



Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

**FACSIMILE TRANSMITTAL
TRANSMISSION PAR TÉLÉCOPIEUR**

Number of pages including this page
Nombre de pages incluant cette page **24**

Date
Jan. 19/04

FROM - DE

Name - Nom Fraser Fairman		Position title - Titre du poste
Directorate - Direction Renewable Resources & Env		Branch - Direction générale Environment & Conservation
Room - Pièce	Facsimile no. - N° de télécopieur (867) 669-2701	Telephone no. - N° de téléphone (867) 669-2589

TO - À

Name - Nom Kimberly Cliff-Phillips EAO-MVEIRB	
Facsimile no. - No de télécopieur 766-7074	Telephone no. - N° de téléphone 766-7062

Kimberly: Please find attached, INAC's responses to the second Round of Information Requests for the Paramount Cameron Hills Extension EA.

*Cheers
Fraser*

RECEIVED

JAN 19 2004

MACKENZIE VALLEY
ENVIRONMENTAL IMPACT
REVIEW BOARD



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

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

Environment and Conservation
Renewable Resources and Environment
4914-50th Street,
10th Floor Bellanca Building
P.O. BOX 1500
YELLOWKNIFE, NT X1A 2R3

Your file - Votre référence

Our file - Notre référence

January 19, 2004

Kimberley Cliff-Phillips
Mackenzie Valley Environmental
Impact Review Board
5102-50th Avenue,
P.O. BOX 938
YELLOWKNIFE, NT X1A 2N7

Dear Ms. Cliff-Phillips:

**Re: Indian and Northern Affairs Canada Responses to the Mackenzie Valley
Environmental Impact Review Board's Information Requests #1.2.26, #1.2.31,
#1.2.38, #1.2.41, # 1.2.45, #1.2.56, #1.2.62, #1.2.71, #1.2.105, and #1.2.129 for the
Paramount Cameron Hills Extension Environmental Assessment (EA03-005)**

Please find attached Indian and Northern Affairs Canada's (INAC's) response to the above notes information requests. I trust that the information provided will be of assistance to the Mackenzie Valley Environmental Impact Review Board (Review Board) in its deliberations. If the Review Board has any questions or requires additional clarification with respect to the information provided, please do not hesitate to contact me at (867) 669-2587.

Cheers,

Fraser Fairman
Environmental Scientist,
Environment and Conservation Division

Canada

Printed on recycled paper - Imprimé sur papier recyclé

**Mackenzie Valley Environmental Impact Review Board
Paramount Cameron Hills Extension Environmental Assessment (EA03-005)
Indian and Northern Affairs Canada's Response Dated January 19, 2004**

IR Number 1.2.26
Source: Fort Providence Metis Council
KTFN
To: Indian and Northern Affairs Canada
DAR Section: 7.11.4.2

Terms of Reference: Section G-9 and G-10

Preamble

Paramount refers to a 1991 and 2001 Benefits Plan Update.

Request

Please provide the MVEIRB with the following information:

- a) An analysis of INAC's ability to enforce the terms of the Benefits Plan and the Benefits Plan Update.

INAC RESPONSE

The *Canada Oil and Gas Operations Act (COGOA)* clearly states that the benefits plan is intended to provide Canadians with a full and fair opportunity to participate on a competitive basis in the supply of goods and services. The legislative requirement for benefits plan is addressed in section 5.2 of the COGOA as follows:

5.2(1) In this section, "benefits plan" means a plan for the employment of Canadians and for providing Canadian manufactures, consultants, contractors, and service companies with a full and fair opportunity to participate on a competitive basis in the supply of goods and services used in any proposed work or activity referred to in the benefits plan.

5.2(2) Before the Minister of Indian and Northern Affairs Canada (INAC) approves any development plan pursuant to subsection 5.1(4) or authorize any work or activity under paragraph 5(1)(b), a benefits plan will be submitted to and approved by the Minister of INAC, unless the Minister of INAC directs that such requirements need not be complied with.

