

Summary of Community Hearing

EA0506-007

**Paramount Resources Ltd.
Significant Discovery Licence &
2-D Seismic Exploration Program**

Date: February 28, 2006

Time: 10:00 am

Location: Hay River Community Hall
Hay River, Northwest Territories

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List of Abbreviations

DAR – Developer’s Assessment Report
DLUP – Dehcho Land Use Plan
FTRMB – Fort Providence Resource Management Board
GNWT – Government of Northwest Territories
IMA – Interim Measures Agreement
INAC – Indian and Northern Affairs Canada
IR – Information Request
KFN – K’atlodeeche First Nation
KTFN – Ka’a’Gee Tu First Nation
MVLWB – Mackenzie Valley Land and Water Board
MVEIRB or “Review Board” – Mackenzie Valley Environmental Impact Review Board
NEB – National Energy Board
NTMN – Northwest Territory Metis Nation
Paramount – Paramount Resources Ltd.
SDL – Significant Discovery Licence
SARA – Species at Risk Act
TK – Traditional Knowledge

Disclaimer

The following document is a summary of the Review Board's community scoping hearing held in Hay River on February 28, 2006 regarding the environmental assessment of Paramount Resources Ltd.'s Significant Discovery Licence 8 2-D seismic program. The summary is not an official transcript of the proceedings and a court reporter was not used in its production. The summary is the product of detailed notes made by the Review Board and its staff, in addition to information contained in audio recordings taken during the community hearing.

Summary of opening statements by MVEIRB Chair and Staff

The Chair of the Review Board, Gabrielle Mackenzie-Scott, commenced the proceedings at approximately 10:00 am. Ms. Mackenzie-Scott's speaking notes are available in Appendix II.

Ms. Mackenzie-Scott invited the Review Board's Environmental Assessment Officer responsible for this assessment, Patrick Duxbury, to present the EA process that the Review Board is following for this EA. The slides of this presentation are located in Appendix III. The main points made were:

- The Review Board has modified its approach to the EA work plan to reflect the scale of the assessment and the project.
- The Community Scoping Hearing¹ is meant to help the Review Board understand the important issues.
- After scoping there will be an Information Request (IR) stage.
- Following the IR stage, the Review Board may choose to hold face-to-face technical sessions on the outstanding issues if it lacks enough information to make a determination on the significance of the potential impacts.
- Instead of, or in addition to, a technical meeting, the Review Board may choose to have another round of IRs, or request the submission of technical reports from Parties.
- If the Review Board deems it necessary, it may choose to have a Formal Hearing² on the issues.
- The final stage of the EA will occur when the Review Board issues its report of environmental assessment, which will be submitted to the Minister of INAC for final approval and implementation.

Presentation by Paramount Resources Ltd.

A presentation by Paramount followed the Chair's opening comments. Shirley Maaskant, Manager of Regulatory and Community Affairs, lead the presentation. A copy of Paramount's presentation slides is located in Appendix IV. The following main points were noted:

- Paramount has been active in the NWT since 1979.
- Seismic exploration in the SDL8 occurred in the early 1960s.
- The seismic information led to a well being drilled by Paramount in the 1980s.
- The gas discovered was enough to apply for a Significant Discovery Licence during the mid-1980s.
- Paramount wants to conduct further seismic exploration to locate further gas reserves.
- Seven seismic lines are proposed to be cut; three are new and four are old; the old cut lines have experienced re-growth.

¹ Reference Part V - MVEIRB_Rules of Procedure

² Reference Part IV - MVEIRB_Rules of Procedure

- The lines will be cut to a maximum width of 6 metres with a bulldozer blade raised up to avoid disturbing the duff layer. Meandering techniques and avoidance cutting is to be employed to avoid removing large trees. The likely width will be between 4.5 metres and 6 metres. 200 metres will be the maximum line-of-sight permitted through use of meandering techniques.
- The seismic program is estimated to last a maximum of 40 days or 350 to 400 person days.
- Access to the site will be gained from either around Indian Cabins, or at the NWT-Alberta border.
- A First Nations trapper helped to scout the lines.
- Paramount's 2001 TK study was reviewed and Paramount is aware of two trappers, one aboriginal and one non-aboriginal who use the area.

Questions or Comments regarding Paramount's presentation

From John Bartlett, FPRMB: Is the road access all off highway?

Response from Lloyd Doyle, Paramount: Highway 35 will be used and then Paramount will cut west to get to SDL8, the trails are all preexisting.

From Fraser Fairman, INAC:

How will the SDL8 be accessed and what is the distance involved?

Response from Lloyd Doyle, Paramount:

From Indian Cabins there are two possible routes, from Highway 35 and then turning west and taking the trails all within Alberta, or by traveling north to the NWT border and turning west from there.

From Nora Doig, MVEIRB:

Could there be more than just the two trappers using the area that you mentioned and what did Paramount do to get input from as many trappers as possible?

Response from Shirley Maaskant, Paramount:

When working on the main Cameron Hills project a number of years ago, Paramount worked with the communities of Kakisa, Hay River Reserve, West Point and the Fort Providence Métis and Dene to document TK through mapping. Paramount has on-going communications with the communities. Paramount works with an aboriginal trapper on an annual basis for site reconnaissance, road and site selection, winter track counts, re-vegetation monitoring, and environment monitoring during drilling. An Elder from Kakisa also participates as a heritage site monitor during trenching operations.

For the specific project, Paramount reviewed the existing documentation that covered this area. Paramount met with the two trappers that they are aware of; one trapper said there was no further information regarding the area. The other trapper is the individual who works with Paramount on an on-going basis and who participated in the site reconnaissance, which is depicted in the photos provided in the presentation. An information package, similar to Paramount's presentation, was sent to regulators, government agencies and communities for comments. No comments or questions were received.

Question from Pat Duxbury, MVEIRB:

What factors influence Paramount's decision to either use vibroseis or dynamite?

Response by Vladan Simin, Paramount:

One of the problems faced in the area is the presence of massive deposits of gravel. When dynamite is exploded in gravel it loses its energy immediately, resulting in poor seismic data. While dynamite is the first choice, vibroseis needs to remain an option due to the gravel issue, but cut lines need to be wider to support vibroseis equipment. The gravel deposits are massive glacial striations that can be 30 to 40 metres thick.

Question from John Donihee, MVEIRB:

What factors are considered in selecting the access route and clearing it?

Response by Lloyd Doyle, Paramount:

No cutting for access will be incurred in this project. Both accesses already exist; if one access is already opened by operators in the area, then Paramount would likely use it. Clearing snow is the principle activity to open the access routes.

Question from John Donihee, MVEIRB:

Are there any forestry operations operating in this area and would Paramount have any effect on them?

Response by Lloyd Doyle, Paramount:

Paramount is not aware of any forestry activities in the area.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

Will ammonia be used with the dynamite seismic option?

Response by Vladan Simin, Paramount:

There will be no ammonia present; typically Paramount drills 2 holes per source point to a 7-metre depth and then fills in the hole to prevent a blowout. Nothing other than dynamite is used.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

What type of re-vegetation seeding will be used by Paramount?

Response by Ed Kustan, Paramount:

Paramount intends to use a seed mixture used for Cameron Hills that has been previously approved by the MVLWB, GNWT and NEB. The mixture is a selection of grasses.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

What are the preventative measures to deal with impacts to fish?

Response by Ed Kustan, Paramount:

Clean snow will be used for creek crossings and the clean snow will be removed prior to breakup to avoid impeding fish upstream of the crossing. Paramount will follow applicable DFO protocols.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

What plans have you considered to ensure public safety due to the potential for increased activity on the highway when transporting fuel and equipment?

