



Indian and Northern  
Affairs Canada  
www.inac.gc.ca

Affaires indiennes  
et du Nord Canada  
www.ainc.gc.ca

Environment & Conservation  
P.O. Box 1500  
Yellowknife, NT, X1A 2R3

*Your file - Votre référence*

*Our file - Notre référence*

June 27, 2001

Mackenzie Valley Environmental Impact  
Review Board  
P.O. Box 938  
Yellowknife, NT, X1A 2N7

Attention: Mr. Joe Acorn:

**RE: Comments on Paramount Resources Cameron Hills Environmental Assessment - EA Report Conformity.**

Thank you for your letter of June 15, 2001, requesting a conformity analysis on Paramount Resources Ltd.'s Environmental Impact Assessment (EIA) for the Cameron Hills Drilling EA, with the final EA Work Plan and Terms of Reference (amended June 15, 2001).

I would like to ask if it is possible to provide more than just a single hard copy of the EIA report for our departmental review. It is especially difficult to review maps and other graphic attachments in digital form.

In your letter, you specifically stated that the conformity check is to determine whether or not Paramount has provided the information requested in the TOR without an analysis of the quality of the information. Under these guidelines, we think that Paramount is in conformity with the TOR, except as noted in the more detailed comments in the attachment. It is our experience that a basic 'checkoff' for conformity, is of limited value unless it is accompanied by a preliminary analysis of the quality of information provided. Identifying any gaps at this early stage in the assessment process, provides both the developer and the reviewers an opportunity to identify sources of information leading to a more complete technical analysis of the development at later stages in the EA process.

As the referral was made primarily on the basis of air quality impacts due to flaring, we expect that the MVEIRB will look to the appropriate regulatory agencies, such as the National Energy Board, to contribute specialized knowledge for input in this area.

I am concerned that much of the work plan timelines (particularly the technical analysis between July 27 to August 22, 2001), is scheduled during the summer period when many of our staff will be away. As you are aware, this is also an issue for many of the other parties being consulted especially community and First Nations involved with summer field work and other activities.

**Canada**

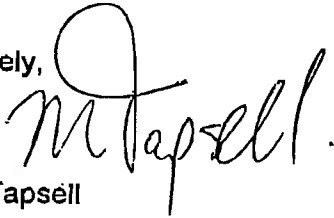
*Printed on recycled paper - Imprimé sur papier recyclé*

- 2 -

On a related issue (which has been discussed previously with the staff), the workplan indicates that the public registry will close four working days after the submission of technical reports. The Board may wish to consider leaving the registry open to 'clarification' if this is considered necessary, given any issues raised through the technical submissions. It is not DIAND's normal practice to comment on other parties technical submissions unless the Board specifically requests this clarification. Especially if the Board needs the additional information to address potential deficiencies, this process may need more time.

Other detailed, consolidated comments are given in the attachment. We look forward to participating in this environmental assessment.

Sincerely,



Mary Tapsell  
Manager,  
Environment & Conservation

Encl.

**ATTACHMENT****June 26, 2001****RE: Comments on Paramount Resources Cameron Hills Drilling Environmental Assessment - EA Report Conformity.****Prepared for: The Mackenzie Valley Environmental Impact Review Board (MVEIRB).  
Prepared by: The Department of Indian Affairs and Northern Development (DIAND).**

The Department of Indian Affairs and Northern Development (DIAND) is pleased to provide its technical knowledge and assistance to the Review Board on the above-mentioned proposal. The purpose of the comments is to assist the MVEIRB in carrying out its EA Report Conformity with respect to the Golder Associate Report: "Environmental Impact Assessment (EIA) In Response to the Terms of Reference for the Cameron Hills Drilling Project" and the final EA Work Plan and Terms of Reference (amended June 15, 2001).

We have reviewed the EIA report specifically from a conformity analysis perspective, to determine whether it has provided the requested information in the Terms of Reference. We agree that for the most part, the EIA report is in conformity with the TOR except possibly in a few areas, as indicated below. In DIAND's opinion, the information supplied in the EIA report is sufficient from a conformity analysis perspective for the MVEIRB to proceed with its review. For ease of reference, our comments follow the same numbering system as in the EIA Report.

**Environmental Impact Assessment (EIA) Report****4.1.3 Tenure**

Conformity is addressed through the attached map which shows the location of surface leases. For completeness and ease of review, it would be useful to include the land tenure references that relate to the leases or other tenure authorisations referred to in Section 3 of the report.

As well, DIAND's information is that Paramount has applied to change the status of some of their leases from INACTIVE to ACTIVE wellsites and this application for change has gone out for consultation. It would be useful to identify on the mapped leases which of those leases relate to the current project and if the stated purpose is now to be changed from inactive wells to production purposes.

**4.1. 10 Cumulative Impact**

Many of our reviewers had trouble accessing digital data specifically the maps which allowed an assessment of the spatial boundaries for cumulative effects assessment.

The developer has noted that no information is available for other non-oil and gas projects in the area, potentially due to confidentiality aspects of mining authorisations. Known developments in the area including other oil and gas developments should factor in to the

determination of the spatial boundary selected.

Some discussion or explanation should be provided on the criteria for the determination of whether an impact is significant or not.

The developers assessment of the temporal boundaries for the seem inadequate as presented on the top of page 69 section 10.1. Temporal boundaries would normally follow the life cycle of the project (exploration, construction, operations abandonment) to the point when any VECs impacted have recovered to pre-disturbance conditions.