

1)	To:	Paramount Resources Ltd.
	Reference:	DAR Section A
	Preamble:	<p>Paramount states that in A(1) it incorporated traditional knowledge into this project by reviewing the “Cameron Hills 2001 Traditional Knowledge Studies, which included SDL8.” but notes in A(2) that the study does not indicate any traditional activity over the area.</p> <p>Paramount, in A(1), refers to a First Nations trapper who participated in site review and project layout.</p> <p>In A(3), Paramount refers to an employment opportunity for one aboriginal monitor during line clearing.</p>
	Request:	<p>Please provide the following information.</p> <ul style="list-style-type: none">a) Confirm for the MVEIRB that the Ka’a’Gee Tu First Nation has not approved of the Cameron Hills 2001 Traditional Knowledge Study as accurately and completely containing relevant KTFN TK.b) Confirm for the MVEIRB that the First Nations trapper referred to is not a member of the Ka’a’Gee Tu First Nation and is not accepted by the KTFN as a holder of KTFN TK information.c) Is it Paramount’s intention that the employment opportunity in A(3) would be given to the First Nations trapper mentioned in A(1)? If no, please explain how Paramount intends to fill this position.

2)	To:	Paramount Resources Ltd.
	Reference:	No Reference
	Preamble:	<p>The Dehcho Land Use Plan has been approved by the Dehcho First Nations.</p> <p>While 1) the LUP is not yet implemented and 2) Paramount has pre-existing rights, neither of those facts has any bearing upon the right of the MVEIRB to accept the LUP’s conditions as recommendations in its Report of EA and apply those conditions to this project through regulators such as the MVLWB and the NEB.</p>

Request: Please 1) evaluate this project against the conditions in the Dehcho Land Use Plan, 2) identify any conditions which this project does not meet and 3) suggest modifications to this project to satisfy the LUP conditions.

3) To: Paramount Resources Ltd.

Reference: DAR Section D(1)

Preamble: Paramount uses the phrase “low impact seismic” or “LIS” in referring to its seismic activities but does not explain the reference for the phrase.

Request: Please provide the origin, definition and details of “low-impact seismic” as that phrase is used by Paramount. Were the LIS techniques proposed for use by Paramount designed primarily 1) to reduce timber fees from the oil and gas industry to the timber industry or 2) to minimize environmental impacts such as effects on caribou? Provide evidence to support Paramount’s response.

4) To: Paramount Resources Ltd.

Reference: DAR Section D(2)

Preamble: Paramount refers to the use of mulchers as a method for reducing line widths to 4 m but only if mulchers were available for use on this project.

Request: Please comment on the likelihood that mulchers will be available for use on this project. If the use of mulchers is unlikely, please explain why.

5) To: Paramount Resources Ltd.

Reference: DAR Section D(4)

Preamble: Paramount states that lines will be hand-cut to a width of 1.75 m on steep slopes to allow the placement of geophones and a receiver tailspread but notes that there will be no source points

Request: Please explain the comment about no source points. What information will be collected by the geophones if there is no source?

6) To: Paramount Resources Ltd.

Reference: DAR Section D(5)
DAR Section D(6)

Preamble: Paramount does not provide a satisfactory answer to D(5). For example in answering D(5)(a), Paramount seems to imply that its proposed program will reduce the impacts on the environment as compared to a heli-portable project. However, Paramount provides absolutely no evidence to support this contention.

Similarly, in answering D(5)(b), Paramount implies that the use of hand-cutting and helicopters is unsafe but provides no evidence to support this contention.

Paramount says that its proposed line widths represent the upper end of the spectrum but does not explain what factors require the use of these upper end line widths for this project.

Despite hand-cutting being specifically mentioned by the MVEIRB in D(6)(b), Paramount's response makes no mention of it.

Request: Please provide the following information.

- a) While recognizing that various species might be impacted differently, 1) contrast the potential overall impacts on wildlife due to various project alternatives in an impact matrix, and 2) rank the overall impacts of the various combinations of alternatives and suggest the optimal alternatives scenario that would achieve the objective of minimizing overall wildlife impacts due to noise, habitat disturbance, increased hunting access, etc.