Response by Vladan Simin and Ed Kustan, Paramount:

The public safety measures are the same that Paramount takes whenever it moves equipment. The trucks are not large, mainly recording trucks, pick-up trucks and geophone trucks. A fuel and oil spill contingency plan was submitted with the application and a current emergency plan was submitted to the MVLWB and government agencies last year.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

Have you taken into consideration the possible impacts to wildlife with regards to the generation of shock waves?

Response by Vladan Simin, Paramount:

The recordings occur over a short 3-second period. The vibroseis trucks are designed to send shockwaves downwards, not laterally. In case of dynamite, all that is heard is a dull thump.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

What happens to the seismic lines if no further resources are discovered?

Response by Shirley Maaskant, Paramount:

This is one-time program. If nothing is located, the seismic lines will be allowed to re-grow naturally. The duff layer will not be affected.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

How do you remove the snow-filled ice bridges?

Response by Ed Kustan, Paramount:

A back-hoe will be used.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

What are the operations hours and will the activity be continuous during the winter?

Response by Vladan Simin, Paramount:

The maximum duration of the program is 40 days, but probably it will take less time. Paramount intends to get its people out to SDL8 in the morning and do a full day of work and then return home by late afternoon. Paramount will be hiring 50 people, 30 people will be the maximum required for line clearing; other activities will require fewer people. There may be time breaks between the various stages of the program.

Presentation by Ka'a'gee Tu First Nation

Joe Acorn, a KTFN representative presented the community's concerns regarding the SDL8 program. The first part of Mr. Acorn's presentation was concerned with the EA's process and the following points were noted:

- It is the KTFN's position that the community hearing should have been held in Kakisa in order to hear from the Elders, Chief and other members because KTFN was the party to have this project referred to EA.

- KTFN believes that the assessment appears to have been scoped down to just about nothing. Effects on wildlife harvesting and effects on woodland caribou were the only two issues identified in the Workplan. KTFN recognizes these as important issues, but believes that the MVEIRB staff was capable of drawing out more issues that should be considered.
- The scope of the assessment should follow the MVRMA and be up to the Review Board or Paramount to justify why certain issues should be struck off instead of placing the onus on KTFN to prove that an issue should be further considered.
- There is no requirement for a Terms of Reference or Developer's Assessment Report in the workplan; those two steps are standard procedures and since there is no justification for their elimination, those two steps should be put back in the process.
- KTFN believes that there should be another community hearing after the DAR and IR stage has occurred.

The second part of Mr. Acorn's presentation was concerned with specific issues that should be considered in the EA; the following points were noted:

- Paramount has not provided a consultation record for this project. A mailout appears to be the extent of the consultation efforts and this only provided an update of its activities. No direct contact with the community has occurred to assess its concerns.
- There has been no traditional knowledge study on this area. Roy Buggins, Paramount's Hay River based, trapper-consultant does not represent the KTFN. He is not knowledgeable of the activities of the KTFN and his employment by Paramount does not absolve Paramount of consulting with KTFN regarding their land use activities.
- The KTFN would like to see Paramount evaluate its activities vis-a-vis the draft Dehcho Land Use Plan. The plan lays out actions and recommendations for aspects of this project including re-vegetation, seismic line widths and stream crossings. Although the plan is not yet binding, it represents how the Dehcho people view development on their land.
- In terms of seismic cut lines, KTFN would like to see no cutlines by having heli-seismic conducted. The default option would be low-impact seismic and this should conform to the DLUP with line width of an average of 4.5 metres and a maximum of 5 metres.
- KTFN is concerned about access and benefit agreements that have not been implemented in the past and they want to see an access and benefit agreement for this project.
- The project will lead to increased access in the area and result in further use by people, including from Alberta, for hunting and trapping.
- The KTFN is concerned with habitat fragmentation. The DLUP sets out targets for road, corridor and patch densities that should be compared to the proposed activities.

- There is no satisfying explanation of the possible seismic alternatives to the proposed project; the KTFN wants a better evaluation of alternatives and a comparison to the DLUP.
- There are concerns about boreal caribou, the Dehcho Caribou Working Group appears to have started some work, but this is early on. MVEIRB in the last Cameron Hills Extension EA identified a linear density of 1.8km per km² as a development threshold, it should be considered.
- That has been no discussion between Paramount and the KTFN about business and work opportunities, or any other possible socio-economic impacts.
- KTFN would like to see a discussion of re-vegetation and how Paramount's work in other areas is applicable to this area.
- Wasting harvestable timber is a concern.
- KTFN believes that the proposed windrow breaks are longer than those prescribed by the GNWT.
- Erosion potential due to truck use should be considered.
- An evaluation of Paramount's spill history should be considered.
- Cumulative effects analysis should be conducted.
- A harvester impacts and compensation agreement should be negotiated.

Questions or comments regarding KTFN's presentation

Comment from Robert Tordiff, NTMN:

It was noted that KTFN's concerns are very similar to those of the NTMN, particularly the failure of Paramount to consult.

Question from John Donihee, MVEIRB:

There was a recommendation from a past Cameron Hills EA concerning the width and frequency of breaks in the windrow. This recommendation was to be implemented in consultation with MVLWB. What is the frequency of the windrow breaks in the main Cameron Hills area?

Response from Shirley Maaskant, Paramount:

It will be necessary to look back in the files, there was extensive conversation about this issue and this seismic program takes that frequency of breaks into consideration.

Question from John Donihee, MVEIRB:

Could Paramount comment on how its proposed windrow breaks compare to the best practices occurring in Alberta?

Response from Shirley Maaskant, Paramount:

Paramount will endeavor to provide that information.

Question from John Donihee, MVEIRB:

The KTFN presentation mentioned low-impact or helicopter seismic. Has Paramount made a final determination about the use of these?

Response from Vladan Simin, Paramount:

Paramount is only in a position to reduce line width, not eliminated them; low-impact is not no-impact. The following are arguments against the use of heli-seismic exploration:

- Paramount wants to quickly conduct its operation in a short winter period; heli-seismic is a more time-consuming process.
- Due to daylight constraints, the hours of helicopter operation are quite short during the winter. Helicopters are vulnerable to climatic conditions and safety is a factor.
- Low level flying impacts wildlife considerably more than a truck on the ground.
- Heli-seismic costs almost four times that of a regular ground program.
- Heli-seismic in the summer will affect breeding and calving activities.
- Heli-seismic requires the use of dynamite, which given the gravel-rich conditions of the SDL8, could result in poor data.

Question from John Donihee, MVEIRB:

Did Paramount attempt to meet with KTFN?

Response from Shirley Maaskant, Paramount:

Paramount did not specifically call KTFN; an information package was distributed to all surrounding communities; no feedback occurred.

Comments from Joe Acorn, KTFN:

KTFN believes that previous issues and recommendation from past EAs in this area have not been resolved, hence KTFN's request to have the Review Board halt these proceedings until they are resolved. The previous discussion regarding windrow break frequency illustrates the problem. There are problems about drawing out past EA recommendations while being told that there are no connections between the SLD8 project and past Cameron Hill EAs.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

Does KTFN think this process is unfair?

From Joe Acorn, KTFN:

KTFN is not saying that it isn't fair; it is saying that by deleting the standard steps it is not as rigorous as it could be. KTFN want to see better justification for the removal of steps.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

What does KTFN mean when stating that there was no TK study done?

