



ENVIRONMENTAL IMPACT SCREENING COMMITTEE

FAXED
NOV 3 03

3 November 2003

Submission Number: 09/03-03



Alan Wong
EnCana Corporation
150 9th Avenue SW
Calgary AB T2P 3S5

COPY	
BOARD	1/1
G.W.	1/1
E.A.	1/1
RES.	ORIG
FILE	1797

Mr. Wong:

RE: EnCana Corporation (Wong), Burnt Lake Drilling Program, Winter 2004

During a meeting held 29-31 October 2003, the Environmental Impact Screening Committee (EISC) screened the above-noted project description. Based on the information provided, the EISC decided that the development will have no significant negative impact on the environment or Inuvialuit wildlife harvesting in the Inuvialuit Settlement Region [IFA Section 11.(13)(a)]. A copy of the decision has been attached.

Subject to a final decision by the licensing or permitting authority, the issuance of appropriate permits and approvals may proceed.

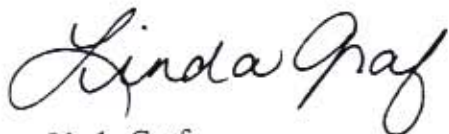
The EISC thanks you for clarifying several points during your presentation, in particular that EnCana:

- will only drill target N16 and not the other two locations identified in the project description;
- will not discharge treated wastewater into a sump. (The EISC had informed you that it had not been provided with a design for such a sump for examination.); and
- will work with the Department of Wildlife, Resources, and Economic Development to determine grizzly bear denning sites within the program area prior to the commencement of work.

Correspondence about your proposed development was received from the Aklavik Hunters and Trappers Committee, the Wildlife Management Advisory Committee (NWT), the Fisheries Joint Management Committee, Environment Canada, the Department of Fisheries and Oceans, and Parks Canada. Their letters have been attached for your information and for the consideration of the regulatory agencies.

The EISC would appreciate receiving a copy of any follow-up reports that may be produced as a result of this development.

Sincerely,



Linda Graf
Secretary

cc: Terry Baker, NEB, Calgary
Richard Binder, Inuvik HTC
Rudy Cockney, DIAND, Inuvik
Shannon Pagotto, Water Resources, DIAND, Yellowknife
Evelyn Storr, Aklavik HTC
Paul Voudrach, Tuktoyaktuk HTC
Gordon Wray, N.W.T. Water Board, Yellowknife

Encl. (7) EISC Decision
Letter from DFO, dated 8 October 2003
Letter from the Aklavik HTC, dated 16 October 2003
Letter from WMAC(NWT), dated 24 October 2003
Letter from Parks Canada, dated 24 October 2003
Letter from FJMC, dated 27 October 2003
Letter from Environment Canada, dated 28 October 2003



ENVIRONMENTAL IMPACT SCREENING COMMITTEE

SUBMISSION NUMBER:09/03-03

NAME OF PROPONENT: EnCana Corporation, Alan Wong

PROJECT DESCRIPTION: *Proposed Burnt Lake Drilling Program, Winter 2004*

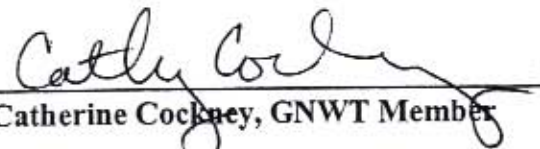
DECISION OF THE SCREENING PANEL (circled):

- ① The development will have no such significant negative impact and may proceed without further environmental impact assessment and review under the Inuvialuit Final Agreement. [IFA s. 11. (13) (a)]
2. The development could have significant negative environmental impact and is subject to assessment and review under the Inuvialuit Final Agreement. [IFA s. 11. (13) (b)]
3. The development proposal has deficiencies of a nature that warrant a termination of its consideration and the submission of another project description. [IFA s. 11. (13) (c)]

Signed on the 30 day of OCTOBER, 2003.


