



INDUSTRIAL WATER USE INSPECTION REPORT
(OIL AND GAS EXPLORATION, PRODUCTION, PROCESSING AND REFINING)

DATE:	FEBRUARY 21, 2002.	COMPANY REF:	FRED SEVENKO - DRILLING SUPERVISOR
LICENSER:	JAPEX CANADA LTD.	LICENCE NUMBER:	N7LI-1769

WATER SUPPLY:

Source:	CHANNEL JUST EAST OF WELLSITE	Quantity Used:	REFER TO RECORDS.	Meter Rtd:	BY TRUCKLOAD.
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Indicates: A - Acceptable U - Unacceptable N/A - Not Applicable N/I - Not Inspected

Intake Facilities	U	Storage Structures	A	Treatment Systems	N/A	Revolving	N/A
Flow Meas. Device	A	Conveyance Lines	N/A	Pumping Stations	U	Modifications	N/A

Comments: THERE WAS NO INTAKE SCREEN ON LICENSEE'S EST WATER TRUCK. AGAIN, THE LICENSEE WAS TOLD THAT THEIR WATER TRUCK WILL BE PULLED OFF THEIR PROGRAM IF FOUND TO HAVE NO INTAKE SCREEN AGAIN. SEE VIOLATIONS BELOW.

WASTE DISPOSAL:

Well Wastes:	Drilling Slump	✓	Off-Site Removal	N/A	Downhole	N/A	Landfilled	N/A
Sewage:	Sewage Treat.	✓	Camp Slump	✓	Natural Water Body	N/A	Wetlands Treat.	N/A
	Continuous	N/A	Inter. Discharges	TREATED WASTE WATER WALKED TO INTAKE WELLSITE				
Solid Waste:	Open Dump		Landfill		Drum & Barrel	A	Sludge Disposal	N/I

Indicates: A - Acceptable U - Unacceptable N/A - Not Applicable N/I - Not Inspected

Discharge Quality	Individual	Conveyance Lines	N/A	Disch. Meas. Dev.	A	Freeboard	U
Decant Process	N/A	Slump Treatment	N/A	Dykes, Berms	A	Sewage	N/A
Slump Liners	N/A	Runoff Diversion	N/A	Emission	N/A	Soils	NONE DETECTED.

Effluent Discharge Rate:	PUMP AND TRUCK.	SNP Samples Collected:	YES BY LICENSEE.
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Comments: THERE IS PROPER TREATMENT OF SEWAGE AND GREYWATER PRIOR TO ENTERING CAMP SLUMP. THE LICENSEE HAD LOST FREEBOARD AT BOTH THE CAMP AND DRILLING SLUMPS. THE LICENSEE WAS PUMPING DOWN THE CAMP SLUMP BY WAC TRUCK AND HAVING TO INVADE AT TIME OF HIS INSPECTION. DRILL SLUMP EXPANSION WAS COMPLETE. OLD SECTION OF DRILL SLUMP HAD LESS THAN 1M FREEBOARD.

GENERAL CONDITIONS:

Indicates: A - Acceptable U - Unacceptable N/A - Not Applicable N/I - Not Inspected

Maintenance	A	Records & Reporting	A	Surveillance Network Program (SNP)	A
Geotechnical Inspection	N/A	Posting of Facilities	N/A	Contingency Plan	UNDER REVIEW.
A & R Plan	N/A	Modifications	A	Fuel/Product Storage	A
Groundwater Discharge	N/A	Chemical Storage	A	Annual Report 2001 ANNUAL REPORT	

Comments: THE LICENSEE WAS REMINDED THAT THEIR SNP DATA FOR JANUARY 2002 IS DUE AT THE BOARD BY MARCH 2, 2002. THE INSPECTOR STILL HAS NOT SEEN ANY SNP DATA AT TIME OF THIS INSPECTION.

Violation(s) of Act and/or Licence: VIOLATIONS 1. PART C, ITEM 3: THERE WAS NO WATER INTAKE SCREEN.
2. PART D, ITEM 6: THE DRILL SLUMP HAD LESS THAN 1 METER FREEBOARD.
3. SNP, B. 6: NO OADR PLAN SUBMITTED.

General Comments: THERE WERE 60 PEOPLE IN CAMP AT TIME OF THIS INSPECTION. THE LICENSEE WAS REMINDED TO DO A SLUMP CONTENTS CHARACTERIZATION PRIOR TO SLUMP ABANDONMENT. THESE RESULTS HAVE TO BE SUBMITTED TO AN INSPECTOR AT LEAST 15 (FIVE) DAYS PRIOR TO SLUMP ABANDONMENT. SLUMP ANALYSIS MUST INCLUDE A TOXICITY ASSESSMENT.

Additional Comments Attached:	Yes	No	X
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Inspector's Signature:

Inspector's Title: WATER RESOURCES OFFICER
Licencee Representative's Signature:

Licencee Representative's Title: HIROAKI TAKAHASHI - JAPAX MANAGER.

NOT AVAILABLE.