report to roll back all timber on the upper portion of the slope. The rationale for this was to prevent the spring run-off from gaining momentum on the slope which may cause erosion. As the organic mat was not disturbed during the line cutting, this may have prevented any slope erosion from occurring. In addition, a number of leaners were left on CH-01; this may have been attributed to snow melt and the settling of the windrows. As the majority of leaners have been felled within the project area, you will not be directed to knock down the leaners found on CH-01. However, for future seismic operations, final inspections will be conducted in stages during the reclamation work to ensure all areas are satisfactory prior to the removal of equipment.

Overall, Trace Energy has done a very good job and has applied sound environmental practices minimizing the impact on the environment. Your cooperation has been greatly appreciated.

If you have any questions, I can be reached at (867) 874-6995.

Sincerely,

Norman McCowan
Resource Management Officer II
Hay River area

ANNEX II

**Environmental Inspection Reports for Paramount Resources Ltd.'s
2002 2D Seismic Program, Cameron Hills.**

LUP MV2000B0066

Hay River Subdistrict
South Mackenzie District, DIAND
41 Capital Drive, #203
Hay River, NT X0E 1G2
Ph: (867) 874-6995
Fax: (867) 874-2460

March 13, 2002

Paramount Resources Ltd.
4700 Bankers Hall West
888 3rd Street SW
Calgary, AB T2P 5C5

ATTENTION: SHIRLEY MAASKANT

Dear Ms. Maaskant:

RE: LAND USE PERMIT MV2000B0066
3-D Seismic Program, Cameron Hills

Enclosed, find your copy of my Environmental Inspection Report for the land use operation covered under permit number MV2000B0066. This report covers inspections conducted on March 02nd, 7th and 11th.

Your land use operation is being conducted in a satisfactory manner and no environmental concerns are noted. Your cooperation has been greatly appreciated.

If you have any questions, I can be reached at (867) 874-6995.

Sincerely,

Norman McCowan
Resource Management Officer II
Hay River area



ENVIRONMENTAL INSPECTION REPORT

Permittee:	Paramount Resources Ltd., 4700 Bankers Hall West, 888 3 rd Street SW, Calgary, AB T2P 5C5		
		Permit Expiry Date	Previous Inspection
Land Use Permit No.	MV2000B0066	February 04, 2006	March 07, 2002
Quarrying Permit No.			
Contractor:	Trace Energy Ltd.	Subcontractor:	

Location(s) Inspected:	3-D Seismic Program, Cameron Hills
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Current Stage of Operation:	Line clearing completed on March 02, 2002. Cable has been laid out from R1 to R29.
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Program Modifications Approved:	
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Condition of Operation "A" - Acceptable "U" - Unacceptable "N/A" - Not Applicable

	CONDITIONS OF PERMIT Mackenzie Valley Land Use Regulations Section 26 (1)	Aspect of the Land Use Operation Inspected				Applicable Permit Conditions
		3-D	Camp			
a	Location & Area	A	A			1
b	Time	A	A			3, 4, 7
c	Type & Size of Equipment	A	A			6
d	Methods & Techniques	A	A			8
e	Facilities	N/A	A			10,11,12,13
f	Ponding, Flooding, Erosion, Slides & Subsidence	A	A			14, 15, 16, 17, 18, 19
g	Chemical or Toxic Material	A	A			21
h	Wildlife & Fish Habitat	A	A			23
i	Refuse or Sewage	A	A			25, 26, 27, 28, 29
j	Historical & Archaeological Sites & Burial Grounds					
k	Recreational, Scenic & Ecological Value					
m	Fuel Storage	A	A			31, 32, 33
n	Debris & Brush Disposal	A	N/A			35, 36
o	Restoration of the Lands	A	A			39
p	Display of Permits & Permit Numbers	A	A			40, 41
q	Matters Not Inconsistent With Regs.	A	N/A			43, 44

Explanatory Remarks

All cat work has been completed as of March 02, 2002. A total of 143.5km of receiver line and 145.4 km of source line has been cleared (total cleared: 288.9 km). Slashing is approximately half finished with the completion date scheduled for March 20th. Roll back requirements were discussed on site. Reclamation work will be completed prior to March 30th. This land use operation appeared satisfactory in all aspects and no environmental concerns are noted at time of inspection.