From Joe Acorn, KTFN:

A TK study should be done in consultation with the community, such as the one Imperial Oil conducted, where a contract was issued that allowed for a community-driven, company-funding TK study. This is the model that the KTFN would like to see done.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

Do you think that a TK study is warranted for the project in question?

From Joe Acorn, KTFN:

There's no question that a TK study should be done, it's the scale that needs to be considered; smaller project should be scaled appropriately.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

What is KTFN's view on access and benefits?

From Joe Acorn, KTFN:

The Access and Benefit agreement should occur and the scale is the aspect to work out.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

Whose responsibility is it to implement the DLUP?

From Joe Acorn, KTFN:

The DLUP is still in a draft stage; it will be the DCFN, Canada and GNWT who will implement it. While it isn't law yet, it represents 3 years of consultations with the communities.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

Is this area considered a good area for caribou?

From Joe Acorn, KTFN:

While the area is not as important as others for harvesting, animals that the KTFN harvests may pass through this area. Animals may be disrupted that may be harvested in other areas.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

What would KTFN like to see in regards to the re-vegetation issue?

From Joe Acorn, KTFN:

Paramount has been doing monitoring of re-vegetation in the main Cameron Hills area. KTFN would like to see some of this work brought into this EA in order to know what is happening and if anything can be done differently.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

Are Paramount's materials translated into aboriginal languages, or broadcasted on radio to people who may not be able to read, but who may be concerned about the project?

From Shirley Maaskant, Paramount:

The project has not been advertised on radio or television or translated into other languages. The main contacts are the elder from Kakisa and the aboriginal trapper who is active on the site.

Paramount then made the following comments in response to KTFN's presentation:

- Regarding the draft DLUP, the plan is a draft and it is inappropriate to apply its recommendation at this time.
- In regards to access and benefits agreement, benefits plans are negotiated through INAC as a regulatory requirement.
- Regarding TK, Paramount had earlier collected TK in 2001. The only information provided since 2001 is from the two trappers.

- Paramount has undertaken re-vegetation studies in coordination with GNWT employees in Yellowknife; the assessment of those studies is not finished yet but adaptation of this program will occur if required.
- Paramount has not been contacted regarding the Dehcho Boreal Caribou Committee, but it will participate with the committee when requested.
- Regarding access to the site; the project's duration will be a maximum of 40 days with existing access from Alberta. A person at the gate will record access to the area.

Response from Joe Acorn, KTFN:

The draft DLUP is the product of 3 years of work and Paramount should attempt to comply with the wishes of the Dehcho people and should voluntarily meet more than the regulatory minimum.

The benefits plan that is enacted by INAC is irrelevant as the community is not involved in its negotiation.

How the TK contract is run or managed has no relevance to the size of the project.

Presentation by Northwest Territory Métis Nation

Robert Tordiff, President of the NTMN presented to the Review Board the following points:

- KTFN was thanked for covering issues of common concern.
- A mail drop does not constitute meaningful consultation, nor is speaking to a single member of an aboriginal nation meaningful consultation. There are mandated organizations that represent aboriginal people who are to be contacted.
- The NTMN has an Interim Measures Agreement with the GNWT and Canada, which sets up a process for the pre-screening of development applications.
- Canada and the GNWT should notify the NTMN for any activities outside the agreement area that could have an adverse effect on Métis interest inside of the agreement area. The SDL8 project will take place in the Hay River Basin which drains into the IMA area and is close to the border of the IMA. Caribou and natural phenomenon could be impacted.
- There has been no communication between Paramount and NTMN.
- The traditional territory of the NTMN is expansive and they share it with the Dehcho. The Dehcho are not the authority concerning the NTMN's traditional territory and land use.
- TK from the NTMN has not been incorporated into this project.
- The NTMN expect to be consulted and expect a traditional knowledge study to take place before any further development occurs.
- The Goose Egg Lake forestry proposal was turned down because of potential impacts to the woodland caribou; the lake is not far from the area in question.

Comments or questions on the NTMN's presentation

Comment from Alex Lafferty, NTMN – translated from Chipewyan
Mr. Lafferty has trapped in Cameron Hills area, since 1984.

There is a lot of development in our territory; this is an important issue. People didn't benefit from development such as Pine Point and the Taltson River development. Pine Point was left in a mess, and you can't travel where you want because there are landfills all over the place. Developers come whether we want it or not.

Comment from Gabrielle Mackenzie-Scott, MVEIRB:

The discussion of Traditional territory brings forward the issue of aboriginal groups in Alberta who may use the area, such as people from Meander River and Assumption. There may be transboundary issues of land.

From Shirley Maaskant, Paramount:

Paramount funded a traditional knowledge study in 2000 involving the Dene Tha and with the trappers; Paramount recently spoke to a trapper who works in the area of Indian Cabins.

Presentation by Fort Providence Resource Management Board.

John Bartlett spoke on behalf of the FPRMB regarding its environmental concerns for the project. The following points were noted:

- Twenty-seven hectares of land are likely to be cleared; the FPRMB is interested in options that minimize the footprint of the seismic activities.
- Impacts to woodland caribou are a concern as they are a SARA-listed species. The Dehcho First Nations and the GNWT have been working on this issue. Caribou from the Cameron Hills migrate towards Ft. Providence. There is considerable research about linear development in regards to caribou. The hunters don't want the animals to be impacted.
- The FPRMB is concerned about increased access by wolves and non-aboriginal hunters; they request that workers, who are eligible to hunt in the GNWT, refrain from doing so during Paramount's activities.
- Is there an access management plan to mitigate access issues? Will there be seismic activation and de-activation program? Is there going to be local contribution to activating the program?
- There is considerable wood value in the forests on the eastern face of Cameron Hills. Patterson Lumber has cutting rights there. The GNWT has conducted an inventory which is available at Hay River Reserve office. Does Paramount know what volume of harvestable timber will be lost due to seismic activities?
- The FPRMB wants to know how harvestable timber will be managed and what will be done in terms of debris disposal to protect against fire.
- The SDL8 program will cross creeks that drain into the Hay River. Cutting lines and crossing streams may bring sediment into the water.

- Has there been a detailed archeological assessment of the SDL8 area? Has the Prince of Wales heritage centre been contacted?
- Seed mixtures for re-vegetation should not contain invasive species.
- There are cumulative effects concerns if activities south of the Border are contemplated.

Comments and questions on the FPRMB's presentation

Comment from Shirley Maaskant, Paramount:

Paramount has been working with GNWT employees regarding caribou collaring programs.

No separate archaeological study on SDL8 has been conducted and Paramount did not anticipate a need for it considering the scale and nature of the program. Paramount conducted an archaeological study in 2000 on the Cameron Hills main area; nothing was turned up. There is a protocol, through the Prince of Wales Heritage Centre, that if a site is uncovered during activities, then the work will halt.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

What is happening with the Boreal Caribou Working Group?

Response by Paul Cobban, GNWT:

The GNWT can provide the Board with an update later on.

Presentation by K'atlodeeche First Nation (Hay River)

Chief Roy Fabian spoke on behalf of KFN. The following points were made during his presentation:

- The base of the Cameron Hills is a breeding ground for moose and that is where they migrate from. KFN is very dependent on moose.
- The base of Cameron Hills has many large trees and small lakes that provide habitat for fur-bearing animals.
- KFN does not want to get into political issues and they want to focus on the land, which has no politics. However they believe that they are the only people who can claim this area as traditional territory.
- The DLUP is part of the Dehcho process which will help improve the relationship with people that the Dehcho share the land with. It is important that Paramount attempt to meet the goals of the LUP.
- The top of Cameron Hills is completely different from the SDL8 area. The Cameron Hills are fairly barren with small trees. SDL8 is a big forest, with 90 foot tall trees. Environmental and TK studies done on top of the Cameron Hills do not represent what is below.
- Cutting a 6 metre wide line in the SDL8 will result in serious impacts.
- The KFN is looking for a collective benefit from the development. The KFN, as traditionally occupying the territory, wants to benefit from the trees that are cut down.

