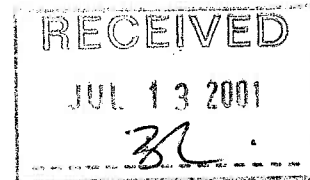




Environment Canada
Environnement Canada



Environmental Protection Branch
Prairie and Northern Region
#301 - 5204 - 50th Ave
Yellowknife, NT X1A 1E2
Phone (867) 669-4743

July 13, 2001

Mackenzie Valley Environmental Impact Review Board
200 Scotia Center (P.O. Box 938)
Yellowknife, NT X1A 2N7

By Facsimile: (867) 920-4761

Attention: Joe Acorn

Re: Information Requests for the Environmental Assessment of the Paramount Resources Ltd. Cameron Hills Drilling Project

On the behalf of Environment Canada, I have co-ordinated the review of the above stated project. Environment Canada (EC) provides the following comments pursuant to Section 22 of the Mackenzie Valley Resource Management Act.

1.1 Current Development Description:

Drilling wastes are to be disposed of on the lease at various sumps following testing. Are all waste materials to be analysed and disposed of as per the Alberta Energy and Utilities Board Guide for waste management? This document includes the requirement for Microtox testing of sump supernatants prior to discharge, will the proponent include such testing?

Air Quality and Climate

- In section 1.1, Current Development Description, and section 1.2, Regulatory Activity Summary, the estimated flow rate from gas well A-46 is given as 10 MMcf/d ($283 \cdot 10^3 \text{ m}^3/\text{d}$). However, the flow rate for A-46 used in the model predictions is 5 MMscfd ($141.6 \cdot 10^3 \text{ m}^3/\text{d}$) (section 9.3.4, Dispersion Modelling Inputs). Please explain this discrepancy.
- Please provide all model input and output electronic files.
- The effective or pseudo-height of the stack can have significant effects on model predictions. Please provide the calculations for the total heat release of the flare and the effective height and effective diameter of the flare stack. If a software utility was used in the calculation, such as the Alberta Environment Calculation Sheet for Flares, please provide these files.

- Within the Cameron Hills study area there are a number of existing oil and gas wells (shown in Figure 3-1 and listed in Table 4-1). What are the emissions from the existing wells? If there are emissions from the existing wells, were they included in the modelling predictions?

Environment Canada wishes to review any additional submissions to the Clean-up, Abandonment and Reclamation Plan, as well as the submission of the Emergency Response Plan. The proponent should include the following within their Spill Contingency Plan:

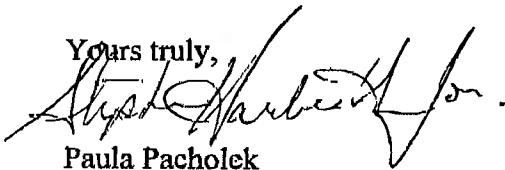
- ensure that spill kits and containment, adequately address the potential volume of fuel spills.
- ensure that spill contingency plans include contact telephone numbers and specify that all spills must be contained and reported immediately to the NWT Spill Line at (867) 920-8130.

Environment Canada would like to request to receive an "as-built" map, including: air strip and access road locations, well sites, camp location, and stream crossing locations, upon completion of the project.

It appears that Paramount chose to scope only the drilling project including well sites and associated infrastructure first, however concurrently, Environment Canada is involved in the review of another project proposed by Paramount, in the same area known as the "Cameron Hills Gathering System and Facilities Project". It is obvious that these two projects are linked. When reviewing projects such as these, which develop from exploration projects to production phases, we feel we should have the entire project in front of us and there should be clarity in demonstrating that one project relies on the other. In order for the Reviewers to do good environmental assessment reviews, we should have access to all of the information so that we develop a good understanding of the environmental impacts and the cumulative environmental impacts.

Please do not hesitate to contact me at (867) 669-4743 with any questions or comments regarding the foregoing.

Yours truly,



Paula Pacholek

Northern Environmental Assessment Co-ordinator

cc: Steve Harbicht (Head, Assessment & Monitoring, EPB)
Dave Fox (Data Analyst, MSC, AHSD)