



Inuvialuit Environmental Inc.

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Our File: 711-00
Via Courier

October 19, 2000

Northwest Territories Water Board
P.O. Box 1500
Yellowknife, NWT
X1A 2R3

Attention: Mr. Gordon Wray
Chairman, Northwest Territories Water Board

Dear Mr. Wray:

Re: Proposed Arctic Oil & Gas Inc. Lucas Point Base Camp

Please find enclosed twenty (20) copies of the Project Description, a *Schedule III -- Application for Licence, Amendment of Licence, or Renewal of Licence* and *The Onshore Oil and Gas Exploration Drilling Questionnaire for Water Licence Application* applications as well as the fee payments (\$30.00 application fee and \$30.00 water usage fee) for the above-captioned project.

If you have any questions or comments, please do not hesitate to contact me at the above noted address, by phone at (403)291-0777, by e-mail at eradley@sorel.ca, or via fax at (403)291-1150.

Thank you.

Sincerely,

INUVIALUIT ENVIRONMENTAL INC.

Erin Bradley
Project Manager

cc. Jim Guthrie, President, Arctic Oil & Gas Services Inc.



Schedule III
(Subsection 6(1))

APPLICATION FOR LICENCE, AMENDMENT OF LICENCE, OR RENEWAL OF LICENCE

APPLICATION/LICENCE NO:
(amendment or renewal only)

1. Name and Mailing Address of Applicant

Arctic Oil & Gas Services Inc.
P.O. Box 2600
Inuvik, NWT X0E 0T0

Telephone: (867) 777-8701

Fax: (867) 777-8710

2. Address of Head office in Canada if incorporated

Same as previous.

Telephone:

Fax:

3. Location of Undertaking (describe and attach a map, indicating watercourses and location of any proposed waste deposits)

Lucas Point, NWT, on the east side of the East Channel of the Mackenzie River. Refer to Project Description.

Latitude 69°03'45" N

Longitude 134°35'00" W

4. Description of Undertaking (describe and attach plans)

Arctic Oil & Gas Services (AOGS) is proposing to lease Lucas Point in the Mackenzie River Delta, to be utilized as a base camp by Chevron Canada Resources (Chevron) for its operations in the region. Refer to Project Description for further details.

5. Type of Undertaking

1. Industrial _____

2. Mining and milling _____

3. Municipal X

4. Power _____

5. Agriculture _____

6. Conservation _____

7. Recreation _____

8. Miscellaneous (describe) _____

6. Water Use

To obtain water _____

To cross a watercourse _____

To modify the bed or bank of a watercourse _____

X

Flood Control _____

To divert water _____

To alter the flow of, or store, water _____

Other (describe) _____

7. Quantity of Water Involved (litres per second, litres per day or cubic metres per year, including both quantity to be used and quality to be returned to source)

Not more than 20.817.5 litres/day, to be obtained from the Mackenzie River (East Channel). Discharged water will meet the criteria set by the *Guidelines for the Discharge of Treated Municipal Wastewater in the Northwest Territories*. Refer to Project Description for further details.

SCHEDULE III - Concluded

APPLICATION FOR LICENCE, AMENDMENT OF LICENCE, OR RENEWAL OF LICENCE - Concluded

8. Waste Deposited (quantity, quality, treatment and disposal)

Eco Tech Water Systems Ltd. will provide water and sewage treatment facilities. The wastewater plant includes an integral primary settling tank/sludge storage tank, biological treatment zone and a final settling tank with a sludge/scum removal pump. Discharged water will meet the criteria set by the Guidelines for the Discharge of Treated Municipal Wastewater in the Northwest Territories. Refer to Project Description for further details.

9. Other Persons or Properties Affected By This Undertaking (give name, mailing address and location; attach list if necessary)

Cabin owners in the vicinity of the camp will be contacted prior to operation commencement. Cabin owners will be determined through regional Hunters and Trappers Committees. Community consultations were conducted. Refer to attached Project Description.

10. Predicted Environmental Impacts of Undertaking and Proposed Mitigation

Refer to attached Project Description.

11. Contractor and Sub-Contractors (names, addresses and functions)

Most contractors will be determined when the work goes to bid in Spring 2001. Contractors that have been determined are as follows:

	Inuvialuit Company
Supply Camp	PTI, ATCO, or Nordgate
Supply, Install Water and Sewage Plants	Eco Tech
Warehouse/shop/boiler and generator facilities	Dowland
Supply generators	Caterpillar
Marine Transportation from Hay River	NTCL
Groceries and Camp Supplies	Stanton Distributing

12. Studies Undertaken to Date (attach list if necessary)

Enhanced Phase I Environmental Site Assessment was conducted for Lucas Point by Inuvialuit Environmental Inc. in October 2000.

13. Proposed Time Schedule

Refer to attached project description.

Start date February/March 2001 Completion date February-March of 2002 or 2003

Mike Walsh
NAME (Print)

Vice-President
TITLE (Print)

Michael Walsh October 18/00
SIGNATURE DATE

FOR OFFICE USE ONLY

APPLICATION FEE	Amount: \$ _____	Receipt No.: _____
WATER USE DEPOSIT	Amount: \$ _____	Receipt No.: _____