- Reforestation projects are a potential source of benefit and native re-vegetation is better when using locally developed seeds.
- The KFN is disappointed with the way that TK studies have been done up to now as they didn't involve all the people. One person isn't sufficient to do a TK study, there are other people who know different things. A TK study needs to involve the whole community.
- The KFN was surprised that there was going to be a hearing on the SDL8 and a letter was going to be written to the Minister protesting this assessment because the SDL8 is not in the traditional land of the people who referred the project.
- Paramount had the Canadian Association of Petroleum Producers (CAPP) intervene on their behalf regarding access and benefits measures from the last Cameron Hills EA. Paramount should share the benefits of their projects.
- The area has been completely used by KFN ancestors and it is good caribou and moose country. Paramount should ask the right people to learn about what is there.
- It takes 200 years for a tree to grow in the SDL8 area, Paramount should do its best to minimize its footprint; helicopter seismic may impact animals, but what about habitat destruction from cutting trees?
- Activity on the east slope of the Cameron Hills may affect the Hay River by way of the little streams that drain the area.
- KFN wants Paramount to make as small a footprint as is possible and to look at cumulative effects, especially if oil or gas is discovered there. It is important to mitigate the effects as much as possible ahead of time.

Comments and questions on the KFN's presentation

Comments by Robert Tordiff, NTMN:

The NTMN share the same technical issues as the KFN, despite other disagreements they may have with KFN.

Comments by John Bartlett, FPRMB:

There are a lot of streams in the area that have been examined before, for example, in the Patterson sawmill applications. What is critical is the issue of ground-based seismic versus heli-seismic.

Comments by Charlie Snowshoe, MVEIRB:

It is good to see Chief Fabian gave a presentation on behalf of First Nations people. People from the community should represent themselves instead of other people doing it for them.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

How does KFN intend to cooperate with Paramount?

Response from Chief Roy Fabian, KFN:

The KFN has been building up its capacity to do business gradually and has been entering into joint ventures. The KFN has established contracts with Paramount. The KFN owns a helicopter and a forestry company that can do reforestation. It also has a

joint venture with a seismic company that is setting up in Hay River. The KFN can conduct TK studies. A good TK study will lessen the fear of a project.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

Can you speak about sacred sites?

Response from Chief Roy Fabian, KFN:

There are burial sites around the area; Paramount needs to talk to the right people and that is where TK comes into play. With a good TK study, sites would be found.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

How will Paramount improve relationships with other First Nations?

Response from Shirley Maaskant, Paramount:

These decisions are not all in Paramount's hands. Paramount's relationship with KTFN is impacted by the 5 court cases that it's involved in. Paramount's consultation efforts will be modified as the nature of its projects change over time through adaptive management.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

How does Paramount go about finding the community members who will work with them and provide local information?

Response from Shirley Maaskant, Paramount:

When Paramount sought out TK in 2001, the communities provided the information. This was the case for Kakisa, Fort Providence Métis and Dene and for West Point. With Hay River, a few individuals provided information because the community did not choose to have a collective approach.

Comment from Gabrielle Mackenzie-Scott, MVEIRB:

There seems to be questions about using only one person for this work.

Response from Shirley Maaskant, Paramount:

The trapper that Paramount deals with was chosen because the sources indicate that he was the person to have used the land most recently and he works with Paramount. The Heritage Monitor, which is a regulatory requirement, is an elder from Kakisa who consistently works with Paramount.

Comments from Chief Roy Fabian, KFN:

There is a need to find objective people for TK work, otherwise Paramount may be trying to stack the deck in their favour concerning who does the TK study. The best process is for Paramount to provide the money for someone to work with the community.

The GNWT did a forestry study and looked at sustainable forestry and came up with an idea of how much can be harvested from an area and still be considered sustainable. Will the seismic line cutting impact the sustainability of forestry in the area?

Response from Vladan Simins, Paramount:

There are not many large trees on the re-vegetated cutlines that will be cut again. The lines will be cut narrower than they were cut in 60s. Paramount doesn't expect to encounter large trees. The remaining 19 km will be cut using avoidance techniques to avoid large trees. It is possible that large trees will not be cut.

Response from Paul Cobban, GNWT:

The proposed activity falls within a controlled forest management area. Once the GNWT receives the end points from Paramount's proposed seismic cuts, then it will be better able to comment on the sustainability aspects.

Question from Chief Roy Fabian, KFN:

What is the difference between a formal and informal hearing and will a more formal hearing take place?

Response by Gabrielle Mackenzie-Scott, MVEIRB:

The informal scoping hearing offers the public an opportunity to discuss issues and concerns well before issuing a report of environmental assessment. Formal hearings have tended to happen towards the end of an EA. In the case of this project, the Review Board felt there was sufficient information here to have this session; this is not to say that we've made the decision.

Response by John Donihee, MVEIRB:

Normally in the case of formal hearings, they occur after the exchange of a lot of paperwork, where everyone gets to review the documentation and parties set out their positions.

Presentation by Members of the Public

Comment from Ron Cooke, Town of Hay River Council:

There is an operator in Hay River who is having a hard time finding timber to maintain his sawmill, it would be good to use the seismic program to support the business.

Response by Lloyd Doyle, Paramount:

Paramount doesn't have problems with people salvaging wood; however with avoidance cutting there tends not to be a lot of wood. It may be uneconomic to salvage the trees from those areas.

Presentation by Government Departments

Comments from Paul Cobban, GNWT:

The GNWT re-iterates its concerns about impacts to woodland caribou. Information from biologists indicates that the area may be used for north-south migration; the area is a possible corridor defined by natural terrain on one side and a road on another. Access created by new cutlines is a concern. The significance of the program's impact to forestry will be examined later when Paramount provides the GNWT with end point data.

Comments from Chief Roy Fabian, KFN:

The KFN would like to work together with Paramount and the GNWT to secure access from the NWT sides. There should be a gate on the NWT side where access can be controlled. This is an economic activity that can benefit the NWT.

Response from Lloyd Doyle, Paramount:

There are economical activities being generated in the NWT. Hay River contractors provide services to Paramount that are questioned by northern Alberta communities like Meandering River.

Question from Gabrielle Mackenzie-Scott, MVEIRB:

What does Paramount have to say about these parties who say that they are willing to work with you?

Response from Shirley Maaskant, Paramount:

Paramount is surprised to hear this comment as it considers that it is already working together with communities. Paramount's biggest issue is with one of the communities, but its continuing to work with other communities like KFN.

Question from John Donihee, MVEIRB:

It is understood that the GNWT will be speaking to Paramount about the issue of harvestable timber in SDL8 area and if the proposed activities will have any impact on the sustainability of forestry there.

Response from Paul Cobban, GNWT:

The GNWT can comment on the sustainability aspect of the cutting.