5.2(3) The Minister of INAC may require that any benefits plan submitted pursuant to subsection (2) include provisions to ensure that disadvantaged individuals or groups have access to training and employment opportunities and to enable such individuals or groups or corporations owned or cooperatives operated by them to participate in the supply of goods and services used in any

proposed work or activity referred to in the benefits plan.

COGOA, and other federal legislation having provisions for oil and gas activities on Canada's frontier lands are uniform with respect to purposes of benefits plans. The federal and provincial accord implementation for offshore Nova Scotia and offshore Newfoundland and Labrador, benefits plans facilitate access to such opportunities by Nova Scotians or Newfoundlanders and Labradorians. In keeping with this regional approach, INAC expects that benefits plans for northern oil and gas activities will contain provisions to facilitate access to employment and business opportunities by Northerners. The benefits plan is a best-case scenario. The legislation makes no reference to enforcing the benefits plan. As a matter of policy, INAC requires that the operator provide the benefits plan annual report within six months of program completion. INAC uses the annual report to ensure that the intent of the legislation has been met. In addition to the annual report submitted by the operator, INAC officials maintain an informal watch during operations; this includes following up quickly when affected First Nations raise issues or complaints with respect to benefits plans implementation. INAC also works directly with the operator and other affected parties to increase the understanding of benefits plans.

**Mackenzie Valley Environmental Impact Review Board
Paramount Cameron Hills Extension Environmental Assessment (EA03-005)
Indian and Northern Affairs Canada's Response Dated January 19, 2004**

IR Number 1.2.31

Source: Fort Providence Metis Council
 KTFN

To: Indian and Northern Affairs Canada

DAR Section: N/A - MVEIRB Information Request 1.1.34

Terms of Reference: N/A

Preamble

Although IR 1.1.34 was not directed to INAC, INAC sent in a request to the Review Board asking for clarification on what the Review Board meant by "Benefits Agreements" and "negotiated agreements".

During the permitting of the diamond mines in the North Slave Region of the NWT, the affected communities were able to negotiate impact and benefit agreements with the diamond mining companies. However, there was no legislative or regulatory requirement for the negotiation of these diamond mine IBAs.

INAC required the negotiation of socio-economic and environmental agreements with the diamond mining companies. These agreements are much more detailed and useful than the Benefits Plan required under the Canada Oil and Gas Operations Act. Therefore, INAC has been requiring a higher level of protection for communities affected by diamond mining than communities affected by oil and gas development.

Request

Please provide the MVEIRB with the following information:

- a) Did INAC support the affected communities, either financially or through other means, in their efforts to obtain IBAs with the diamond mining companies? If yes, please describe how INAC supported the affected communities.

INAC RESPONSE

Yes, INAC supported the affected communities financially through limited resources that were provided for negotiations of the Impact Benefits Agreements under the Indian and Northern Affairs Canada Resource Access Negotiations (RAN) Program.

Request

Please provide the MVEIRB with the following information:

- b) INAC's position on the requirement for Paramount to negotiate an impact benefits agreement with the FPMC/KTFN based on aboriginal rights and in accordance with recent case law (c.g. *Powley*). This agreement would be outside of the existing regulatory processes and along the same lines of, although at a different scale, as those IBAs that were negotiated for the NWT diamond mines.

INAC RESPONSE

The IBAs for the NWT diamond mines were negotiated in private between the developers and the affected communities. INAC has no statutory requirement obligating companies to negotiate IBAs under any legislation. IBA requirements do exist under some land claim agreements. This requirement only takes effect, however, when: a project reaches development stage, thus generating a revenue stream; a pre-determined number of average work hours are required; and capital expenditures exceed a pre-determined amount. These requirements vary.