William Klassen, Chair


Johnny Lennie, Canada Member



Catherine Cockney, GNWT Member

Randy Lamb, YTG Member


Billy Day, Inuvialuit Member


Alex Kaglik, Inuvialuit Member

Vacant, Inuvialuit Member

 Environment Canada
 Environnement Canada
 Environmental Protection Branch
 Suite 301, 5204 - 50th Avenue
 Yellowknife, NT X1A 1E2
 tel: (867) 669-4700

October 28, 2003

Our File: 4709 002 001

R.A. Cockney
 Indian and Northern Affairs Canada
 North Mackenzie District
 P.O. Box 2100
 Inuvik, NT X0E 0T0
 Fax: (867) 777-2090

Mieke Vander Valk
 National Energy Board
 444 7th Ave. SW
 Calgary, Alberta T2P 0X8
 Fax: (403) 292-5876

Linda Graf
 Environmental Impact Screening Committee
 P.O. Box 2120
 Inuvik, NT X0E 0T0
 Fax: (867) 777-2610

Sarah Aho
 Northwest Territories Water
 Board
 P.O. Box 1500,
 Yellowknife, NT, X1A 2R3
 Fax: (867) 669-2716

Re: Land Use Permit N2003A0035 / EISC 09/03-07 & Type B Water Licence Application N7-1-1797 – EnCana Corporation – Burnt Lake Drilling Program, Winter 2004 – Richards Island, Mackenzie Delta region, NT.

On behalf of Environment Canada, I have reviewed the information provided in support of the proposed Burnt Lake Drilling program. It is the determination of Environment Canada that there is insufficient information to provide a complete review of the proposed drilling program.

The proponent has failed to provide the following information for review:

Section 5.4.3 Drilling Waste Disposal

"Initial field assessment indicated two locations were identified as good potential locations for sumps".

1. What criterion is used to determine a good location?

"A Technical Advisory Group has been established through the Environmental Studies Research Fund to identify best practices for drilling waste disposal. Sump assessment and plans for construction and monitoring have tried to adhere to the practices currently being discussed by the group".

2. What practices referred to are being adhered to?

Section 5.4.4 Sump Construction

"Tests of the drilling waste will be completed at the sump prior to restoration to confirm chemical composition of the waste and to confirm it is thoroughly frozen".



"Inuvik" Project File No. 4709002001



3. The above statement discusses the state of the waste at the time of disposal but no information is provided regarding the long-term state of the waste, specifically what are the proponent's long-term thermal expectations for the waste? Will the waste remain frozen and for how long?
4. What is the waste containment mechanism? Is the waste to remain frozen or is permeability of the surrounding material being utilized and relied upon? The proponent has not provided information regarding permeability of surrounding soils, thermal regime, and anticipated waste thermal characteristics.

Section 4.4.5 Sump Restoration and Monitoring

"The sump will be monitored annually for three years after program completion. Should monitoring indicate drilling fluids may be migrating out of the sump, or if the sump integrity appears compromised, a restoration and reclamation plan will be developed in conjunction with the Inspector".

5. What is the restoration and reclamation plan if the integrity appears compromised within three years or beyond? It is not sufficient for the proponent to say it will be supplied when needed.

Section 8 Alternatives

"The Pembina Institute for Appropriate Development recently completed a qualitative and quantitative life-cycle value assessment of drilling waste management options in the Mackenzie Delta for the Mackenzie Delta partnership. The study found that the sump and cap option outperformed most other waste management options currently available in the Mackenzie Delta".

6. The study is missing from the proposal. What other options have been considered? What other waste management options did the sump cap option not outperform?

Mackenzie Delta Emergency Response Plan

7. To ensure proper spill preparedness, a spill contingency plan should identify key personnel contact numbers and their responsibilities for responding to spills. This specific information was not available in EnCana's Mackenzie Delta Emergency Response Plan.

Section 7.0 (page 2 of 7) Cleanup Priorities

8. EnCana's contingency plan did not include the appropriate clean-up and disposal procedures for Oil/Chemical releases into the environment. Plans should include locations of disposal sites approved to accept wastes and means of storage prior to disposal. In the event of a spill, the regulator is there to ensure clean-up and disposal occurs, not to direct the spill response.

Section 7.0 (page 7 of 8) Emergency Response Plan; the NWT/NU Immediately Reportable Quantities

9. The NWT/NU Immediately Reportable Quantities section is misleading. The 24 hour Spill Line is presently used for the reporting of all spills in the NWT/NU, all accidental and imminent accidental releases as required by the TDGA regulations August 15, 2002 and all occurrences of a deposit out of the normal course of events of a deleterious substance pursuant to the Metal Mining Effluent Regulations December 6, 2002.

The foregoing supplemental information is required for Environment Canada to complete this review. I can be contacted at (867) 669-4736 (e-mail at wade.romanko@ec.gc.ca) for any questions or comments.