Closing Statements from Parties, Public and Review Board

Statement from Joe Acorn, KTFN

The following comments were noted from the KTFN final statement:

- The KTFN has said that they are always willing to work with the company but it has to be on the right basis where community's traditional territory and land use has is respected.
- Paramount's attitude has resulted in the current problems. Paramount has undermined the Review Board's past recommendations by lobbying the Minister. There are recommendations that would have Paramount working with the communities. Such actions do not demonstrate Paramount's willingness to work with KTFN.
- The TK studies with KTFN, that Paramount referred to, have not been endorsed by the community. Those reports were interpreted by Paramount.
- Kakisa should have been the place where the community hearing should have been held in. KTFN caused this EA. The Review Board moved the hearing to Hay River without consulting KTFN; therefore there is no representation by the chief or elders from Kakisa here. The Review Board has to go to the community; don't expect the community to go to you.
- There should be a hearing in Kakisa later on in this process.
- A written summary of KTFN's presentation will be submitted to the Review Board.

Statement from Robert Tordiff, NTMN

The following comments were noted from the NTMN final statement:

- The NTMN wants respect for its IMA and for consultation to be undertaken; no contact has been made with the NTMN by Paramount.
- The NTMN is not looking for IBAs.
- The NTMN is meeting in late March and will be forwarding a letter to Paramount and the appropriate ministers to invite them to attend.

Comments from Lyle Fabian:

KFTN has made a valid point regarding the Review Boards process and choice of hearing location. Changing the hearing location from Kakisa to Hay River does not instill trust in the process. First Nations have experienced problems when someone's word hasn't been kept.

Response by Gabrielle Mackenzie-Scott, MVEIRB:

In the Review Board's workplan, it was initially stated that a community hearing was planned for Kakisa, however there wasn't a firm commitment to this. There is a distinction between planning for something and saying that are you going to doing something.

Closing statement from Lloyd Doyle, Paramount

- The 6 metre right-of-way is only required for the vibroseis, the 4.5 metre right-of-way is for "low-impact" seismic, which is Paramount's preferred option. Heli-seismic has cost and safety problems associated with it. Both low-impact and Helicopter both require dynamite. The 4.5 metre line width is the preferred option, however due to the presence of gravel, it may not be feasible.
- Consultation has been on-going for many years and it has involved chiefs and elders from various communities.
- The project is small; seven seismic lines, three of which are new. It will likely take less than forty days, with thirty persons on site at any time. The seismic program may be end of it. If Paramount cannot locate new gas reserve there won't be further activities related to this project.
- The area sits within an area of competing interests; unfortunately the political aspects tend to overlook the scientific aspects in an EA. This project is small in area, time, duration and potential impact.

Closing statement from Chief Roy Fabia, KFN:

The following points were noted:

- KFN will provide a written summary of the points made today.
- Paramount and KFN work well together and the door should be opened some more.
- Environmental concerns are strong, but so is the need for economic activity.
- Developers like Paramount are constrained by the Boards, which helps to mitigate the impacts of development. The process is used to keep developers in line.

- In the past the KFN often didn't respond to developers because it didn't have time to prepare, but things are getting better.

Final comments from the Review Board:

Charlie Showshoe explained how his involvement with the Review Board started and how he intended to work to protect the Mackenzie Valley watershed. He commended Chief Fabian for coming to the hearing as an example of First Nations directly representing their own values and opinions.

Gabrielle Mackenzie-Scott delivered her closing comments. Her comments are present in Appendix V.

The Community Hearing concluded at 17:10.

Appendix 1 – Attendance List

1. Adrian Paradis – MVLWB
2. Lloyd Doyle – Paramount
3. Vladan Simin – Paramount
4. Ed Kustan – Paramount
5. Paul Cobban – GNWT (ENR)
6. Michael Mageean – GNWT (ITI)
7. John Bartlett – Ft. Providence
8. Bijaya Pokharel – Ft. Providence
9. Shirley Maaskant – Paramount
10. Fraser Fairman – INAC
11. Erica Kotler – INAC
12. Yvonne MacNeill – Department of Justice
13. Andy Graw – INAC
14. Fred Mandeville – NTMN
15. George Lafferty – NTMN
16. Everett Bunnell – MacLeod Dixon, counsel for Paramount
17. Marni Alexander – Paramount
18. Wade Romanko – Environment Canada
19. Sonya Cayen – West Point First Nation
20. Alex Lafferty – NTMN
21. Elsie Bouvier – NTMN
22. Robert Tordiff – NTMN
23. Howard Beaulieu
24. Jack Rowe – Rowe's Construction
25. Andre Dziewa – PDQ Painting and Decorating Ltd.
26. Veronique Dziewa – PDQ Painting and Decorating Ltd.
27. Faye Johns – NTMN
28. Lyle Fabian – KFN
29. ? – ENR Forest Resources
30. Roy Fabian – KFN
31. Lyle Froelich – Evergreen Forestry
32. Ron Cook – Town of Hay River
33. Joe Acorn – KGFN

Also

Gabrielle Mackenzie-Scott – Chair, MVEIRB
Charlie Snowshoe – MVEIRB
John Ondrack – MVEIRB
Bernadette Stewart – MVEIRB
Jerry Loomis – MVEIRB
Nora Doig – MVEIRB
John Donihee – Legal counsel, MVEIRB
Vern Christensen – ED, MVEIRB
Martin Haefele – EAO, MVEIRB
Patrick Duxbury – EAO, MVEIRB

Appendix II - Opening Speaking Notes from MVEIRB Chairperson

COMMUNITY HEARING -- PARAMOUNT RESOURCES LTD. 2-D SEISMIC PROJECT

- Good morning. I would like to begin this community hearing.
- My name is Gabrielle Mackenzie-Scott. I am the Chair of the Mackenzie Valley Environmental Impact Review Board.
- Paramount Resources Ltd. has applied for a land use permit for a proposed 2-D seismic program to be conducted on the eastern edge of the Cameron Hills in an area north of the Alberta-NWT border west of Highway 3.
- The proposed Paramount 2 D Seismic Program was referred for environmental assessment by INAC on behalf of the Ka'a' Gee Tu First Nation.
- The final outcome of the environmental assessment process will be a Review Board determination on whether the proposed development is likely to cause significant environmental impacts or public concern. The Review Board's findings will be set out in a report of Environmental Assessment and sent to the Minister of INAC.
- Today the Board wishes to hear any concerns that the Parties or potentially affected individuals may have regarding this proposed development.
- More specifically the Board wants to hear what issues should be further examined in this environmental assessment. This is what is known as "Issues Scoping" and that is the purpose of this community hearing.
- Scoping the issues will assist the Board to focus this environmental assessment on the most likely impacts of the proposed Paramount Resources 2-D Seismic Program. This means that the resources of the Board, the Developer, the Parties and public are focused on the things that matter most.
- Over the course of the day we ask that you do your best to help the Review Board to understand your views about this proposed development and its potential environmental, socio-economic and cultural effects.
- Before we go any further, I would like to introduce our Board members and then to introduce staff and counsel.

Introduce Board...

Introduce staff & counsel...

- The Review Board is a co-management body established by the *Mackenzie Valley Resource Management Act* that makes its decisions by consensus. The Board has quasi-judicial powers with respect to securing evidence and in making its decision in an EA proceeding.

I have asked Mr. Patrick Duxbury to give a brief overview of the environmental assessment process that the Review Board is considering for this development.