With respect to Aboriginal rights: the Crown may not unjustifiably infringe on rights protected by Section 135 of the Constitution Act, 1982, and the onus is on the First Nation to prove that a right exists and that it would be unjustifiably infringed upon. The Crown is unable to unilaterally determine what assertions a First Nation might make or what the ultimate outcome of that assertion may be. When responding to an assertion, and without limiting in any way the breadth or scope of the matters that Canada may consider, including the ethnographic, historical, traditional, and other evidence, Canada also takes into consideration expressions by the First Nation of consent or support for the proposed activity.

Request

Please provide the MVEIRB with the following information:

- c) Explain how INAC will support the FPMC/KTFN in their efforts to negotiate an IBA with Paramount related to the oil and gas development on the Cameron Hills.

INAC RESPONSE

Through the Resource Access Negotiations (RAN) Program, INAC can provide reasonable resources to support the FPMC/KTFN in activities leading to the creation and early implementation of agreements, other than joint working agreements, for the following purposes: access to business and employment opportunities in major resource projects; attract investment in on-reserve natural resources; access off-reserve natural resources; and, manage off-reserve natural resources.

Request

Please provide the MVEIRB with the following information:

- d) A comparison of the requirements placed on the diamond mining companies under the socio-economic and environmental agreements to the requirements placed on Paramount under the COGOA Benefits Plan.

INAC RESPONSE

For your clarification, INAC would like to provide the following information on Benefits Plans, Access Agreements, Impact Benefits Agreements, Socio-Economic Agreements and Environmental Agreements.

A Benefits Plan describes employment and business opportunities resulting from the proposed activity and outlines how the company will address them. The company undertakes consultation with the affected community to establish a benefits plan. The benefits plan applies to oil and gas exploration and development activities and pipeline development solely within the NWT. The benefits plan requires approval by the Minister of INAC. Annual reports are to be submitted on an annual basis as required through federal legislation.

An Access Agreement is a contractual agreement that outlines terms and conditions, including financial agreements, for access on or through land with Aboriginal interest. Access Agreements may include details on benefits. These agreements are negotiated between the company and affected Aboriginal organizations that are landowners and control access to lands; these agreements only apply to privately held lands. Access Agreements are managed by the groups who sign the agreement. These agreements are legislated under land claims in some areas and are voluntary in other areas.

An Impact Benefits Agreement (IBA) is a contractual agreement that is confidential and generally covers cash payments, scholarships, as well as employment training and business opportunities. The IBA is negotiated between the company and affected Aboriginal organizations as specified in land claims or other processes. IBAs typically apply to mining activities at the development stage. It may be called a "participation agreement" as is the case with the Diavik Diamond Mine. An IBA is managed by the groups who sign the agreement and may be legislated under land claims agreements.

A Socio-Economic Agreement is a contractual agreement that captures commitments with respect to opportunities for employment, training and business. It also captures commitments with respect to community and cultural well-being. Socio-Economic Agreements are negotiated between the company and the territorial government; the agreement is pan-territorial with a focus on impacted communities. These agreements are generally negotiated for large scale development projects and are managed by the groups who sign the agreement. A Socio-Economic Agreement is not legislated, though increasingly these agreements are an expected practice.

Environmental Agreements are legally binding contracts between two or more parties that may address oversight mitigation measures identified in the Report of Environmental Assessment and/or monitoring provisions for a development project with the objective to prevent any adverse

environmental effects. The purpose of Environmental Agreements may be to establish, in a public document, the legally binding roles and responsibilities of INAC, the proponent, other governments, and affected parties with regard to interactive environmental management practices during the construction, operation, reclamation, and post-closure phases of a specific project. The contents of Environmental Agreements are project specific. Environmental Agreements are not required under legislation and are not required for all projects.

Socio-Economic Agreements were entered into between the GNWT and the mining companies. INAC is not a party to these Socio-Economic Agreements and therefore cannot comment on the requirements placed on the diamond mining companies.

The requirements placed on the diamond mining companies under existing Environmental Agreements include provisions for an environmental monitoring board, management and monitoring plans, reclamation and abandonment plans, and security and enforcement. These environmental management practices apply during the construction, operation, reclamation, and post-closure phases of a diamond mine.