Yours truly,

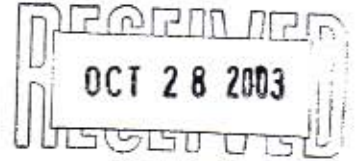


Wade Romanko
Environmental Emergencies and Assessment Officer
Environmental Protection Branch - Northern Division

**FISHERIES JOINT
MANAGEMENT COMMITTEE**

October 27th, 2003

Bill Klassen, Chair
Environmental Impact Screening Committee
Box 2120
Inuvik, NT
X0E 0T0



Dear Mr. Klassen:

Re: Comments on EnCana Corporation (Wong), *Burnt Lake Drilling Program, Winter 2004* [09/03-03]

During a teleconference on October 23rd, 2003, members of the Fisheries Joint Management Committee had the opportunity to discuss the EnCana Corporation (Wong), *Burnt Lake Drilling Program, Winter 2004* [09/03-03] submission.

Provided that the project is carried out as described, following the DFO Protocols for Water Withdrawal for Oil & Gas Activities in the NWT, Winter Access Water Crossings for Oil & Gas Activities in the NWT, and Freshwater Intake End-of-Pipe Fish Screen Guidelines, we have no significant concerns.

The Committee still has concerns relating to leakage and/or failure of sumps and the possible future effects on fish and fish habitat, particularly in an area potentially inundated by yearly floods. The Committee realizes that at the present time, sump containment is the most widely used option for drilling waste disposal in the delta, but members hope that industry and regulatory agencies continue to explore alternatives to their use.

On behalf of the Committee, thank you for giving the FJMC this opportunity to comment on this submission.

Sincerely,

Robert K. Bell
Chairman

cc: Frank Pokiak, IGC; Norm Snow, JS; Paul Voudrach, THTC

October 24, 2003

Western Arctic Field Unit
Box 1840
Inuvik, NT
X0E 0T0

Terry Baker
Chief Conservation Officer
National Energy Board
444 Seventh Avenue SW
Calgary, AB
T2P 0X8

Via Email: tbaker@neb-one.gc.ca

RE: EnCana Corporations's Proposed Burnt Lake Drilling Program, Winter 2004 - Parks Canada Comments

Parks Canada, Western Arctic Field Unit has received the CEAA Notification & Scope materials with respect to EnCana Corporation's proposed Burnt Lake Drilling Program scheduled for Winter 2004. This letter is to advise that Parks Canada has reviewed this proposal in their capacity as a **federal authority** under the Canadian Environmental Assessment Act (CEAA) and has no specific concerns with EnCana's proposal.

In the Western Arctic, Parks Canada Agency is responsible for protecting the ecological and cultural integrity of 3 National Parks and the Pingo Canadian Landmark. As an Agency we strive to manage these parks and sites using a holistic ecosystem approach that recognizes these protected areas are not immune from impacts of development and management decisions that occur outside of our boundaries. Pursuant to Section 3.2.14 of our Guiding Principles & Operational Policies (Canadian Heritage, 1994), Parks Canada will participate in environmental assessments for proposed developments outside its national parks and sites that may affect the integrity of those sites. With this in mind we offer a few general comments for consideration.

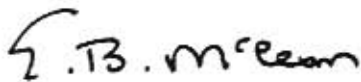
- Drilling waste disposal and the use of in-ground sumps. We welcome the work of the Sump Technical Advisory Group established through the Environmental Studies Research Fund to identify best practices for drilling waste disposal and, once guidelines are in place, strongly encourage companies like EnCana Corporation to explore and adopt alternatives to the traditional in-ground "permafrost" sump to dispose of their drilling waste.

.../2

- **Assessing long-term cumulative impacts** of accelerating hydrocarbon development on natural and cultural resources within the region. Proponents and regulators continue to grapple with this issue and lack the tools to adequately assess and address cumulative impacts of these activities. We applaud the efforts of the multi-agency NWT CEAM Steering Committee currently involved in the development of a cumulative effects assessment & management strategy / framework for the Mackenzie Valley and Beaufort-Delta and look forward to its implementation in the near future.

Thank you for providing Parks Canada with this opportunity to comment on EnCana Corporation's proposed winter drilling program.

Regards,

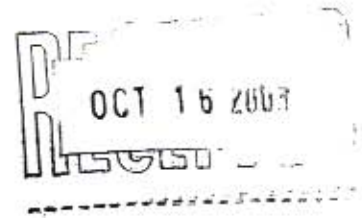
Handwritten signature of Ed McLean in black ink.

