



INDUSTRIAL WATER LICENCE INSPECTION REPORT

DATE:	March 2, 2004	COMPANY REP:	Don Rogerson
LICENSEE:	Encana Corporation	LICENCE #:	N7L1-1797

WATER SUPPLY – Figures 2 attached

Source:	Lake 5	Quantity Used:	See notes 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	N/A
Flow Meas. Device	A	Conveyance Lines	N/A	Pumping Stations	A	Modifications	N/A

Concerns: No concerns at this time.

Notes:

- All water uptake was from Lake 5. A fish screen was being utilised and was appropriate (Figure 2).
- All water withdrawal records in good order and well below permitted level of 1800 m³/day. Daily withdrawal from all sources during February did not exceed ~300 m³. In February water was taken from Nesbit Lake, Mackenzie River, and Lake 5. No withdrawal from Lake 4 since January 25. All of this will be reported in the Annual/Final report.

WASTE DISPOSAL – Figures 4 & 5 attached

Indicate:	A - Acceptable	U - Unacceptable	N/A - Not Applicable	N/I - Not Inspected
Well Wastes:	Drilling Sump: A	Off-Site Removal: A	Downhole: N/A	Landspread: N/A
Sewage:	Sewage Treat: 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	A	Conveyance Lines	A	Disch. Meas. Dev.	A	Freeboard	Sump - 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	All minor - See monthly spill reports.

Effluent Discharge Rate:	No discharge at this time.	SNP Samples Collected:	Sample collected from SNP 1797-1. Results pending.
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Concerns:

- As per the note 4 below, all samples should be sent to the laboratory as soon as possible after sample collection to prevent holding time accidents and to ensure that samples are "representative". Furthermore, to ensure that mud samples are "representative" please ensure that the monthly sample (SNP Part B, section 2) is no less than a six (6) part composite. If possible, a ten-part composite is recommended.

Notes:

- Geotechnical on the new sump location was received and reviewed. The new site was deemed appropriate.
- Sump freeboard was 3-4 m.
- Drilling during inspection was not occurring. Consequently, no artesian aquifers or lost circulation occurred during this inspection period.
- Monthly four-part sample of drill sump was collected by Malcom Davidson (EHS) on February 29. Sample was in the process of being sent out March 3, 2004.
- All drill mud contained in the sump was completely frozen (Figure 5).

GENERAL CONDITIONS – Figures 6-8 attached

Indicate:	A - Acceptable	U - Unacceptable	N/A - Not Applicable	N/I - Not Inspected
Maintenance	A	Records & Reporting	A	Surv. Net. Prog.(SNP) A ^{See Concerns}
Geotechnical Inspection	A	Posting, Signage	A ^{See Concerns}	Contingency Plan A
A & R Plan	N/A	Modifications	N/A	Fuel/Products Storage A
Groundwater Discharge	N/A	Chemical Storage	A	Annual Report Due March 2005

Concerns:

- Even though not a condition of the Water Licence, it is recommended that an SNP sign indicating the exact sampling location/s be posted at the appropriate locations (SNP 1797-1 &2). This will ensure that other personnel know the exact location of these sampling sites. Direction was given to post SNP 1797-1. As indicated by Rob Skoreiko (Filterboxx rep.) as sign will be posted within a couple of days of this inspection period at the aforementioned location.

Notes:

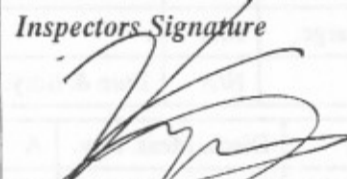
- Many copies of the ERP were on site and readily available.
- Some of the chemicals stored on site (wood crates) included Potassium Nitrate, Percol 728, Alum Sulfate, Fine Mica, Citric Acid, Soya Lecithin, Caustic Potash, Kelzan XCD, and TDC-34.

Non compliance / Violations of Act or Licenses:	1. No violations of act or Licence during this inspection period.
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General / Additional Inspection Comments:

- Copy of Licence on site and provided by Don Snyder
- Roland Kikoak and Colin Gordon are the ILA environmental monitors.
- Dennis Lauck is replacing Malcom Davidson (EHS).

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

Inspectors Name Kevin R. Glowa Water Resource Officer	Inspectors Signature 
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LIST OF FIGURES FOR WATER LICENCE INSPECTION REPORT

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Figure 1. General. Lease and Akita 62 drill rig.