The benefits plan requirements placed on Paramount under the auspices of COGOA are to provide a full and fair opportunity to participate in the supply of goods and services used in any proposed work or activity referred to in the benefits plan. See COGOA section 5.2.

Request

Please provide the MVEIRB with the following information:

- e) Explain why INAC has not required socio-economic or environmental agreements for oil and gas projects in general, and this project specifically, when INAC does require such agreements for diamond mines. The existence of the COGOA Benefits Plan is not a valid response to this question as the scope and detail of the Benefits Plan is such that it is practically useless and unenforceable.

INAC RESPONSE

A Socio-Economic Agreement is a contractual agreement that captures commitments with respect to opportunities for employment, training and business. It also captures commitments with respect to community and cultural well-being. Socio-Economic Agreements are negotiated between the company and the territorial government; the agreement is pan-territorial with a focus on impacted communities. These agreements are generally negotiated for large scale development projects and are managed by the groups who sign the agreement. A Socio-Economic Agreement is not legislated, though increasingly these agreements are an expected practice. INAC does not require that developers enter into Socio-Economic Agreements; these agreements have generally been negotiated between the company/developer and the territorial government.

Environmental Agreements are legally binding contracts between two or more parties that may address oversight mitigation measures identified in the Report of Environmental Assessment

and/or monitoring provisions for a development project with an objective to mitigate any adverse environmental effects. The purpose of Environmental Agreements may be to establish, in a public document, the legally binding roles and responsibilities of INAC, the proponent, other governments, and affected parties with regard to environmental management practices during the construction, operation, reclamation, and post-closure phases of a specific project.

Environmental Agreements are not intended to overlap with existing regulatory instruments. Rather, they are to be used when needed, as complementary tools for the management of complex projects. Environmental Agreements are not required for projects of low complexity, short duration or low impact.

Environmental Agreements for projects are considered on a case by case basis, generally where gaps in the regulatory legislation exist, or for projects that require long term monitoring. Existing legislation related to oil and gas development addresses many of the issues that were included in the Environmental Agreements developed for diamond mines. For example: COGOA's three focuses are safety of workers, conservation of the resources, and protection of the environment. When there is no applicable federal legislation to deal with particular environmental concerns, the National Energy Board (NEB) will apply acceptable standards such as those established by the Alberta Energy and Utilities Board (EUB). One example of this applies to the flaring of gas in oil and gas operations; the NEB uses the Alberta EUB Guide 60 - Upstream Petroleum Industry Flaring Guide.

**Mackenzie Valley Environmental Impact Review Board
Paramount Cameron Hills Extension Environmental Assessment (EA03-005)
Indian and Northern Affairs Canada's Response Dated January 19, 2004**

IR Number **1.2.38**

Source: **KTFN**

To: **Indian and Northern Affairs Canada**

DAR Section: **N/A - Review Board EA01-005 Recommended Measures**

Terms of Reference: **N/A**

Preamble

In its Report of Environmental Assessment on EA01-005, the Review Board applied 21 measures. Of those 21, 1 (#16) was directed solely to INAC.

Request

Please provide the MVEIRB with the following information:

- a) Describe in full what INAC has done to fulfill Measure #16 and to address Suggestions #3 to #7.

#16) INAC ensures that the amended Benefits Plan requires Paramount to provide copies of the Annual Reports required by the Benefits Plan to the GNWT, the Review Board, the MVLWB and the local communities in addition to INAC. The scope of the Annual Reports should be expanded beyond what is currently required. The Annual Reports should detail consultations undertaken with the local communities, discuss what concerns were raised by the communities and discuss what actions Paramount will take to enhance positive socio-economic impacts and mitigate negative socio-economic impacts.

INAC RESPONSE

The benefits plan annual reports submitted by oil and gas operators are public documents once approved by the Minister of INAC; the annual reports are available at the request of the public. Annual reports from the operators are expected to document consultations held with affected First Nations communities, organizations and businesses. The annual reports are also expected to note concerns raised and actions taken or planned. INAC reviews all annual reports with this in mind.