Ed McLean
Acting Chief of Resource Conservation
(867) 777-8818

cc Alan Fehr- Parks Canada, Western Arctic
Suzanne Richards- Parks Canada, Environmental Science & Assessment
Linda Graf- Environmental Impact Screening Committee
Rudy Cockney- Indian & Northern Affairs, North Mackenzie
Peter Cott- Fisheries & Oceans, Western Arctic



AKLAVIK HUNTERS & TRAPPERS COMMITTEE
P.O. BOX 133
AKLAVIK, NT X0E 0A0
Phone: (867) 978-2723
Fax: (867) 978-2815



October 16, 2003

Linda Graf
EISC
P.O. Box 2120
Inuvik, N.W.T.
X0E 0T0

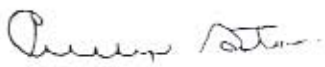
Dear Ms. Graf,

The Hunters and Trappers Committee held a regular meeting on October 9, 2003 and the following projects were discussed:

- * **EnCana Drilling Project** - concern with the burnt gas (flare) and its possible effects on humans and wildlife - how clean is the gas?
- * **Chevron Canada Resources (Hansen), Taktuk 3D Seismic Program** - There were no additional comments or concerns at this time.
- * **A. Albert & D. Tingmiak (Albert), 107/11-16-1, Hunting and Fishing Cabin, River NE of Napoiak Channel Mackenzie Delta** - There were no additional comments or concerns at this time.
- * **Parks Canada (Larsen), Designation of Babbage River Airstrip** - (1) Designation of airstrip is an opening to an influx of tourist, (2) Parks have to ensure the flights are monitored, (3) Caribou migration in area, (4) Monitor type of equipment brought in i.e. 4 wheelers. Parks will be invited to a meeting for clarification on the above.
- * **Imperial Oil Resources (Grout), Mackenzie Gas Project Preliminary Information Package** - The board felt that at this time they are not in a position to comment.

If you have any questions or need clarification on any of the items above please do not hesitate to contact the office at (867) 978 - 2723 or write to the above address.

Regards,


Evelyn Storr
President



Fisheries
and Oceans

Pêches
et Océans

Fish Habitat Management
P.O. Box 1871
Inuvik, Northwest Territories
X0E 0T0

Your file *Votre référence*

Our file *Notre référence*
SC03075

October 8, 2003

Attention: Distribution List

**RE: EnCana Burnt Lake Winter 2004 Exploratory Drilling Program,
Richard's Island, NT- Comment for Environmental Assessment**

The Department of Fisheries and Oceans, Fish Habitat Management – Western Arctic Area (DFO) has reviewed the above-mentioned application. DFO's assessment takes into consideration primarily fish and fish habitat related concerns.

Any concerns, comments or mitigation measures that DFO feels are pertinent to the above mentioned project are outlined in the following letter of advice, addressed to the proponent. The content of this letter also constitutes DFO advice to be used in the screening of this project as required under applicable environmental assessment legislation and land claims agreements or in the preparation of permits or licences.

If you have any questions, please contact Pete Cott (867) 777-7520 or myself at (867) 777-7521.

Kathleen Simms
Habitat Biologist
Fish Habitat Management
Department of Fisheries and Oceans- Western Arctic Area

- Copy:
- Pete Cott, Area Habitat Biologist - DFO
 - Mark Simms, Fishery Officer - DFO
 - John Korec, Laura Van Ham -NEB
 - Linda Graf - EISC
 - Rudy Cockney - INAC
 - Brian Collins - INAC
 - James Thorbourne - ILA
 - Kevin Bill -FJMC
 - Mike Fournier - EC

Fisheries
and OceansPêches
et OcéansFish Habitat Management
Suite 101, 5204-50th Avenue
Yellowknife, Northwest
Territories
X1A 1E2Your file *Votre référence*Our file *Notre référence*

SC03075

October 8, 2003

EnCana Corporation
150 9th Ave. SW
Calgary, AB
T2P 2S5Attention: Alan Wong**RE: EnCana Burnt Lake Winter 2004 Exploratory Drilling Program, Richard's Island, NT- DFO Letter of Advice**

Dear Mr. Wong:

The Department of Fisheries and Oceans, Fish Habitat Management – Western Arctic Area (DFO) received the project description for the above mentioned program. The review focused primarily on fish and fish habitat concerns but also speaks to the project proposal in general and is intended to fulfil DFO's responsibilities under the *Inuvialuit Final Agreement* and the *Canadian Environmental Assessment Act* (CEAA). This letter is to advise that I have reviewed the proposal and am providing the following Letter of Advice on behalf of DFO.