[Patrick makes Archie presentation]

I have some further comments that are intended to outline the Review Board's expectations from the participants in today's hearing:

- First, please note that there is an agenda for the hearing which is available at the door.
- Second, I wish to emphasize that the opinions, concerns and ideas that are shared today will be used by the Review Board to focus its efforts to gather the evidence from which it will later make a determination on whether this development is likely to result in significant impacts on the environment.
- We are making a recording of the proceedings, in addition to taking notes. If the Review Board hears something from the participants that requires further investigation we will take the necessary steps to do so. For example, the Review Board may issue an Information Request to the Developer or to any of the Parties to this EA.
- Third, we would like to encourage a free flow of ideas today, to get people talking to each other. That is the purpose of having a community hearing such as this. For that reason, community hearings are conducted more informally than the public hearings that the Board holds.
- The Review Board will not be producing an official transcript of this hearing. We will, however, prepare a summary of the information resulting from this community hearing. The Review Board will provide the Parties to the proceeding the opportunity to comment on the summary and then the Review Board will file the final summary on the public record for the proceeding. This will be available on our website at www.meirb.nt.ca
- We want to encourage the participants to have an open and constructive exchange of views today but if you cannot answer a question, or do not feel comfortable in doing so, you are not obliged to.
- Finally, in terms how we plan to proceed, we have a number of registered Parties in addition to the Developer in this proceeding. We welcome their participation and that of members of the public.
- Paramount has prepared a presentation that gives an overview of its proposed seismic program. After they have given that presentation, we will allow the participants ask questions to Paramount about the subject of their presentation.
- The order of questioning will be as follows -- first will come Elders, then Aboriginal Parties and any other members of the public, followed by government and then the Board, staff and counsel.

Following the question period we understand that the registered aboriginal parties have prepared some presentations. They will go in the following order:

- Ka'a Gee Tu First Nation
- Northwest Territory Metis Nation
- Fort Providence Metis Council

After each of these presentations, there will be an opportunity to ask questions. The order of those who may ask questions will be the same as for the Paramount presentation -- Elders, the proponent, Aboriginal Parties, members of the public, Government agencies and then the Board and its staff. This is the format we will follow for all subsequent presentations as well.

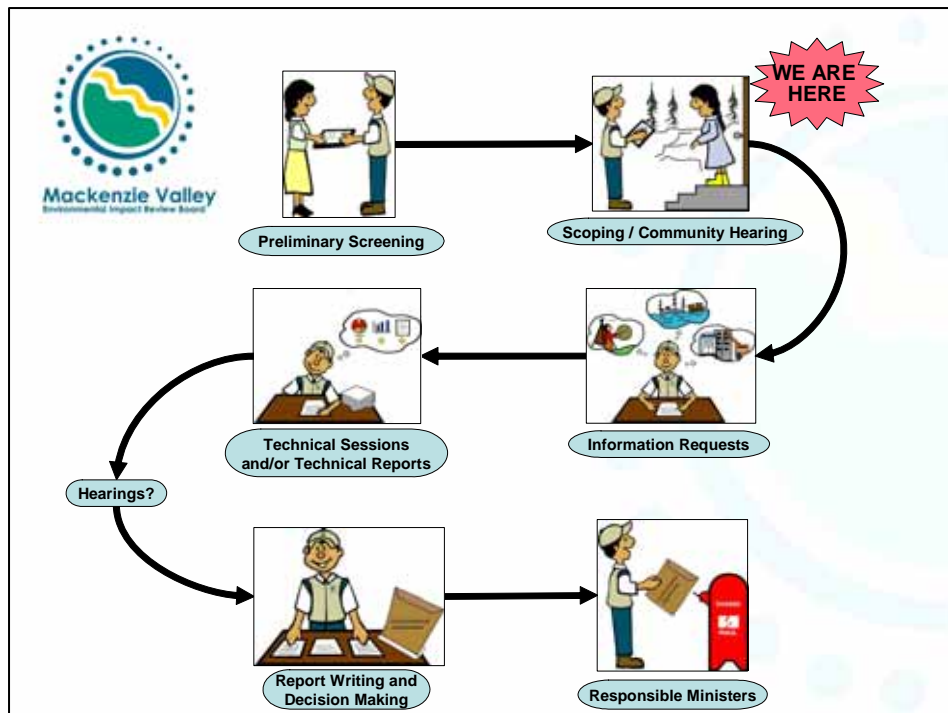
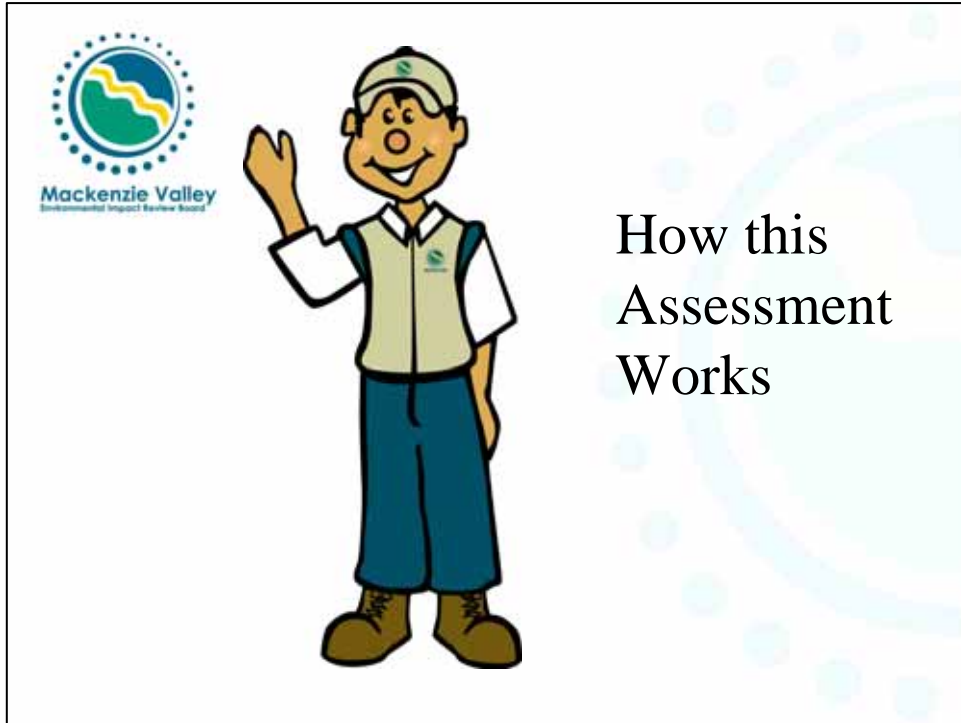
- Following those three groups, any other organizations or individuals, who are not registered as Parties, but would like to make a presentation, may do so. Please identify yourself to either Patrick or Martin so that they can help you. Oral presentation and written submissions will be accepted. You may ask questions from any of the microphones but please come forward to make your presentations.
- Following that, we will entertain any other questions or comments from the public. It should be again noted that all persons making presentations in a community hearing may be questioned by the other parties and Review Board. After the Aboriginal Organizations and public have had a chance to speak, the government agencies, have an opportunity to present should they wish to, and in the following order:

- Indian and Northern Affairs Canada
- Environment Canada
- Government of the Northwest Territories – Environment and Natural Resources

- Just to note that if you are not a registered Party in this proceeding and you wish to become a party to the EA, you can do so by asking Patrick or Martin for the correct form. The Review Board will make a ruling at a later date on any new requests for party status in this proceeding.
- We have simultaneous translation. I ask that you speak slowly and clearly for the interpreter.
- All questions must be addressed through the Chair
- Members of the public wishing to ask questions are asked to go to the microphone at the table in the middle of the room to identify themselves and indicate the organization if any, they represent and to address their comments to the Chair.
- Finally, time will be allocated at the end of the hearing for closing remarks. These remarks are an opportunity for the proponent and parties to the EA to clarify, correct, and make their final submissions prior to the close of the hearing.

Let's begin with the presentation by Paramount Resources Ltd.