Request

Please provide the MVEIRB with the following information:

3) INAC should improve the documenting of its Benefits Plan consultations.

INAC RESPONSE

Industry operators conduct consultation with affected First Nation(s) on the benefits plans that the operators have developed for exploration and development programs. INAC conducts follow up with the affected First Nations to ensure that there are no outstanding issues that need to be resolved prior to approving the benefits plan. INAC's follow up discussions with the affected First Nation(s) is to ensure that the operator has made the best possible effort to provide full and fair opportunities for Northern and Aboriginal participation in exploration and development program(s).

Request

Please provide the MVEIRB with the following information:

4) INAC should modify its Statement of Principles to remove the reference to "applicable territorial policies" in respect of compensation until such time as there are applicable territorial policies.

INAC RESPONSE

INAC has no jurisdiction to determine how compensation for renewable resources is addressed; this is a GNWT responsibility. To support the efforts of the GNWT and the Deh Cho First Nations to address these issues, INAC provided funding for arbitration to deal with outstanding issues related to renewable resources in the Cameron Hills area. The GNWT and the Deh Cho First Nations withdrew from this process. Compensation for renewable resource harvesting is a required element of any benefits plan.

Request

Please provide the MVEIRB with the following information:

5) INAC should require that compensation for resource harvesting be a required element of any Benefits Plan, in compliance with its Statement of Principles.

INAC RESPONSE

Compensation for renewable resource harvesting is a required element of any benefits plan.

Request

Please provide the MVEIRB with the following information:

6) INAC should develop guidelines and/or implementation notes for the development and

approval of Benefits Plans. These guidelines and/or implementation notes should be developed in consultation with aboriginal and community organizations, oil and gas industry representatives, the GNWT and any other interested organizations.

INAC RESPONSE

Guidelines for Benefits plan requirements are in place. INAC is in the process of developing implementation notes in the form of a Benefits Plan Guide/Template.

Request

Please provide the MVEIRB with the following information:

7) INAC should ensure that future Benefits Plan in the Dch Cho area, and in other unsettled land claim areas, fulfill the spirit of the Interim Measures Agreements or others such instruments.

INAC RESPONSE

In the Dch Cho Region, the Interim Measures Agreement (IMA) and the Interim Resources Development Agreement (IRDA) guides oil and gas rights issuances in the region, as well as oil and gas exploration activity; in conjunction with existing legislation such as the COGOA. Under the IMA and the IRDA, INAC participates on a Deh Cho Oil and Gas working group/committee.

**Mackenzie Valley Environmental Impact Review Board
Paramount Cameron Hills Extension Environmental Assessment (EA03-005)
Indian and Northern Affairs Canada's Response Dated January 19, 2004**

IR Number **1.2.41**

Source: **KTFN**

To: **Indian and Northern Affairs Canada
Government of the Northwest Territories**

DAR Section: **DAR 3.2.1**

Terms of Reference: ToR Section C-2

Preamble

As the regulators and reviewers of this project, the above organizations have a responsibility to approve Paramount's selected access and pipeline routes.

Request

Please provide the MVEIRB with the following information:

Explain the criteria, and criteria weighting, that your organization considers acceptable for use by Paramount in selecting access and pipeline routes.

INAC RESPONSE

The criterion for access and pipeline route selection applied by Land Administration is reflected in the DAR Section 3.2.1 regarding protection measures which apply to the entire project. Number Eight (8) states that: 'Efforts will be made to minimize interference with existing land uses'. Also, in 3.2.2.1, Route Selection, it is proposed that new access follow existing cutlines and crossings to the extent practical.

While others may have further criteria to apply in considering the route selection, Land Administration will be scrutinizing for potential conflicts with existing third party interests.

