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Carley J. Hansen  
Community & Regulatory Affairs Advisor

March 30<sup>th</sup>, 2005

**ChevronTexaco**

Northwest Territories Water Board  
P.O. Box 1326  
2<sup>nd</sup> Floor Goga Cho Building  
Yellowknife, NT X1A 2N9  
**Attention: Executive Assistant**

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BOARD	6
G. W.	1
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Dear Sir or Madam:

**RE: 2004 Annual Report  
Type "B" Water Licence N7L1-1787 (effective Dec. 1, 2002)  
Langley Drilling Program, Exploration Licence 394  
Mackenzie Delta, Northwest Territories**

In compliance with Part B, Condition 1, of Water Licence N7L1-1787, Chevron Canada Resources ("Chevron") hereby submits the 2004 Annual Report update for the Langley Drilling Waste Sump. Chevron confirms that the Langley K-30 sump has been monitored as per Part H, Condition 2 of the Water Licence since the April 23<sup>rd</sup>, 2003.

On September 8<sup>th</sup>, 2004, the site was accessed by helicopter and subsurface temperature data was collected from the 5 existing thermistors. The drilling waste disposed in the Langley K-30 sump had salinity levels indicative of material that would freeze solid at an average temperature of -2 degrees Celsius. The permafrost temperature at 4.5 m ranged from -0.5 to -11.53 degrees Celsius throughout the year. Results indicated that the material within the sump has stayed in a frozen solid state since the summer of 2003.

On September 9<sup>th</sup>, 2004, the Langley K-30 sump underwent an environmental imaging (EI) investigation to detect and delineate possible subsurface ionic occurrences on site. Comparison of the 2004 fall survey and previous 2003 fall survey reveals similar conductivity trends and magnitudes within the sump area.

If you require any additional information please contact me at (403) 234-5311 or [cjhansen@chevrontexaco.com](mailto:cjhansen@chevrontexaco.com). For technical inquiries, please contact Brandis Arsenault at (403) 234-5185 or [b.arsenault@chevrontexaco.com](mailto:b.arsenault@chevrontexaco.com).

Sincerely,

**CHEVRON CANADA RESOURCES**

Carley Hansen  
Community and Regulatory Affairs Advisor

cc/att: INAC Water Resources Division/Sarah Aho  
INAC North Mackenzie District/Kevin Glowa  
BP Canada – Shannon Boonstra