Appendix III - Presentation slides on MVEIRB Process



Appendix IV

Presentation slides from Paramount Resources Limited's presentation



Paramount
resources ltd.

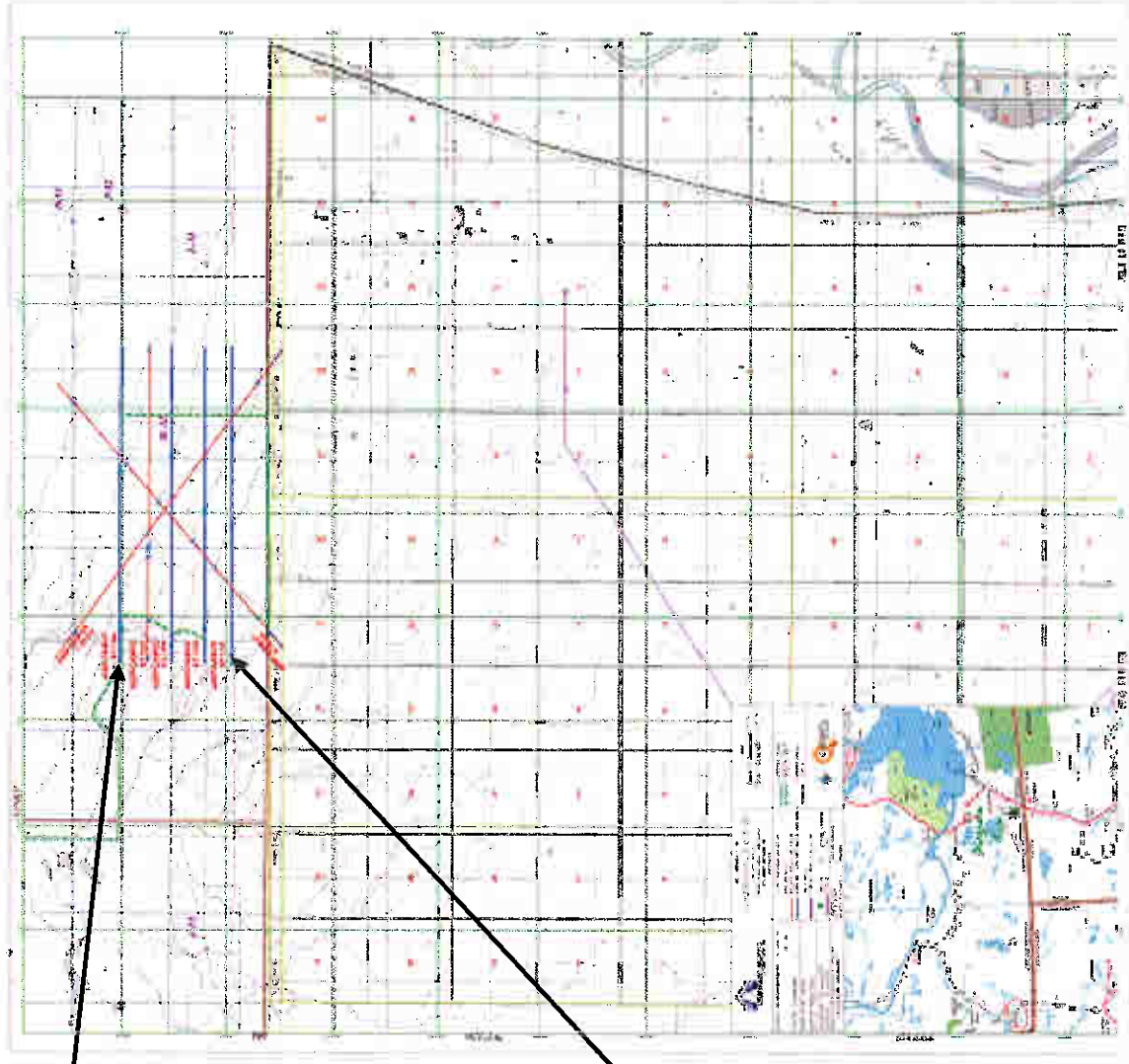
Significant Discovery Licence 8

2D Seismic Project (45 km) Environmental Assessment

February 2006

CORPORATE PROFILE

- Canadian energy company incorporated in 1978
- Explore, develop, process, transport and market petroleum and natural gas
- 170 employees in Calgary head office and 60 throughout field offices
- Active in Northwest Territories since 1979



Proposed Line A05P-Cam-01 showing existing regrowth. Looking west.



West end of proposed existing line A05P-Cam-05.



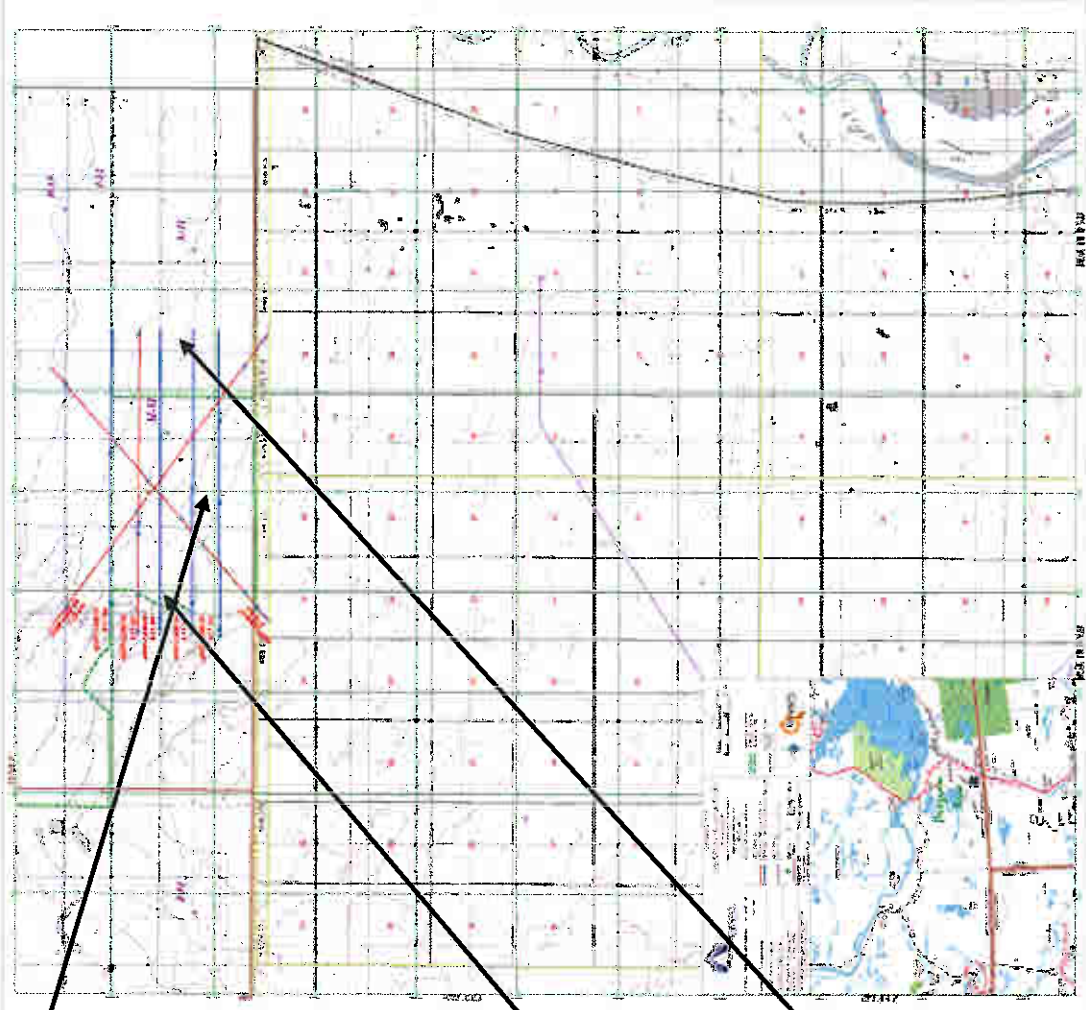
Black Spruce or mixed black/white spruce transitional wetlands comprise the majority of the exploration area.