**Mackenzie Valley Environmental Impact Review Board
Paramount Cameron Hills Extension Environmental Assessment (EA03-005)
Indian and Northern Affairs Canada's Response Dated January 19, 2004**

IR Number 1.2.45

Source: KTFN

To: **Indian and Northern Affairs Canada
Government of the Northwest Territories
Environment Canada**

DAR Section: **DAR 3.2.1**

Terms of Reference: ToR Section C-2

Preamble

Paramount provides a break-down of the species content of Certified Canada Seed #1.

Paramount says that rutting to a depth of 30 cm will be permitted.

Request

Please provide the MVEIRB with the following information:

- a) Are the species identified indigenous to the project area?

INAC RESPONSE

INAC does not have a mandate in this area.

Request

Please provide the MVEIRB with the following information:

- b) What is your organization's policy on the issue of non-indigenous plant species?

INAC RESPONSE

INAC has no mandate or policy on the issue of non-indigenous plant species.

Request

Please provide the MVEIRB with the following information:

- c) Are there any concerns with the species that have been identified?

INAC RESPONSE

INAC has no mandate or policy in this area.

Request

Please provide the MVEIRB with the following information:

- d) What is your organization's policy on acceptable rutting depth?

INAC RESPONSE

While INAC has no formal written policy on acceptable rutting depth, our practice for more than twenty years has been to recommend, and the Mackenzie Valley Land and Water Board (MVLWB) continues to include, land use permit conditions which are intended to preclude any rutting. Further, to provide guidance to operators' project planning, we continue to recommend, and the MVLWB includes, a permit condition which imposes a spring shutdown date, with the intent that operations be concluded before the ground thaws and becomes susceptible to thawing.

These standard conditions read as follows:

The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting.

The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging.

The Permittee shall not conduct any overland movement of equipment and vehicles after 08:00 hours local time on April 1, unless otherwise authorized in writing by an inspector.

**Mackenzie Valley Environmental Impact Review Board
Paramount Cameron Hills Extension Environmental Assessment (EA03-005)
Indian and Northern Affairs Canada's Response Dated January 19, 2004**

IR Number 1.2.56

Source: KTFN

To: **Indian and Northern Affairs Canada
Government of the Northwest Territories**

DAR Section: **DAR Section 6.2**

Terms of Reference: ToR Section F-2

Preamble

Paramount has encountered significant erosion problems. None of the MVLWB, NEB, INAC, or the GNWT ensured that the Ka'a'Gee Tu First Nation had been informed of these problems and involved in discussions on how to repair and avoid these problems.

Request

Please provide the MVEIRB with the following information:

- a) Explain why your organization did not consult with, or ensure that Paramount consulted with, the KTFN on the erosion problems encountered by Paramount. If the position taken is that your organization is not the organization responsible for informing the KTFN of environmental problems, then please identify the organization that is responsible for doing so.

INAC RESPONSE

Dealing with the operational compliance by an operator is the responsibility of the INAC inspector. The operator is responsible to the regulator - in this case the MVLWB - and the land manager - INAC, to restore or reclaim any damage resulting from his operation, not to any third party. The land manager does not normally consult with any third party on restorative measures for any impacts to the lands. In the course of his duties, the inspector must rely on his own good judgement, based on training and experience. Since prosecution for failing to comply is a constant possibility, the inspector must maintain his independence for his directions and orders to be valid in a court of law. Enforcement, of which inspectors form a part, is therefore not a function amenable to a 'consultative' process.

INAC is not aware of any organization which has a lawful obligation to consult with the KTFN on operational environmental "problems".

**Mackenzie Valley Environmental Impact Review Board
Paramount Cameron Hills Extension Environmental Assessment (EA03-005)
Indian and Northern Affairs Canada's Response Dated January 19, 2004**

IR Number 1.2.62
Source: KTFN
To: Indian and Northern Affairs Canada
DAR Section: N/A

Terms of Reference: N/A - Review Board IR 1.1.31

Preamble

Paramount says that it does not have the authority to deny access to the winter road to any member of the public.