Representative on site (print name)	Inspector's Name	Inspector's Signature
Gary Boyer	Norman McCowan	

Hay River Subdistrict
South Mackenzie District, DIAND
41 Capital Drive, #203
Hay River, NT X0E 1G2
Ph: (867) 874-6995
Fax: (867) 874-2460

April 08, 2002

Paramount Resources Ltd.
4700 Bankers Hall West
888 3rd Street SW
Calgary, AB T2P 5C5

ATTENTION: SHIRLEY MAASKANT

Dear Ms. Maaskant:

RE: LAND USE PERMIT MV2000B0066
3-D Seismic Program, Cameron Hills

Enclosed, find your copy of my April 02, 2002 Environmental Inspection Report for the land use operation covered under permit number MV2000B0066.

The inspection covered all aspects of your 2002 winter 3-D seismic operation conducted in the Cameron Hills. The only deficiency noted at time of inspection was three metal posts and a length of cable located at the campsite which must be removed from federal lands. All other aspects of your operation appeared satisfactory and no environmental concerns are noted.

Your cooperation has been greatly appreciated.

If you have any questions, I can be reached at (867) 874-6995.

Sincerely,

Norman McCowan
Resource Management Officer II
Hay River area



ENVIRONMENTAL INSPECTION REPORT

Permittee:	Paramount Resources Ltd., 4700 Bankers Hall West, 888 3 rd Street SW, Calgary, AB T2P 5C5		
		Permit Expiry Date	Previous Inspection
Land Use Permit No.	MV2000B0066	February 04, 2006	March 27, 2002
Quarrying Permit No.			
Contractor:	Trace Energy Ltd.	Subcontractor:	

Location(s) Inspected:	3-D Seismic Program, Cameron Hills
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Current Stage of Operation:	Land use operation completed on March 29, 2002.
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Program Modifications Approved:	
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Condition of Operation "A" - Acceptable "U" - Unacceptable "N/A" - Not Applicable

	CONDITIONS OF PERMIT Mackenzie Valley Land Use Regulations Section 26 (1)	Aspect of the Land Use Operation Inspected				Applicable Permit Conditions
		3-D	Camp			
a	Location & Area	A	A			1
b	Time	A	A			3, 4, 7
c	Type & Size of Equipment	A	A			6
d	Methods & Techniques	A	A			8
e	Facilities	N/A	A			10,11,12,13
f	Ponding, Flooding, Erosion, Slides & Subsidence	A	A			14, 15, 16, 17, 18, 19
g	Chemical or Toxic Material	A	A			21
h	Wildlife & Fish Habitat	A	A			23
i	Refuse or Sewage	A	U			25, 26, 27, 28, 29
j	Historical & Archaeological Sites & Burial Grounds					
k	Recreational, Scenic & Ecological Value					
m	Fuel Storage	A	A			31, 32, 33
n	Debris & Brush Disposal	A	N/A			35, 36
o	Restoration of the Lands	A	A			39
p	Display of Permits & Permit Numbers	A	A			40, 41
q	Matters Not Inconsistent With Regs.	A	N/A			43, 44

Explanatory Remarks

Refer to page 2

Representative on site (print name)

Inspector's Name

Inspector's Signature

Gary Boyer	Norman McCowan	
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MV2000B0066 Environmental Inspection Report

Final inspection for Land Use Permit MV2000B0066 was conducted on March 27, 2002 and April 03, 2002 and encompassed all aspects of the land use operation.

Campsite

The camp and associated facilities was removed from the land use area on March 29, 2002.

The campsite located at 60° 08' 01"N 117° 34' 34"W south of well site N-28 appeared satisfactory in most aspects. The Permittee has done a very good job in completing all clean up and restoration of the campsite which was used during the seismic operation. All garbage and other waste has been removed from the land use area and taken to an authorized disposal site located in High Level, AB. The kitchen and office sumps have been backfilled and capped in a satisfactory manner.

A length of steel cable and metal pipe buried in the past which was unearthed when the kitchen sump was excavated in February 2002 was removed from the land use area.

- The only deficiency noted at time of inspection was the three metal snow fence posts and a small amount of wire located on the south side of the kitchen sump.

3-D Seismic

A total of 148km of source line and 146km of receiver line was cleared during the seismic operation as indicated on Trace Energy's weekly progress report dated March 29, 2002.

Clearing of the source and receiver lines were carried out in a manner that minimized the surface disturbance of the organic mat. This practice in conjunction with the roll back of timber on the slopes should prevent erosion.

The majority of leaners adjacent to the lines have been felled and bucked into suitable lengths. A small number of leaners remain throughout the land use area. The removal of these leaners will not be required due to the minimal number left standing and that they pose no safety or environmental concern. However, more attention will be required in future seismic programs to ensure that all leaners are felled in accordance with the land use permit.