It is my understanding from the information provided that:

- The proposed program involves drilling one exploratory well from three potential locations on Richards Island.
- The three possible well site locations are: N16 at UTM 526727 and 7702617, K16 at UTM at 526920 and 7702017, and D16 at UTM 526555 and 7701176.
- Access to the wellsite will be overland from Inuvik to Tuktoyaktuk via the ice road and then over large lakes and channels with limited overland sections.
- Construction crews will be based at the Arctic Star barge camp.
- Equipment will be staged with the Arctic Star barge and two other barges in the fall.
- An airstrip will be constructed on a lake adjacent to the drilling location.
- Water withdrawal will occur from Lakes 1, 4, 5 and Nesbitt Lake. These lakes meet the DFO maximum depth criteria as per the *DFO Protocol for Water Withdrawal for Oil & Gas Activities in the Northwest Territories*.

- Maximum daily water withdrawal will be approximately 1800 m³.
- Drilling waste will be disposed of in a sump in the vicinity of the wellsite. **Please note: DFO encourages alternate methods and technologies for drilling waste disposal over the usage of sumps.**
- Wastewater from the rig camp will be treated using a Filterboxx system and will be discharged to the land.

Since the proposed work will occur on and/or near waterbodies in the Mackenzie River Delta, I have concluded that the proposed work may result in the harmful alteration, disruption or destruction of fish habitat. The following mitigation measures, if implemented, should prevent any potentially harmful impacts to fish and fish habitat. This list includes measures outlined in the proposal.

- No work should occur within areas zoned 1A under the *Beluga Management Plan*.
- Access routes should follow existing trails, winter roads or cut lines where possible to minimize unnecessary clearing of vegetation and soil compaction. Every effort should be made to retain riparian vegetation as it is critical for the protection of littoral and riparian fish habitats as well as for providing cover and enhancing bank stability.
- Water intakes should be properly screened with **fine mesh of 2.54 mm (1/10")** to prevent the entrainment of fish. Please refer to the *Freshwater Intake End-of-Pipe Fish Screen Guideline* (DFO, 1995) which is available upon request.
- "Mushroom shoes", or "boots" on bladed vehicles are recommended as a protective measure to minimize ground disturbance and erosion due to snow plowing and grading activity.
- The number of winter crossings should be reduced as much as possible. Crossing locations should be selected that would require the least amount of snowfill and water to construct.
- Cutting of crossing approaches is not permitted unless approved in writing by DFO. Please refer to the *DFO Protocol for Temporary Winter Access Water Crossings for Oil & Gas Activities in the Northwest Territories*.

Note: The use of material other than ice or snow to construct a temporary crossing-over of any ice-covered stream is prohibited under Section 11 of the *Northwest Territories Fishery Regulations*, unless authorized by a Fishery Officer.

- Winter crossings should not impede water flow and should be v-notched or otherwise removed prior to spring break-up.
- Reclamation activities should include bank stabilization and re-vegetation as required. This work should be completed prior to spring thaw when surface runoff is greatest.

Depositing deleterious substances into fish bearing waters is prohibited as stated under subsection 36(3) of the *Fisheries Act*. The following additional mitigation measures are intended to prevent the deposition of deleterious substances and possible habitat disturbance or loss:

- All activities including maintenance procedures and vehicular refuelling should be controlled to prevent the entry of petroleum products, debris, slash, rubble, concrete or other deleterious substances into the water.
- All wastes should be located at least 100 metres from any water body including ephemeral drainages if possible, and be sufficiently bermed or otherwise contained to ensure that these substances do not enter any waterbody.
- Fuel storage should have secondary containment (such as doubled walled tanks, berms etc.) that is sufficient to ensure that fuel will not be able to enter any waterbody.
- No material should be left on the ice when there is the potential for that material to enter the water (i.e. spring break-up).
- A spill contingency plan should be made available to all persons required to work on site and followed in the event of a spill.
- All spills of oil, fuel, or other deleterious material should be reported immediately to the 24-Hour Spill Line at (867) 920-8130.

If the proposed work is carried out as described in the plans provided to DFO and mitigation measures are implemented as required, the proposed work will not be considered as contravening subsection 35(1) of the *Fisheries Act* which reads:

"No person shall carry on any work or undertaking that results in the harmful alteration, disruption or destruction of fish habitat."