Request

Please provide the MVEIRB with the following information:

- a) A description of Paramount's authority to prevent public use of the winter access roads into and within the Cameron Hills project area.

INAC RESPONSE

The types of authorization associated with an access roads are usually a land use permit for construction and/or maintenance, and, sometimes where a longer term of occupation is anticipated, a licence of occupation for the right of way is sought. Neither of these documents is considered as granting an interest in land, therefore, neither grants exclusive use and hence there is no ability to restrict public passage, except as stated in the document [ie installation of a gate]. Paramount are therefore correct to state in their response to 1.1.31 e) 'It is not illegal for the public to access public land.' This of course is subject to any existing regulations such as those in the MVLUR sections 4 and 5.

Request

Please provide the MVEIRB with the following information:

- b) If Paramount does not have the authority to prevent public use of its access roads, then please explain whether or not INAC or another organization does.

INAC RESPONSE

INAC does not have the authority to prevent public access. There are various pieces of legislation dealing with roads which may assist in determining any other organization who might be able to address this question.

**Mackenzie Valley Environmental Impact Review Board
Paramount Cameron Hills Extension Environmental Assessment (EA03-005)
Indian and Northern Affairs Canada's Response Dated January 19, 2004**

IR Number 1.2.71
Source: **KTFN**
To: **Indian and Northern Affairs Canada**
DAR Section: **N/A**
Terms of Reference: **N/A**

Preamble

The National Energy Board and Indian and Northern Affairs Canada undertake inspections of Paramount's Cameron Hills Operations.

Request

Please provide the MVEIRB with the following information:

- a) Dates of all inspections completed in 2000, 2001, 2002, and 2003.

INAC RESPONSE

INAC is currently reviewing field notes and files to determine the dates of inspections. This information will be delivered to the MVEIRB as soon as it is available.

Request

Please provide the MVEIRB with the following information:

- b) Copies of all inspection reports with any problems, concerns or infractions highlighted.

INAC RESPONSE

INAC is currently copying the inspections reports, and reviewing for the purposes of highlighting problems, concerns or infractions. These will be delivered to the MVEIRB as soon as it is available.

Request

Please provide the MVEIRB with the following information:

- c) Copies of any orders or instructions that were issued to Paramount.

INAC RESPONSE

INAC is reviewing the files to determine if any orders were issued to Paramount. If any orders were issued, copies will be provided to the MVEIRB.

Request

Please provide the MVEIRB with the following information:

- d) Identification of any outstanding concerns and plans for resolving those concerns.

INAC RESPONSE

INAC is reviewing the files to determine which, if any, concerns are still outstanding. If any are found in the files, they will be identified and the plans for their resolution detailed. On completion of that review, INAC will provide a report of those concerns, if any, and their planned resolution, to the MVEIRB.

Request

Please provide the MVEIRB with the following information:

- c) An explanation as to why the inspection reports and any orders or instructions were not automatically provided to the Ka'a'Gee Tu First Nation as soon as they were prepared.

INAC RESPONSE

Third parties are not copied automatically on any inspection reports, orders or instructions because they are not responsible for ensuring compliance and enforcement of the legislations or the authorizations issued under it. The regulator, the MVLWB for example, or the landowner/manager is provided copies of the inspection reports, and the MVLWB subsequently places them on the public register which any interested party may review.

Request

Please provide the MVEIRB with the following information:

- f) If the position taken is that the NEB and INAC are not the organizations responsible for informing the KTFN or environmental problems, then please identify the organization that is responsible for doing so.

INAC RESPONSE

INAC is not aware of any organization that has a lawful obligation to inform the KTFN of environmental matters related to ongoing operational activities.

**Mackenzie Valley Environmental Impact Review Board
Paramount Cameron Hills Extension Environmental Assessment (EA03-005)
Indian and Northern Affairs Canada's Response Dated January 19, 2004**

IR Number 1.2.105

Source: KTFN

To: Indian and Northern Affairs Canada
 Paramount Resources Ltd.