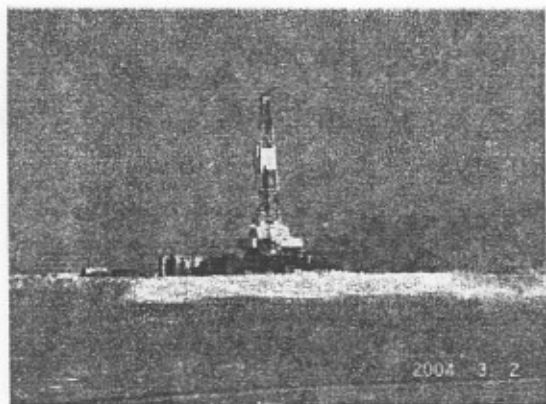


Figure 2. General and Water Supply. Front view of Akita 62 and fish screen used at Lake 5.

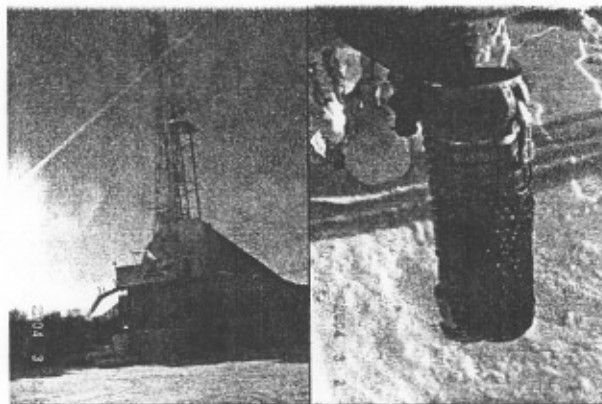


Figure 3. General. Drill Camp east of Akita 62 and lease.

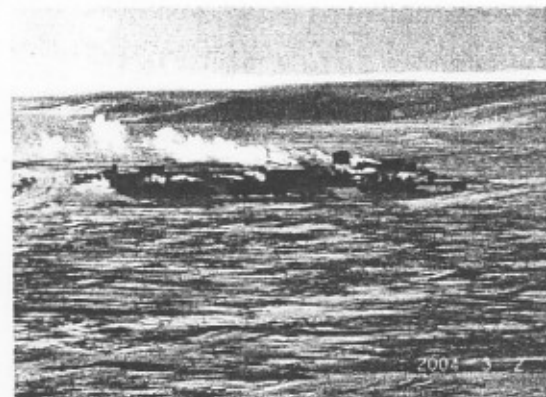


Figure 4. Waste Disposal. Drill mud storage on lease.



Figure 5. Waste Disposal. Sump east view.



Figure 6. Contingency Planning. Fuel storage on lease.

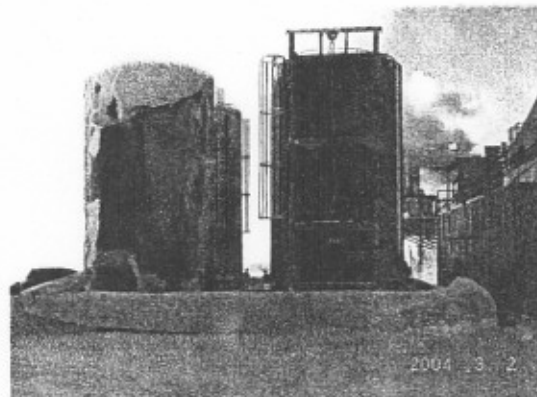


Figure 7. Contingency Planning. Fuel storage on lease.

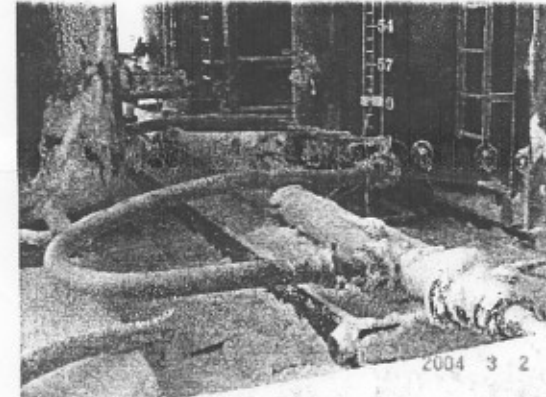


Figure 8. Contingency Planning. Spill equipment.