The project alternatives which should be considered are:

- Project Timing – spring, summer, fall and winter
- Project Clearing Methods – hand cut, mulchers and bulldozer
- Project Data Collection – Standard Dynamite Drill, Enviro-Drill, Vibroseis, Mini-Vibrator
- Project Access Routes – only existing lines versus a combination of existing and new lines
- Project Access Methods– helicopter, ground vehicle

- b) Reference and provide statistics on accident and injury rates, for both Paramount and industry-wide, for 1) seismic projects as proposed by Paramount and 2) seismic projects utilizing hand-cutting and helicopter support.
- c) Confirm that there are no technical, non-financial reasons preventing the use of hand-cutting and helicopter support for this project, regardless of what line width is actually used. If this cannot be confirmed, please explain.
- d) Explain why Paramount is proposing to use line widths that are at the upper end of the spectrum.
- e) Estimate the timber volume cutting requirements for 1.75 m wide lines versus 6 m wide lines.

7) **To:** Paramount Resources Ltd.

Reference: DAR Section E(1)

Preamble: The MVEIRB requested Paramount to provide the employment requirements for the project as proposed by Paramount but did not ask for the employment requirements for the alternative means of conducting the project.

Request: Please provide the following information.

- a) A listing of all employment requirements for the SDL8 program for the following project alternatives:
 - 1) a heliportable seismic program with all hand-cut lines;
 - 2) a vibroseis program as proposed by Paramount but with all lines hand-cut; and
 - 3) a dynamite seismic as program as proposed by Paramount but with all lines hand-cut.
- b) Estimates of total project equipment costs and labor costs for the project as proposed by Paramount versus the 3 alternative means outlined in the first part of this IR.

8) To: Paramount Resources Ltd.

Reference: DAR Section E(2)

Preamble: Paramount does not seem willing to commit to any measures to increase local, Northern and aboriginal employment beyond just providing some basic information to the prime seismic contractor.

Paramount says that it will adhere to Indian and Northern Affairs Canada's Statement of Principles for providing opportunities to northerners.

Request: Please provide the following information.

- a) Will the selection of the prime contractor by Paramount incorporate, and be contingent upon, requirements that the selected prime contractor utilize local, Northern and aboriginal employees? If yes, please describe 1) these requirements, 2) how the prime contractor will be selected and 3) how these requirements will be enforced. If no, please explain why not.
- b) If the prime seismic contractor does not adhere to the requirements, what steps will Paramount take?

9) To: Paramount Resources Ltd.

Reference: DAR Section E(3)

Preamble: Paramount does not seem willing to commit to any measures to increase local, Northern and aboriginal business opportunities beyond just providing some basic information to the prime seismic contractor.

Request: Will the selection of the prime contractor by Paramount incorporate, and be contingent upon, requirements that the selected prime contractor utilize local, Northern and aboriginal businesses? If yes, please describe 1) these requirements, 2) how the prime contractor will be selected (including the bid selection criteria and criteria weighting) and 3) how these requirements will be enforced. If no, please explain why not.

10) To: Paramount Resources Ltd.

Reference: June 26th e-mail from Paramount to MVEIRB

Preamble: The M-31 well on SDL 8 was drilled by Paramount and spudded on Mar. 8, 1979.

SDL 8 was granted on Feb. 15, 1987.

The historical perspective of how Paramount came to hold SDL8 is important for the MVEIRB's understanding of the KTFN's positions regarding Paramount and this project.

Request: Please provide the following information.

- a) Paramount's consultation record with the KTFN during the process of applying for and obtaining the exploration license on what is now SDL 8.
- b) Paramount's consultation record with the KTFN during the process of applying for and obtaining the right to drill M-31 and any other wells on what is now SDL 8.
- c) Paramount's consultation record with the KTFN during the process of applying for and obtaining Significant Discovery License 8.

11) To: Paramount Resources Ltd.

Reference: No Reference

Preamble: The COGOA requires Development Plans and Benefits Plans prior to the undertaking of certain oil and gas activities on frontier lands.

Request: Is there a Development Plan and Benefits Plan in place for SDL 8? If yes, please provide copies. If no, please describe the timing and process that will be used by Paramount in developing and obtaining approval for these documents.

12) To: Paramount Resources Ltd.

Reference: No Reference

Preamble: A safety and emergency response manual should be in place for this project.

Request: Please provide a copy of the safety and emergency response manual that Paramount proposes to use for this project as well as Paramount's spill and accident statistics for its Cameron Hills operations as compared to industry averages.

13) To: Paramount Resources Ltd.

Reference: No Reference

Preamble: A harvester compensation agreement (HCA) is a KTFN requirement for companies such as Paramount that wish to work on KTFN traditional lands.

Request: Please provide the harvester compensation process that Paramount will be submitting to the KTFN to commence negotiations for an HCA for this project.

