



INDUSTRIAL WATER LICENCE INSPECTION REPORT

DATE:	January 13, 2004	COMPANY REP:	Sam Mahood
LICENSEE:	EnCana Corporation	LICENCE #:	N7L1-1797

WATER SUPPLY – Figures 1-5 attached – Please note that these pictures are related to water use.

Source:	Mackenzie River, Nesbitt Lake, Lake 5, 4	Quantity Used:	See reports and below	Meter Rdg:	No meter. Monitor truck loads. See below.
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Indicate:	A - Acceptable	U - Unacceptable	N/A - Not Applicable	N/I - Not Inspected			
Intake Facilities	A	Storage Structures	A	Treatment Systems	N/A	Recycling	A
Flow Meas. Device	N/A	Conveyance Lines	N/A	Pumping Stations	A	Modifications	N/A

Concerns: No concerns at this time.

Notes:

- All water uptake was from various sources (see above) and as described in the Project Description
- At the time there were four (4) water trucks and three (3) delta machines (Figure 4).
- ILA monitor (Roland Kikoak) indicated that fish screens were being used.
- Inspected water use records were in good order. All water withdrawal (Figures 2-4) from all sources was well below 1800 m³/day. At the time of inspection total water withdrawal was ~3400, 4200 3000, 7500 m³ from the Mackenzie River, Nesbitt Lake, Lake five (5) and four (4) respectively. This information will be reported.
- Sam indicated that they were able to haul 10-17 loads (~15 m³/load) of water per day.

WASTE DISPOSAL – Figures 6 attached

Indicate:	A - Acceptable	U - Unacceptable	N/A - Not Applicable	N/I - Not Inspected				
Well Wastes:	Drilling Sump	A	Off-Site Removal	N/A	Downhole	N/A	Landspread	N/A
Sewage:	Sewage Treat.	N/A	Camp Sump	N/A	Nat. Water Body	N/A	Wetlands Treat.	N/A
	Continuous	N/A	Inter. Discharge	N/A				
Solid Waste:	Open Dump	N/A	Landfill	N/A	Burn & Bury	N/A	Underground	N/A

Discharge Quality	N/A	Conveyance Lines	N/A	Disch. Meas. Dev.	N/A	Freeboard	N/A
Decant Structures	N/A	Sump Treatment	N/A	Dams, Dykes	N/A	Seepages	N/A
Sump Liners	N/A	Runoff Diversion	N/A	Erosion	N/A	Spills	04-006 see below

Effluent Discharge Rate:	N/A	SNP Samples Collected:	The SNP program did not apply at the time of this inspection.
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Concerns:

1. No concerns at this time.

Notes:

- Original drill sump area, as described in the Project Description, was deemed unsuitable due to large amounts of ice lenses discovered during test drilling. A new location (Figure 6) was chosen. **The new location was approved via Part D, section (7, 8, 10, 11) by this office** and was based on favorable topography, the distance (> 100 m) from water bodies, the low permeability of the Parent Geological Material (PGM), and that no additional land disturbance was required for access due to its location along the access route.
- During the inspection a geotechnical assessment was being conducted at the site to determine the suitability of the location (Figure 6). It is my understanding that EBA Engineering is currently conducting this assessment and a report will be available as soon as possible.
- Furthermore to assess the nature/permeability of the PGM of the new drill sump location a grab sample was collected from one of the bore holes and texturally classified. The result of the classification indicated that the PGM at that bore-hole is **loamy sand**. Loamy sands with water contents ranging from 20-50% inundated with permafrost are considered to have low permeability.
- Solid wastes are disposed of off site through Grubens Arctic Star Licence (N7L4-1557).
- Thermister strings will be installed after sump is completed, not during.
- Sewage treatment and discharge were not applicable during this inspection period.
- Spill 04-006 as indicated by Robin Raddi has been cleaned up. Investigated by Conrad Baetz on January 5th. Spill material, as indicated by Sam Mahood, has been placed in a sea can for proper disposal.

GENERAL CONDITIONS – Figures 7-8 attached

Indicate:	A - Acceptable	U - Unacceptable	N/A - Not Applicable	N/I - Not Inspected
Maintenance	N/A	Records & Reporting	A	Surv. Net. Prog.(SNP) N/A
Geotechnical Inspection	A	Posting, Signage	N/A	Contingency Plan A
A & R Plan	A – As per the PD	Modifications	N/A	Fuel/Products Storage A
Groundwater Discharge	N/A	Chemical Storage	A	Annual Report Due Mar 2005

Concerns: No concerns at this time

Notes:

- At the time of inspection the SNP program did not apply.
- No debris found on the ice access roads, stream and water body crossings. Only clean snow was observed.
- Copy of the Water Licence was produced by Sam Mahood.
- Have a copy of EnCana's ERP initiative at this office.

<i>Violations of Act and/or Licence:</i>	<i>No Violations during this inspection period.</i>
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General Comments:

1. At the time of inspection Sam Mahood was also accompanied with EnCana reps. Kevin Ullgott and Don Snydmiller.
2. ILA Representative at the time of inspection was Roland Kikoak.
3. Spud date is estimated for the first week in February.
4. Annual Report is due March 31 starting in 2005.

Additional Comments Attached: Yes No X
 Figures Attached: Yes X No

Inspectors Name
 Kevin R. Glowa
 Water Resource Officer

Inspectors Signature

 2/12/04



List of Figures for Industrial Water Licence Inspection Report

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Company Rep: Sam Mahood

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Figure 1. Water Supply. Access road to Lease Site.



Figure 2. Water Supply. Flooding ice road on approved lake.



Figure 3. Water Supply. Flooding ice road on approved lake.



Figure 4. Water Supply. Water uptake from lake four (4).



Figure 5. Water Supply. Ice access road to lease site. Road was constructed well. No foreign debris.



Figure 6. Waste Disposal. New sump location. Geotechnical was being conducted by EBA.



Figure 7. Fuel Storage. Fuel Sloop at beginning of access road. Fuel nozzle properly stored.



Figure 8. Oil/Chemical storage. Oil and chemicals were stored on hazmats.

