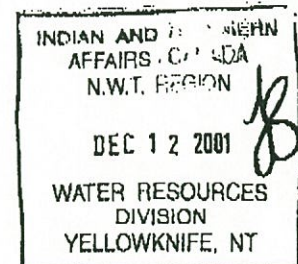


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To	SHANNON FAGOTTO		From	ED PERENO	
Co.	NWT Water Board		Co.	CPE	
Phone #	867-669-2658		Phone #	403-263-0752	
Fax #	867-669-2719		Fax #	403-233-0859	

**Contingency Planning for Spills of
Fuel or Other Hazardous Materials
During Operations at
Mallik 3L-38, Mallik 4L-38 & Mallik 5L-38**

2001/2002



**Prepared by
Canadian Petroleum Engineering Inc.
Calgary, Canada
November, 2001**

FUEL SPILL CONTINGENCY PLANS

Operator Obligations:

Japex Canada, as operator of the project, is obligated to protect the safety of personnel and the environment from the effects of any spill of fuel or other hazardous material. To meet these obligations, Japex Canada commits to:

1. Do everything practicable to prevent the occurrence of any accidental spills at, or enroute to, its worksites.
2. Ensure that its worksites have trained personnel and adequate resources to appropriately respond to any spill that can reasonably be expected to occur.
3. Ensure that all hazardous materials in transport or in storage are accompanied by the appropriate Material Safety Data Sheets (these include information on their chemical composition, handling instructions, as well as material-specific spill clean-up instructions).
4. In the event of a spill, ensure that remedial actions are taken to guard the safety of all personnel and minimize the risk of damage to the environment.
5. Report all spills promptly and accurately to the NWT 24-hour Emergency Spill Line, to the National Energy Board, to the NWT Water Board and to Indian and Northern Affairs Canada. Japex Canada recognizes that it is against the law to withhold information or to provide wrong or misleading information to any regulators.

Responsibilities of the First Person at the Scene

Upon discovery of an accidental spill, the first person at the scene will:

1. Immediately act to protect the safety of any personnel in the immediate area.
2. Notify the Drilling Supervisor in order to ensure that any personnel at risk and the spill response team are advised.
3. Follow the instructions of the Drilling Supervisor, to control the spill and control access to the area while awaiting the arrival of the spill response team.
4. Assist the spill response team as required.

Responsibilities of the Drilling Supervisor

1. Ensure that all personnel at the site have received appropriate training regarding the importance of spills and their prevention and management.
2. Establish a spill response team and provide the appropriate on-site training and drills to enable the team to effectively control and clean up any spills that can be reasonably expected.
3. Ensure that any contractors at the site are suitably trained, and equipped with adequate spill response materials, to respond to any spill that they might be associated with.
4. Include the topics of spill prevention and response in safety meetings and in site inspections. Keep accurate records of these activities.
5. Ensure that all fuel storage and fuel transfer activities take place at least 30 metres from water bodies, on relatively flat land. Fuel and other hazardous materials may not be stored on ice covered water bodies.
6. Ensure that all tanks holding fuel and other hazardous liquids are either double walled or surrounded by an appropriate protective berm.

7. Ensure that the work site is equipped with all of the required spill clean-up materials.
8. Ensure that an adequate, and appropriately trained, spill response team is at the site at all times.
9. Report all spills, regardless of size, to the project manager and to regulators listed below.
10. Coordinate the spill control and clean-up operations as agreed with the project manager.
11. Ensure that transportation of contaminated materials meets TDG requirements.
12. Conduct a thorough spill incident investigation as soon as it is practicable. Ensure that it identifies root causes and makes recommendations for reducing the risk and impact of future incidents.
13. Report the results of the incident investigation to the project manager and develop plans with him for improvements to training, procedures and equipment as well as for environmental recovery efforts.
14. Implement the improvements as agreed with the project manager.
15. Implement any recovery efforts and report on the results.

Responsibilities of the Spill Response Team

The spill response team will be trained in spill management and will have access to the spill response equipment at the operating site. The drilling supervisor will deploy the spill response team. On arrival at the spill scene, they will:

1. Make an initial assessment of the site.
2. Secure the site to ensure the safety of all personnel.
3. Ensure any ignition sources are isolated or removed.
4. If the spill is ongoing, take the appropriate measures to stop the spill at the source.
5. If required, deploy booms and construct dikes or trenches in order to minimize spread of the spill. Take extra care to guard against contamination of any water bodies.
6. Recover as much of any spilled liquids as possible by pumping or scooping into empty drums or tanks for transportation to an approved disposal site. MATCO Transportation of Inuvik has hazardous waste hauling capability and operates an oil-burning furnace.
7. Use sorbents to clean up any remaining liquids.
8. Recover the sorbents and place into steel drums for disposal at an approved site.
9. Recover any contaminated snow and place into steel barrels for disposal at an approved site.
10. With approval from the National Energy Board, the Water Board and Indian and Northern Affairs Canada, contaminated materials may be burned on site.
11. Pick up any burn residue for transport to an approved disposal site.
12. Follow instructions from Indian and Northern Affairs Canada regarding in situ treatment of any contaminated soil, or its transportation to an approved site for disposal.