14) To: Paramount Resources Ltd.

Reference: No Reference

Preamble: The requirement for companies such as Paramount to negotiate an access and benefits agreement with the KTFN when working on KTFN's traditional lands is an important matter for the KTFN from the perspective of protecting the environment and ensuring that the community actually benefits in a meaningful manner from projects.

Request: Please provide copies of the draft access and benefits agreement that Paramount will be submitting to the KTFN to commence negotiations for an agreement for this project.

15) To: Paramount Resources Ltd.

Reference: No Reference

Preamble: Paramount has been conducting a seismic line revegetation study in the Cameron Hills.

Request: Please provide a copy of the seismic line revegetation study and discuss how the results of this study can be used to improve this project.

16) To: Paramount Resources Ltd.

Reference: No Reference

Preamble: Paramount should have an environmental protection plan manual.

Request: Please provide a copy of the environmental protection plan manual for this project.

17) To: Indian and Northern Affairs Canada

Reference: INAC Response to IR 0506-007-10.

Preamble: INAC discusses the requirement for a Development Plan and Benefits Plan for SDL 8.

Request: Please provide the following information.

- a) Confirm that INAC does not require Paramount to consult with the KTFN during the preparation and submission of the Development Plan, Benefits Plan or Annual Reports.
- b) Confirm that INAC does not consult with the KTFN during the review and approval of Paramount's Development Plan and Benefits Plan.
- c) Confirm that INAC does not consult with the KTFN for verification and feed-back purposes during the approval of Paramount's Annual Reports.
- d) Confirm that INAC has no ability to force Paramount to submit the Annual Reports.

- e) Confirm that INAC has no authority to enforce the terms of the Benefits Plan should Paramount not fulfill the minimal, vague commitments placed on the company.
- f) Will INAC be requiring a Benefits Plan for this project? If no, explain why not.
- g) Please identify the dates that the *COGOA* and the *Benefits Statement of Principles* were written. Have these two documents, including the process used by Canada for the development and approval of Development Plans, Benefits Plans and Annual Reports, been subject to review by INAC in light of more recent aboriginal case law? If yes, please provide the results of that review. If no, why has such a review not yet been conducted and when will one be completed?

18) To: Indian and Northern Affairs Canada

Reference: INAC response to IR 0506-007-11

Preamble: In considering Paramount's proposed revegetation seed mix, INAC states: "*They would not be expected to persist, or to spread. As such, they pose no danger of out-competing local species, nor otherwise affecting vegetation native to the area.*"

Request: Does INAC have any field research applicable to this seed mix and the SDL 8 landscape to justify this position? If yes, please provide it. If no, please provide the evidence that INAC is using to support this position.

19) To: Indian and Northern Affairs Canada

Reference: INAC response to IR 0506-007-12

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

Request: Does the MVLWB or the Inspector have the authority to order a halt to project activities prior to Apr. 1st in the event of an early spring? If yes, describe the process and speed with which such an order could be issued.

20) To: Indian and Northern Affairs Canada

Reference: INAC response to IR 0506-007-12

Preamble: The conditions of the LUP and the WL would be enforced by the INAC Inspector.

INAC provided a copy of its compliance and enforcement policy from Nov. 19, 1998, which pre-dates the existence of the MVLWB and is from a period in which INAC both issued the LUP and inspected for compliance.

Request: Please provide the following information.

- a) What would be the frequency and timing of the Inspector's visits to the project area before, during and after the project activities?
- b) Confirm that if any problems are encountered INAC will refuse to allow the KTFN access to the Inspector's report until the matter has been resolved, thus denying the KTFN of the opportunity to be informed of environmental problems and consulted on the manner in which these problems are corrected.
- c) A detailed description of the role of the MVLWB in the inspection and enforcement of LUP and WL conditions. Is there a protocol in place between INAC and the MVLWB to ensure swift, coordinated action can occur to enforce conditions and perhaps order additional conditions as needed to protect the environment? If yes, please provide copies of this protocol. If there is no protocol, please explain why not.

21) To: Indian and Northern Affairs Canada

Reference: No Reference

Preamble: INAC has inspection responsibilities for this project.

Request: Please provide the following information.

- a) Copies of all previous inspection reports of Paramount seismic projects in the NWT with any problems, concerns or infractions highlighted.

- b) Copies of any orders or instructions that were issued to Paramount.
- c) Identification of any outstanding concerns and plans for resolving those concerns.

