

Fisheries
and OceansPêches
et OcéansFish Habitat Management
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Yellowknife, Northwest
Territories
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SC00051

August 22, 2001

Mackenzie Valley Environmental Impact Review Board
Box 938 200 Scotia Centre
5102-50th Ave
Yellowknife, NT
X1A 2N7Attention: Joe Acorn**RE: Technical Analysis of the Paramount Resources Ltd. Environmental Assessment Report for the Cameron Hills Drilling Project**

Dear Mr. Acorn:

The Department of Fisheries and Oceans- Fish Habitat Management identified six areas that DFO could provide technical advice on for the purpose of the Cameron Hills Drilling Project environmental assessment. Those areas were: environmental considerations in the development design, water quality and quantity, aquatic resources and habitat, cumulative impacts-natural environment, abandonment and restoration, and follow up programs. I have now reviewed the environmental assessment report and am providing comments regarding these areas on behalf of DFO.

Environmental Considerations in the Development Design

Overall, DFO is satisfied that Paramount Resources Ltd. has adequately incorporated environmental considerations into their project proposal. Mitigation measures, such as the use of existing cut lines for access into the wellsites, have been designed to minimize disturbance to the environment.

Water Quality and Quantity

If the mitigation measures in the proposal, as well as those outlined in the DFO letter of advice to Paramount Resources Ltd dated October 2, 2000 are adhered to, impacts from the project on water quality should be minimal.

These mitigation measures include:

- No refuelling to take place within 100 metres of a waterbody.
- A minimum buffer of 100 metres between camps and watercourses.

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- Drill cuttings and associated wastes to be disposed of in such a way that they do not enter any waterbody
- Fuel caches and sumps to be located at least 30 metres from the high water mark of any waterbody and bermed or otherwise contained to ensure that these substances do not enter any waterbody.

Aquatic Resources and Habitat

The effect of using Lake UNL-1 as a water source is estimated by Paramount Resources Ltd. to result in the lowering of the lake level by 2 cm based on the maximum estimated water withdrawal and lake volume calculations. This level should not be exceeded as it is the position of DFO that inputs from groundwater and an adjacent bog make it likely that the lake would be used for overwintering habitat; therefore, it must be ensured that any water removal will not cause a significant drawdown or reduction in littoral habitat.

Mitigation measures proposed for stream crossings, if adhered to, should result in avoiding any negative impact to fish and fish habitat at crossing locations. These measures include constructing the crossings in the winter, and using only clean ice and snow for snow bridges and ramps.

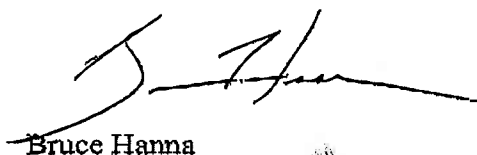
Cumulative Impacts- Natural Environment

DFO is satisfied that Paramount Resources Ltd. has done a thorough job of documenting potential cumulative impacts from existing and potential disturbance in the cumulative effects study area. DFO is pleased that the study area included the proposed Cameron Hills Pipeline and Gathering System.

Abandonment and Restoration/ Follow up Programs

In the environmental screening report it states that site visits will occur to evaluate the reclamation work done on sumps; however, it does not say when or how often these site visits will occur. Any rehabilitation of disturbed stream banks should be monitored as well to ensure that reclamation measures such as revegetation and bank stabilization are effective.

If you have any questions please contact me at (867) 669-4931 or by fax at (867) 669-4940.



Bruce Hanna
Habitat Biologist
Fish Habitat Management
Department of Fisheries and Oceans- Western Arctic Area

Copy: Pete Cott, Area Habitat Biologist-DFO

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