Therefore, an Authorization under subsection 35(2) of the *Fisheries Act* will not be necessary. If the harmful alteration, disruption or destruction of fish habitat and/or the deposition of deleterious substances into fish bearing waters occurs as a result of an unapproved change in the plans for the proposed works or failure to implement the necessary mitigative measures specified above, prosecution under subsection 35(1) and/or subsection 36(3) of the *Fisheries Act* may be initiated.

Please note that this Letter of Advice does not release the proponent of the responsibility for obtaining any permits or licences that may be required.

This Letter of Advice should be kept on site during any work in or around water and be understood by staff working at the site.

IMPORTANT NOTE: CEEA is based on the principle of giving the public an opportunity to participate in the environmental assessment process and to provide convenient access to information related to environmental assessments by establishing a public registry for each project. To this end, information provided by you related to the environmental assessment for this project will be

part of the CEAA Public Registry and will be made available to members of the public, if requested. It is possible that information contained within a record that you provide could be excluded from being put on the Public Registry; however, information will only be excluded if it meets specific criteria as set out in Section 55(4)(b) and (c) of CEAA. If you wish to have any information that you provide to us considered for exclusion from the Public Registry, you must clearly identify the information and submit your rationale in writing.

If you have any questions, please contact me at (867) 777-7521 or Pete Cott at (867) 777-7520.



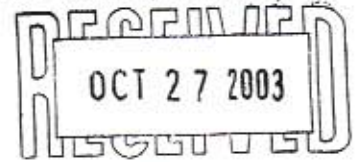
Kathleen Simms
Habitat Biologist
Fish Habitat Management
Department of Fisheries and Oceans- Western Arctic

Copy:

Pete Cott, Area Habitat Biologist - DFO
Mark Simms, Fishery Officer - DFO
Linda Graf- EISC
Sarah Aho- DIAND, Water Resources
R.A. Cockney- DIAND, Land Administration
Kevin Bill- FJMC
James Thorbourne- ILA
John Korec - NEB
Mike Fournier - EC



WILDLIFE MANAGEMENT ADVISORY COUNCIL (N.W.T.)



Bill Klassen, Chair
Environmental Impact Screening Committee
Box 2120
Inuvik, NT X0E 0T0

24 October 2003

RE: EnCana Corporation (Wong), Burnt Lake Drilling Program, Winter 2004 [09/03-03]

Dear Bill,

The Chair and Resource Person have reviewed the above listed submission and have the following comments:

- the project description states that tracked equipment will not be allowed on the tundra without a minimum of 10cm of snow cover (page 6). We believe DIAND lists 20cm in their guidelines. Most proponents use a minimum of 15cm of snow cover, particularly for access routes that will have multiple passes by vehicles and hauling of heavy equipment. Snow cover reduces compaction and vegetation damage;
- how long will the sump be fenced (page 43)?;
- the cumulative effects section lacks discussion of air quality effects from the project from X number of vehicles and equipment running 24 hours a days for X number of days and emissions from flaring. In addition, the date that land parcels were leased for oil and gas exploration is public knowledge, so based on the requirement to put in one well in the first five years of the lease, the likelihood of a well being drilled on adjacent leases in the same year as this program could be determined and assessed as part of the cumulative effects assessment;
- since this seismic program is within several Community Conservation Plan sites related to waterfowl habitat and harvesting, we recommend that the proponent speak with the Canadian Wildlife Service (CWS) regarding recent research. The CWS conducted research in 2002 and 2003 on the effects of seismic on birds in the Kendall Island Bird Sanctuary and is supporting a Masters student doing research (2001-2003) on Tundra Swans, comparing oil and gas development with non-development areas;

Page 1 of 2

- we are pleased to read that a barge camp will be used for construction crews to reduce the on-land impacts and, where possible the proponent will be using existing seismic trails and accesses from the 2001-2003 seasons (page 6), although this may create vegetation compaction issues with repeated passes by vehicles year after year; and
- the proponent appears to have done a thorough study of potential sump site locations and best practices in order to design and operate a well-functioning sump.

Thank you for providing us with the opportunity to comment.

Sincerely,



Larry Carpenter
Chair, WMAC (NWT)

- cc. Frank Pokiak, Chair, Inuvialuit Game Council
Evelyn Storr, President, Aklavik Hunters & Trappers Committee
Richard Binder, President, Inuvik Hunters & Trappers Committee
Paul Voudrach, President, Tuktoyaktuk Hunters & Trappers Committee
Robin Fonger, Hunters & Trappers Committees' Technical Resource Person, JS