22) To: Indian Northern Affairs Canada

Reference: June 26th e-mail from Paramount to MVEIRB

Preamble: The M-31 well on SDL 8 was drilled by Paramount and spudded on Mar. 8, 1979.

SDL 8 was granted on Feb. 15, 1987.

The historical perspective of how Paramount came to hold SDL8 is important for the MVEIRB's understanding of the KTFN's positions regarding Paramount and this project.

Request: Please provide the following information.

- a) INAC's consultation record with the KTFN during the process of Paramount applying for and obtaining the exploration license on what is now SDL 8.
- b) INAC's consultation record with the KTFN during the process of Paramount applying for and obtaining the right to drill M-31 and any other wells on what is now SDL 8.
- c) INAC's consultation record with the KTFN during the process of Paramount applying for and obtaining Significant Discovery License 8.
- d) INAC's consultation record with the KTFN during the process of Paramount applying for this seismic project.

23) To: Indian and Northern Affairs Canada

Reference: No Reference

Preamble: Increased access both to and within the project area is a concern for the KTFN.

Request: Please provide an analysis of Paramount's ability to prevent public use of the winter access roads into and within the project area. Does Paramount have the ability to prevent public use of its winter roads? If no, please explain whether or not INAC or another organization does. What specific measures can be undertaken to prevent this project from increasing access both to and within this project area.

24) To: Indian and Northern Affairs Canada

Reference: No reference

Preamble: Government agencies that issue authorizations must discharge the Crown's fiduciary duty in relation to the KTFN's aboriginal and treaty rights. The Supreme Court of Canada has established conditions that must be satisfied in this process such as ensuring that the KTFN receive economic benefits from the land and resources and that management decisions and processes about the land and resources must include significant KTFN involvement, with the bare minimum being deep and meaningful consultation.

Request: Please explain how INAC has fulfilled its fiduciary duty to the KTFN in relation to this project.

25) To: Indian and Northern Affairs Canada

Reference: No Reference

Preamble: The requirement for companies such as Paramount to negotiate an access and benefits agreement and a harvester compensation agreement with the KTFN when working on KTFN's traditional lands is an important matter for the KTFN from the perspective of protecting the environment and ensuring that the community actually benefits in a meaningful manner from projects.

Request: Please provide INAC's opinion on the requirement for Paramount to negotiate an access and benefits agreement and an HCA with the KTFN based on aboriginal and treaty rights and in accordance with recent case law.

26) To: National Energy Board

Reference: June 26th e-mail from Paramount to MVEIRB

Preamble: The M-31 well on SDL 8 was drilled by Paramount and spudded on Mar. 8, 1979.

SDL 8 was granted on Feb. 15, 1987.

The historical perspective of how Paramount came to hold SDL8 is important for the MVEIRB's understanding of the KTFN's positions regarding Paramount and this project.

Request: Please provide the following information.

- a) The NEB's consultation record with the KTFN during the process of Paramount applying for and obtaining the exploration license on what is now SDL 8.
- b) The NEB's consultation record with the KTFN during the process of Paramount applying for and obtaining the right to drill M-31 and any other wells on what is now SDL 8.
- c) The NEB's consultation record with the KTFN during the process of Paramount applying for and obtaining Significant Discovery License 8.
- d) The NEB's consultation record with the KTFN during the process of Paramount applying for this seismic project.

27) To: National Energy Board

Reference: No Reference

Preamble: The NEB has inspection responsibilities for this project.

Request: Please provide the following information.

- a) If environmental problems are encountered during inspections, please explain the NEB process for informing and involving the KTFN on these problems and developing solutions.

- b) Copies of all previous inspection reports of Paramount seismic projects in the NWT with any problems, concerns or infractions highlighted.
- c) Copies of any orders or instructions that were issued to Paramount.
- d) Identification of any outstanding concerns and plans for resolving those concerns.

28) To: Government of the Northwest Territories

Reference: GNWT response to IR 0506-007-7

Preamble: The GNWT discussed the potential impacts of the project upon forest resources.

Request: Please provide the following information.

- a) Does the GNWT have any direct control over Paramount's timber cutting activities, such as through a permit or license, or does the GNWT have to rely on other organizations such as the MVLWB and the NEB? Is there any financial charge to Paramount for the cutting of timber given that a portion of the allowable harvest is being lost to this project? What rights does Paramount have respect to the use of cut timber?
- b) Does the GNWT (or the MVLWB or the NEB) have the authority to require Paramount to conduct tree planting to expedite the revegetation of the seismic lines? If yes, please provide a description of the tree planting program that would be appropriate for this project.