Aspen & mixed aspen/white spruce stands are found as large tracks along the Cameron Hills escarpment & in smaller patches within the central & eastern regions of the exploration area.



Bogs occur within the SER, grading to black & white spruce transitional wetlands where soils are better drained.



PROPOSED 2D SEISMIC ACQUISITION ON SDL 8.

INTRODUCTION

- \approx 45 km of 2D seismic
- 57% on existing lines

DESCRIPTION OF OPERATIONS

- Three major components:
 - Energy source (dynamite or vibrator trucks);
 - Sensor called geophone;
 - Recording device (computers in a special truck) (figure 1).
- When vibroseis is used, a metal plate mounted on the bottom of the vibrator truck (figure 2) shakes the ground to create a sound wave.
- Dynamite – the explosive charge is buried in the ground and detonated to create a wave through the underlying rocks (figure 3).

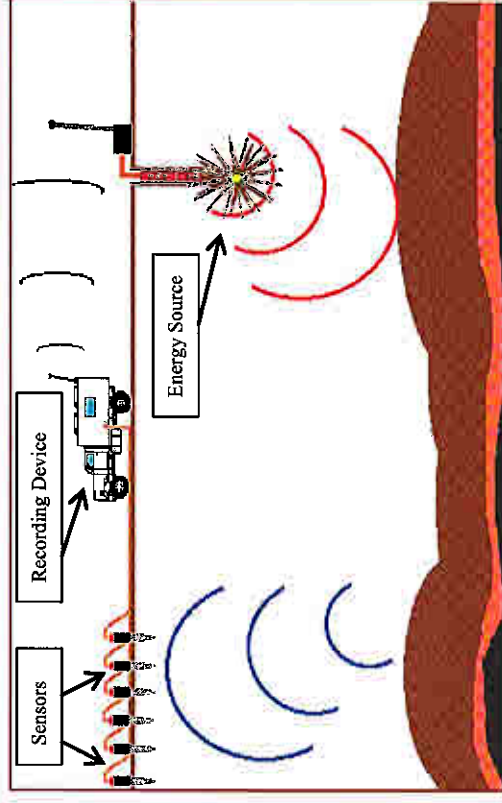


Figure 1 – Seismic Data Acquisition: An acoustic wave is produced that travels through the earth. A portion of this energy returns to the surface and is recorded by sensors (geophones) as a seismic record.



Figure 2 – Vibroseis Trucks



Figure 3 – Portable shallow hole drilling rig used in dynamite programs.

PROGRAM DESIGN

- This is a 2D program which gives two-dimensional sub surface data.
- Uses one line as both the source and receiver line, meaning that the energy source and geophones are both placed on the same line, in the same direction.

ACCESS

- From highway 35 at Indian Cabins, Alberta
- Winter only
- Stream crossings using clean snow fill, ice bridges adhere to MVLWB & DFO regulation

LINE CLEARING

- Avoidance cutting techniques
 - Large trees are avoided
 - Meandering lines will be cut minimizing line of sight.
 - Width of the lines kept to a minimum
- Lines will be cleared with small, low ground pressure (LGP) bulldozers (maximum width of 6 meters).
- Debris will be pushed into windrows on one side of the line alternating every 400 meters.
- Alternating windrows will minimize the potential wicking effect during forest fires.
- All the debris will be slashed into 2-meter lengths or less and bucked to lie flat.

SURVEYING AND CHAINING

- Will follow line clearing when enough line is produced so survey crews do not catch the line clearing equipment (figure 4).
- The survey crews determine survey coordinates, chain the locations of source & receiver points.
- Besides survey instrumentation and chaining equipment, these crews utilize pickup trucks and Quads.



Figure 4 - Surveyor

RECORDING

- Recording crew follows the surveying and chaining once the majority of the program is prepared.
- The crews start by laying out geophones on receiver lines.
- Geophones are connected in series by cables, which connect directly or remotely to a recording truck.
- The crews laying the geophones will use trucks and quads. The remainder of the crew will drive the vibrator trucks, or drills, and execute the source energy at the source points.

CAMPSITE

- The camp will be located in Alberta at Indian Cabins.

WASTE DISPOSAL

- All garbage will be disposed of at an approved facility.

EXPLOSIVES

- Will be handled and stored in accordance with National Energy Board regulations. Proper storage magazines will be used to store the explosives, and a stringent inventory control.

FUELS & FUEL TRANSFER

- The main fuel storage will be at the Operations Base in Alberta.

RESTORATION AND RECLAMATION

- Program cleanup will be progressive, starting with a final inspection being done at the end of the program.
- All garbage and any material brought into the program area will be removed.

SOCIO-ECONOMIC

- The program area was scouted with participation from a local first nation trapper.
- Potential employment & contracting opportunities include but are not limited to slashing, clearing, camp, catering, fuel.

Appendix V - Closing Speaking Note from MVEIRB Chairperson

- Thank you for participating in the hearing.
- In many of our past EAs, the Review Board has routinely asked for a Developer's Assessment Report, which contains environmental information and a prediction of the impacts of the development from the perspective of the Developer.
- However in the case of this EA, the Review Board has not asked for a Developer's Assessment Report (DAR) as part of its Work Plan.
- The Review Board has no current plan to ask for a DAR in this proceeding because we have a detailed description of Paramount's proposed 2-D seismic program submitted to the Mackenzie Valley Land and Water Board. This kind of seismic exploration is very common and the nature of this project is such that the Review Board believes a DAR may not be warranted.
- The Review Board is of the view that it can make a decision on the environmental impacts of this project without a DAR.
- Following this community hearing, the Review Board will consider all the information we heard today. If necessary, we will direct Information Requests to Paramount to address the important issues today's presenters have brought to our attention.
- There will then be an opportunity for Parties to request information from Paramount and the other Parties. The Review Board will review, approve and issue any Information Requests requested by the Parties as set out in our Rules of Procedure.
- Persons or organizations who are interested in submitting Information Requests must ensure that they have applied for and been granted Party status by the Review Board. As I mentioned earlier today, if you want to become a Party to this EA, you can talk to Patrick or Martin.
- After responses to the Information Requests have been received, the Review Board may hold a face-to-face technical session to discuss any important unresolved issues in the Environment Assessment.
- If necessary, instead of the technical sessions, the Review Board could choose to send out a second round of Information Requests.
- The Review Board may also request that parties submit technical reports.
- A final public hearing could be held if the Review Board feels that it is necessary, but at this point there is no plan to do so.
- After these steps are completed, the public record will be closed and the Board will begin its deliberations.
- The Review Board will review and, if necessary, clarify the work plan for this EA after it reviews the results of today's community hearing.
- A Report of EA will be issued by the Review Board in late July or early August of this year.

- To follow the current process on the environment assessment on the Paramount 2-D seismic development and to review the related documents on the public registry visit our website at www.meirb.nt.ca
- To the translators, a big masi-cho, thank you.

Masi, thank you for your participation and we will conclude with a closing prayer.