Responsibilities of the Project Manager

1. Ensure that the drilling supervisor is suitably qualified and that he has the appropriate resources to minimize the risk of spills and to appropriately respond to any that might occur.
2. Ensure that the drilling supervisor establishes and trains a spill response team and that he conducts sufficient drills to ensure that the team is capable of managing spills effectively.
3. Ensure that all contractors hired for the project are reliable and experienced in spill prevention and control measures.
4. Review with the drilling supervisor, all of the spill prevention and response measures that will be in place at the work site.
5. Ensure that inspections and safety meetings take place regularly at the worksite and that they include spill prevention and response measures.
6. Provide any assistance required by the drilling supervisor for spill response.
7. Provide any assistance required by the drilling supervisor for spill incident investigation and reporting.
8. Immediately file a report with regulators.
9. Review the spill incident investigation report and make resources available to minimize recurrences.
10. Provide the formal spill report to regulators. Discuss each event with them to determine the remedial measures to be put into place.
11. Assist the drilling supervisor with the implementation of any improvements that will reduce the risk and consequences of any future spills.
12. Provide reports on the environmental recovery efforts to the regulators and develop recommendations for improvement.

Contacts for Reporting Spills

Agency	Name	Phone
NEB	John Korec	(403) 299-6614
NEB	Switchboard	(403) 292-4800
NWT Water Board	Brian Collins	(867) 669-2772
INAC	Rudy Cockney	(867) 777-3361
24 - hour Spill Line	-	(867) 920-8130
24 - hour Spill Line	Facsimile	(867) 873-6924
MATCO	Tarnie Littlechilds	(867) 777-2733

Resources

A complete list of contractors and support services is given in the Drilling Program (Tab 4) of the project manual.

Spill Response Training

Training for the spill response team will be given on site by the drilling supervisor or his designate and will include all of the topics listed above under Responsibilities of the Spill Response Team. The drilling supervisor will ensure that the spill response team has conducted sufficient drills in order to ensure that they are capable of managing spills effectively. The drilling manager will document all training and drills that take place.

Training for all employees on site will be given by the drilling supervisor or his designate and will include all of the topics listed above under Responsibilities of the First Person at the Scene. The drilling supervisor will ensure that all contractors on site have at least an equivalent amount of training and/or experience.

Spill Response Equipment and Supplies

Given the location of the site, and storage tanks, as well as the season, any foreseeable spill at site would take place on snow covered frozen land. Clean-up operations would be conducted as described above in Responsibilities of the Spill Response Team. The team would make use of the following equipment and supplies, which will be available at the site:

- One 3" fuel transfer pump with hoses and couplings.
- Sufficient plastic sheeting to line a trench or dike.
- Four non-sparking scoop shovels.
- Two empty drums with the lids removed.
- Sorbent material.

In addition, each vehicle transporting fuel or hazardous liquids to the site will be equipped with:

- A non-sparking scoop shovel.
- An empty drum with lid removed.
- Sorbent material.
- Appropriate communications equipment to request assistance if required.

Petro-Canada Ltd. has made available additional equipment and supplies for spill response.

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403 296 3740 TO 92330859

P.02



November 16, 2001

To: Canadian Petroleum Engineering Inc.
1710, 407 12th St. SW
Calgary, Alberta
T2P 2Y3
Attn: Ed Piercho

cc:

Re: Mackenzie Delta Oilspill Equipment and Materials

Dear Sir,

As discussed with you, in the event of an emergency while you are conducting operations on the Mallik 3L-38, 4L-38 and 5L-38 research wells during the winter of 2001/02, Petro-Canada is prepared to make available to Japex/JNOC/GSC et al the oilspill cleanup equipment and materials located in the Mackenzie Delta. This equipment and material will only be provided if Petro-Canada deems it is not required for its own or its partners operations.

Japex/JNOC/GSC et al will be responsible to take immediate action to replace all of the materials and equipment to ensure that the inventories are kept whole and complete.

Petro-Canada emergency oilspill materials and equipment are located at Petro-Canada's Swimming Point Base Camp and at the various drilling sites, which have ongoing operations. At present, the inventory at Swimming Point is per the attached list.

Japex/JNOC/GSC et al will be responsible for the full costs associated with the replacement to inventory of any or all of the materials and equipment that they may require during an emergency.

Yours truly,

A handwritten signature in black ink, appearing to read "W.E. Roeske".

W.E. Roeske
Drilling Project Leader
Mackenzie Delta Project



MACKENZIE DELTA PROJECT EMERGENCY RESPONSE PLAN

Page 7

SECTION 7.0 EQUIPMENT LISTS

2001-12

SPILL CLEAN UP KITS (continued)

Whirling Point - Winter based major spill response	Comments
Large truck based	For responding to a larger spill in winter
12 Aluminum shovels (scoop)	
Chain saw (18")	
Portable lights (See light kit list)	
3 Portable generators (5000 watt or larger)	
Fuel in CSA approved portable containers	
Safety kit (equipment as listed below)	
Sorbent - socks (15 bale /bb)	
Sorbent - pad (25 bale /bb)	
Sorbent - loose (10 bale /bb)	
Two - 1 Cubic metre totes	
2 Pick axes	
4 Large impervious tarps	
Tool box	
5 Boxes of XXL Disposable coveralls	
Documentation kit	
5 Boxes of vitron or nitrile gloves (winter lining)	
Diesel Harman Nelson heater	
Lubes	

Notes:

- Tool Box should include: 3/8 socket set, crescent wrench (8" and 10"), multi-tip screwdriver, pliers, utility knife, wire cutters flat file, hack saw, claw hammer, ball peen hammer, chainsaw file and screwdriver, pipe wrench (18", 24"), tin snips, allen wrench set, duct tape, tin wire, electrical tape.