

Schedule III
(Subsection 6(1))

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

APPLICATION/LICENCE NO:

<p>1. Name and Mailing Address of Applicant</p> <p>Petro-Canada 150 6th Avenue SW Calgary AB T2P 3E3 Attn. Don Thompson, Logistics Superintendent, Drilling</p> <p>Telephone: <u>403-296-6799</u> Fax: <u>403-296-3740</u></p>	<p>2. Address of Head office in Canada if incorporated As at left.</p> <p>Telephone: _____ Fax: _____</p>
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SCHEDULE III – Continued

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

6. Water Use

To obtain water	<u> X </u>	Flood Control	<u> </u>
To cross a watercourse	<u> </u>	To divert water	<u> </u>
To modify the bed or bank of a watercourse	<u> </u>	To alter the flow of, or store, water	<u> </u>
Other (describe) <u> To discharge treated wastewater </u>			

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)

The construction phase may at times require large volumes of water for flooding ice roads and ice pads, with anticipated withdrawal volumes of up to 400m³ per day for approximately 20 days for each of the mobilization/demobilization periods. Water will be withdrawn from the river that the access is located on, or where the access last meets the river for land construction. The drilling rig will require water for the mud system and cementing operations, plus small quantities for routine activities. Quantities are typically less than 50m³ per day and may infrequently be as high as 200m³ in one day. The rig camp use is fairly uniform at less than 50m³ per day. Water required for drilling operations and camp uses will be drawn from a larger nearby lake of adequate size to ensure that drawdown rates are minimized.

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

Drilling Waste Disposal

Petro-Canada has incorporated techniques into the drilling process designed to minimize the volume of waste. Centrifuges are used to help use the mud systems for longer periods of time, and a mud cooler is used to help minimize hole size and reduce the volume of the active mud system.

Although aboveground storage of the waste fluid is planned for the drilling location, approval is being sought for either aboveground storage of drilling waste, or a traditional excavated sump. Approval for a traditional sump is an operational alternative being proposed as aboveground storage that is not commonly used and is still being studied for an appropriate engineering design. For this reason, Petro-Canada is seeking approval for a traditional sump, should it be required, as a contingency measure pending further studies. Should aboveground storage be used, a preferentially located remote sump will be required for the stored fluids. Subsequent to regulatory approval, this sump would be located at Swimming Point. Please refer to Section 4.3.6 of the attached project description for additional information.

Wastewater Disposal

It is Petro-Canada's intent to treat all wastewater to a level that it is safe for discharge to the ground surface. Wastewater from the rig camp will be treated using an Eco-Tech treatment system. The Eco-Tech system was also used last year, however, learnings from last year were used to make improvements such as an added primary holding tank, an added grease trap, as well as other adjustments to the wastewater treatment system.

As an operational alternative to treatment and discharge of wastewater to the land surface, a sump would be used. A 15 m x 30 m sump, 5 m deep with a 10 m perimeter for spoil pile would be utilized. The size of the sump required is based on length of stay at the location.

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

N/A

10. Predicted Environmental Impacts of Undertaking and Proposed Mitigation

Please refer to Section 12.0 of the attached project description.

SCHEDULE III – *Concluded*

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

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

Inuvialuit Environmental & Geotechnical (IEG) (Environmental Consultant)
1338R – 36th Avenue N.E.
Calgary, AB
T2E 6T6

Akita-Equtak Drilling
P.O. Box 2637
Suite 104, 107 Mackenzie Road
Inuvik, NT X0E 0T0

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

IEG (formerly Inuvialuit Environmental Inc.) prepared a previous environmental assessment for Petro-Canada's Mackenzie Delta Kurk and Kugpik Winter 2000/2001 Seismic Programs and for the Petro-Canada Winter 2000/2001 Drilling Program. The Project Descriptions are on file with the EISC and NEB. Several assessments written for past developments within the vicinity of the project area were previously approved, and a number of environmental assessments for proposed projects within the vicinity of the project area will be submitted for approval.

13. Proposed Time Schedule

**Project Activity
Estimated Time Frame**

Planning
Ongoing

Ice Access and Lease Construction
February 2002 – March 2002

Mobilization
March - April 2002

Camp Set-up
April 2002

Well Drilling
Spring/Summer/Fall 2002

Testing and Suspension
Fall/Winter 2002

Drilling rig release and demobilization
Winter 2003

Final Clean-up
Dependant upon ice conditions.

* Time lines given in the above table are approximate and subject to change depending upon variables such as weather or ice thickness on proposed routes of travel.

Start date February 2002 Completion date April 2003

 JOHN P. KERKHOVEN
 SUPERVISOR, SURFACE LAND
 AND COMMUNITY AFFAIRS
 WESTERN CANADA EXPLORATION
 AND OPERATIONS
 NAME SIGNATURE DATE Sept 4/02

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APPLICATION FEE	Amount: \$ <u>30.00</u>	Receipt No.: _____
WATER USE DEPOSIT	Amount: \$ _____	Receipt No.: _____