DAR Section: DAR Section 3.4.1
 DAR Table 2.4-2

Terms of Reference: ToR Section C-4

Preamble

Paramount states that drilling waste disposal will be in accordance with the Alberta Energy and Utilities Board's Drilling Waste Management Guide G-50.

Paramount also states that AEUB Guide 60 will be adhered to during flaring.

Request

Please provide the MVEIRB with the following information:

- a) What other guidelines are available for use for drilling waste disposal and flaring?

INAC RESPONSE

INAC has not investigated other drill waste disposal guidelines from other jurisdictions.

Request

Please provide the MVEIRB with the following information:

- b) What are the Alberta guidelines being proposed for use in the Cameron Hills?

INAC RESPONSE

INAC makes use of that part of the Alberta Energy and Utilities Board (AEUB) Guide 50 that addresses disposal of drill cuttings as they relate to limits of selected parameters. These are used as guides in determining whether or not cuttings are acceptable for disposal into a sump, or if they must be removed for disposal in an approved disposal facility.

Request

Please provide the MVEIRB with the following information:

- c) Are the other guidelines that are available more or less environmentally stringent than the Alberta guidelines?

INAC RESPONSE

INAC has not investigated other jurisdictions' guidelines, and so cannot assess their relative stringency. It is known that the British Columbia Oil and Gas Commission has adopted the AEUB Guide 50, with modifications. These modifications have not been assessed by INAC for relative stringency.

Request

Please provide the MVEIRB with the following information:

- d) Why haven't NWT guidelines been developed?

INAC RESPONSE

The entire suites of AEUB Guidelines serve a different purpose in the Alberta legislative regime than general guidelines would in the Mackenzie Valley. In essence, they are the product of on-going operational, resource conservation, and environmental assessment, and, where cited in regulation, have the force of regulation. They serve in the place of specific conditions annexed to, and forming part of, the Mackenzie Valley Land Use Permits and Water Licences. As such, they are a pre-determined outcome of the project specific process of the MVEIRB and the MVLWB. Development of similar guidelines would seem to duplicate the MVRMA processes, as they currently exist.

Request

Please provide the MVEIRB with the following information:

- e) What organization would be responsible for developing the NWT guidelines and why haven't they done so?

INAC RESPONSE

Given that there is no legislative framework within the NWT for comprehensive guidelines having the force of law, it would not appear that any organization has a responsibility for developing such guidelines.

**Mackenzie Valley Environmental Impact Review Board
Paramount Cameron Hills Extension Environmental Assessment (EA03-005)
Indian and Northern Affairs Canada's Response Dated January 19, 2004**

IR Number **1.2.129**

Source: **MVEIRB**

To: **Indian and Northern Affairs Canada
GNWT
Environment Canada**

DAR Section: **DAR Section 7.2**

Terms of Reference: Section G-2

Preamble

Policy related to air quality applicable in the development area (and the Mackenzie Valley in general) includes Air Quality Standards set out under the territorial Environmental Protection Act. The environmental management of impacts often requires effective monitoring, inspection and enforcement. It is unclear how this is presently done with respect to air.

Request

Please provide the MVEIRB with the following information:

- a) Specify what binding legal air quality guidelines or standards your organization is responsible for.

INAC RESPONSE

INAC is not responsible for binding legal air quality guidelines or standards.

Request

Please provide the MVEIRB with the following information:

- b) Specify if regular compliance inspections for air quality are conducted by your organization to ensure that developments in operation are meeting those standards. If your organization does not conduct such inspections, please specify who currently is responsible for doing so.

INAC RESPONSE

INAC does not conduct compliance inspections for air quality. The National Energy Board and the Mackenzie Valley Land and Water Board, who has the authority to issue of permits and licences, may be best suited to address issues relating to inspections for air quality.

Request

Please provide the MVEIRB with the following information:

- c) Specify if your organization is responsible for air quality enforcement, and if so, exactly how it is done. Provide examples.

INAC RESPONSE

INAC is not responsible for air quality enforcement.