

Schedule III
(Subsection 6(1))

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

APPLICATION/LICENCE NO:
Water Licence # N7L1-1776

1. Name and Mailing Address of Applicant

Petro-Canada
150 6th Avenue SW
Calgary AB T2P 3E3
Attn. Don Thompson, Logistics Superintendent, Drilling

Telephone: 403-296-6799 Fax: 403-296-3740

2. Address of Head office in Canada if incorporated

As noted.

Telephone: _____ Fax: _____

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

Petro-Canada Kugpik L-46 Summer Well. Please refer to the attached figure.

Latitude 68°55'41.750"

Longitude 135°27'12.960"

4. Description of Undertaking (describe and attach plans)

Due to difficulties with the Eco-Tech treatment system, Petro-Canada is applying for an emergency amendment to Water Licence N7L1-1776 to allow for discharge to the Mackenzie River (Reindeer Channel). The current water licence (N7L1-1776) specifies disposal to land.

5. Type of Undertaking

- | | | | | | |
|-----------------------------|----------|----------------|-------|-----------------|-------|
| 1. Industrial | <u>X</u> | 4. Power | _____ | 6. Conservation | _____ |
| 2. Mining and milling | _____ | 5. Agriculture | _____ | 7. Recreation | _____ |
| 3. Municipal | _____ | | | | |
| 8. Miscellaneous (describe) | _____ | | | | |

6. Water Use

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

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

To remain as per existing water licence N7L1-1776.

SCHEDULE III – Continued

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

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

Sewage from the rig camp has been treated using an Eco-Tech treatment system, however technical difficulties have been experienced with the unit resulting in wastewater not meeting the criteria for land disposal. Therefore, the wastewater has been discharged to a sump to be held until it meets criteria. Due to seasonal constraints the sump will have to be closed very shortly. Petro-Canada is requesting an emergency amendment to water licence N7L1-1776 to allow for discharge to the Mackenzie River.

Sewage discharged to the Mackenzie River (Reindeer Channel) will meet the criteria within the *Guidelines for the Discharge of Treated Municipal Wastewater in the Northwest Territories* for discharge to a river during summer. Wastewater will continue to be treated using the Eco-Tech system (currently undergoing on-site modifications to improve performance) and a Clearwater backup system, which has been added for additional treatment.

It is estimated that the rig camp will produce 0.2 m³/person/24 hours (to a total of approximately 9.5 m³/24 hours).

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

Discharged sewage will meet the criteria of the *Guidelines for the Discharge of Treated Municipal Wastewater in the Northwest Territories* for disposal to a river. All other facets of the drilling operation and water licence will remain as per the original application. Therefore, no further environmental impacts are anticipated.

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 prepared the Project Description for Petro-Canada's Kugpik Summer 2002 Drilling Program, which was submitted to the Water Board in August 2001 to support the water licence application form.

13. Proposed Time Schedule

Project Activity	Estimated Time Frame
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Planning: Ongoing	
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Ice Access and Lease Construction: February 2002 - March 2002	
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Mobilization: March - April 2002	
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Camp Set-up: April 2002	
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Well Drilling: Spring/Summer/Fall 2002	
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Testing and Suspension: Fall/Winter 2002	
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Drilling rig release and demobilization: Winter 2003	
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Final Clean-up: Dependant upon ice conditions.	
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* 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

<u>OBE King</u>	<u>logistics Superintendent</u>	<u>D.B. Thompson</u>	<u>Apr 18/02</u>
NAME	TITLE	SIGNATURE	DATE

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