



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

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| DATE: | APRIL 10, 2002. | COMPANY REP: | WARD CHAMBERS - WESTERN SECO. |
| LICENSEE: | CONOCO CANADA RESOURCES LTD. PARSONS LAKE WINTER 3D. | LICENCE NUMBER: | N7L1-1779 |

WATER SUPPLY:

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|---------|--------------|----------------|-------------------|------------|---------------|
| Source: | PARSONS LAKE | Quantity Used: | REFER TO RECORDS. | Meter Rdg: | BY TRUCKLOAD. |
|---------|--------------|----------------|-------------------|------------|---------------|

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

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|-------------------|---|--------------------|-----|-------------------|---|---------------|-----|
| Intake Facilities | A | Storage Structures | A | Treatment Systems | A | Recycling | N/A |
| Flow Meas. Device | A | Conveyance Lines | N/A | Pumping Stations | A | Modifications | |

Comments: EST WATER TRUCK HAD INTAKE SCREEN TRUCK BOX. THE LICENSEE WAS WITHDRAWING WATER FROM PARSONS LAKE. THE INTAKE WAS APPROXIMATELY 4 KM FROM THE WEATHERHAUL CAMP. NO PROBLEMS NOTED WITH WATER SUPPLY.

WASTE DISPOSAL:

SEISMIC PROGRAM.

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|--------------|---------------|-----|------------------|------------------------------|--------------------|-------------|-----------------|-----------------|------------|
| Well Wastes: | Drilling Sump | N/A | Off-Site Removal | N/A | Downhole | N/A | Landspread | N/A | |
| Sewage: | Sewage Treat. | ✓ | Camp Sump | N/A | Natural Water Body | N/A | Wetlands Treat. | N/A | |
| | Continuous | N/A | Inter. Discharge | TRUCK PUMP/OUT HAULED TO TUK | SEWAGE LAGOON. | | | | |
| Solid Waste: | Open Dump | N/A | Landfill | N/A | Burn & Bury | INCINERATOR | A | Sludge Disposal | NONE DONE. |

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

| | | | | | | | |
|-------------------|-----|------------------|-----|-------------------|-----|-----------|-----------------------|
| Discharge Quality | A | Conveyance Lines | N/A | Disch. Meas. Dev. | A | Freeboard | N/A |
| Decant Process | N/A | Sump Treatment | N/A | Dykes, Berms | A | Seepages | N/A |
| Sump Liners | N/A | Runoff Diversion | N/A | Erosion | N/A | Spills | NUMEROUS SMALL SPILLS |

| | | | |
|--------------------------|-----------------|------------------------|--------------------------------|
| Effluent Discharge Rate: | TRUCK PUMP/OUT. | SNP Samples Collected: | YES BY LICENSEE AND INSPECTOR. |
|--------------------------|-----------------|------------------------|--------------------------------|

Comments: THE LICENSEE'S CONSULTANT MICHAEL FABIAN DROPPED OFF SAMPLE RESULTS FROM SNP 1779-1 TO THE INSPECTOR ON APRIL 9, 2002. THE LICENSEE HAS YET TO NOTIFY THE INSPECTOR THAT THEY REQUEST TO DISCHARGE TREATED EFFLUENT TO LAND.

GENERAL CONDITIONS:

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

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|-------------------------|-----|-----------------------|-----|------------------------------------|---------------------|
| Maintenance | A | Records & Reporting | U | Surveillance Network Program (SNP) | ✓ |
| Geotechnical Inspection | N/A | Posting of Facilities | A | Contingency Plan | UNDER REVIEW. |
| A & R Plan | N/A | Modifications | N/A | Fuel/Product Storage | A |
| Groundwater Discharge | N/A | Chemical Storage | A | 2001 Annual Report | DUE MARCH 31, 2002. |

Comments: THERE WERE APPROXIMATELY 200 PEOPLE IN CAMP AT TIME OF INSPECTION. THE LICENSEE IS PLANNING TO SUBMIT A REQUEST FOR A LUP EXTENSION.

Violation(s) of Act and/or Licence: VIOLATIONS: 1. PART B, ITEM 1; NO 2001 ANNUAL REPORT SUBMITTED. 2. SNP, PART B, ITEM 5; THE LICENSEE STILL HAS NOT SUBMITTED A QA/QC PLAN. THIS VIOLATION WAS NOTED IN PREVIOUS INSPECTION REPORT DATED FEBRUARY 15, 2002. 3. SNP, PART C, ITEM 1; NO SNP DATA SUBMITTED.

General Comments: THE LICENSEE'S REPORTING IS LESS THAN SATISFACTORY. THIS WAS NOTED IN PREVIOUS INSPECTION REPORTS. THE LICENSEE WAS ASKED TO SUBMIT A WRITTEN EXPLANATION FOR THEIR NON-COMPLIANCE, AS SOON AS POSSIBLE. FURTHER INVESTIGATION IS CONTINUING.

THE LICENSEE WAS APPROXIMATELY 80% DONE RECORDING AT TIME OF THIS INSPECTION. THE LICENSEE WAS REMINDED TO RETRIEVE ALL EQUIPMENT AND GARBAGE AT END OF PROGRAM.

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

Inspector's Title:

Licensee Representative's Title:

WATER RESOURCES OFFICER.
Licensee Representative's Signature:

PARTY MANAGER

NOT AVAILABLE.