Creek crossings have been removed from all drainages and creeks with no damage to the banks observed at time of inspection.

All garbage has been removed from the land use area in an acceptable manner.

CONCLUSION

It is required that the metal fence posts and length of wire located at the campsite be removed from federal lands and taken to an authorized disposal site.

An inspection is scheduled for the fall of 2002 to ensure that there is no erosion following spring run-off on all areas impacted by the land use operation.

- NOTE TO FILE -

*Department of Indian Affairs & Northern Development
Hay River Subdistrict
South Mackenzie District*

File: MV2001B0088, 2D Seismic **From:** Andrew Forbes
MV2000B0066, 3D Seismic Resource Management Officer
Paramount Resources

Date: June 28, 2002

By means of helicopter transportation I checked from the air the various locations suggested to me by Land Use Inspector Norm McCowan on June 12, 2002. This was a quick inspection, looking mainly for signs of surface erosion which might have resulted from the spring runoff. A more intense inspection should be conducted in late August or early September and it should include random ground checks. My comments follow.

2D Seismic

I inspected the following sites:

- Line 01-CH-01 (slopes # 1 and 2)
- West access that runs NE to SW (slope # 3)
- Line 01-CH-02 (slope # 4)
- Line 01-CH-03 (slopes # 5 and 6)
- Line 01-CH-04 (slope # 7)

No signs of erosion were observed. Roll back was done on some of the slopes but not on all although I do not think that this will contribute to erosion concerns since it appears that the organic layer was not significantly disturbed. This should be confirmed on the ground during the fall inspection. Slashing and the falling of leaners could be better from what I saw but I only covered a small portion of the program.

3D Seismic

I inspected the following sites:

- Slope # 1 located near the jct of S-2 and R-31.
- Slope # 2 located near the jct of S-2 and R-39
- Slope # 3 located near the jct of R-41 and S-10 & S-12.

No erosion was observed however these sites should be checked closely during the fall inspection.

Campsite

I did not visit this site during my inspection.

Hay River Subdistrict
South Mackenzie District, DIAND
41 Capital Drive, #203
Hay River, NT X0E 1G2
Ph: (867) 874-6995
Fax: (867) 874-2460

September 16, 2002

Paramount Resources Ltd.
4700 Bankers Hall West
888 3rd Street SW
Calgary, AB T2P 5C5

ATTENTION: SHIRLEY MAASKANT

Dear Ms. Maaskant:

RE: LAND USE PERMIT MV2000B0066
3-D Seismic Program, Cameron Hills

Enclosed, find your copy of my September 10, 2002 Environmental Inspection Report for the land use operation covered under permit number MV2000B0066.

Your land use operation has been conducted in a satisfactory manner and no environmental concerns are noted. Your cooperation has been greatly appreciated.

If you have any questions, I can be reached at (867) 874-6995.

Sincerely,

Norman McCowan
Resource Management Officer II
Hay River area



ENVIRONMENTAL INSPECTION REPORT

Permittee:	Paramount Resources Ltd., 4700 Bankers Hall West, 888 3 rd Street SW, Calgary, AB T2P 5C5		
		Permit Expiry Date	Previous Inspection
Land Use Permit No.	MV2000B0066	February 04, 2006	June 12, 2002
Quarrying Permit No.			
Contractor:	Trace Energy Ltd.	Subcontractor:	

Location(s) Inspected:	3-D Seismic Program, Cameron Hills
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Current Stage of Operation:	Land use operation completed.
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Program Modifications Approved:	
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i	Refuse or Sewage	A	A		25, 26, 27, 28, 29
j	Historical & Archaeological Sites & Burial Grounds				
k	Recreational, Scenic & Ecological Value				
m	Fuel Storage	A	A		31, 32, 33
n	Debris & Brush Disposal	A	N/A		35, 36
o	Restoration of the Lands	A	A		39
p	Display of Permits & Permit Numbers	A	A		40, 41
q	Matters Not Inconsistent With Regs.	A	N/A		43, 44

Explanatory Remarks

The metal posts and wire have been removed from the campsite. All roll back areas; specifically S2/R31, S2/R39, R41/S10, R41/S12 and other intersections located along the Cameron River appeared satisfactory with no signs of erosion observed. The river and creek crossings appeared satisfactory in all aspects. This land use operation has been conducted in a satisfactory manner and no environmental concerns are noted.

Representative on site (print name)	Inspector's Name	Inspector's Signature
	Norman McCowan	