



P.O. Box 2018 Inuvik NT. X0E 0T0
Ph. 867 777 4954 Fx. 867 777 2616

LAND USE PERMIT

Permit Class: A

Permit No: G04S007

Subject to the Mackenzie Valley Land Use Regulations and the terms and conditions of this permit, authority is hereby granted to:

Imperial Oil Resource Ventures Limited

PERMITTEE

To proceed with the land use operation described in the application of:

Signature: Peter D. Grout

Date: January 21, 2005

Type of Land Use Operation: 2005 Field Geo-technical Investigation Program

Location: Mackenzie Valley Pipeline Proposed Route (CNR Trail Route)

This permit may be assigned, extended, discontinued, suspended or cancelled pursuant to the Mackenzie Valley Land Use Regulations.

Dated at Inuvik, NT

Chair 

This 21st

Day of, January 2005

Commencement Date January 24, 2005

Expiry Date April 30, 2006

NOTE

IT IS A CONDITION OF THIS PERMIT THAT THE PERMITTEE COMPLY WITH ANY OTHER APPLICABLE ACT, REGULATION, ORDINANCE, BY-LAW OR ORDER DEFAULT HEREOF MAY RESULT IN SUSPENSION OR CANCELLATION OF THIS PERMIT.



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Peter D. Grout
Imperial Oil Resources Ventures Limited
237 Fourth Ave S.W.
P.O. Box 2480, Station "M"
Calgary, AB
T2P 3M9

January 21, 2005

Dear Mr. Grout

Re: Land Use Application G04S007 & Water License G04L8-001
Winter Field Geotechnical Investigation Program

Land Use Permit G04S007

The Gwich'in Land and Water Board (GLWB) have approved Land Use Permit G04S007 until April 30, 2006. The approval is conditional to compliance with the Land Use Plan. Under no circumstances is the Permittee/Licensee authorized to operate in contravention of the Land Use Plan.

An exception to the Land Use Plan was not received by the GLWB from the permittee. However, the GLWB understands that an exception was not obtained due to circumstances beyond the control of the applicant.

The project in its entirety was considered by the GLWB and presented for public review. Therefore, the permit and licenses are issued to the extent of compliance with the Land Use Plan. Since no changes to the original application are anticipated, it is our position that the applicant will need to apply for an additional amendment once a letter of exception is received by the GLWB to allow for the use of lands within the scope of the exception.

Class B' Water License G04L8-001

The GLWB has approved Water License G04L8-001 until April 30, 2005. Please be aware that any changes to approved water sources for use on a continuing basis will require and amendment to your application.

Compliance to all attached Land Use Permits and Water License conditions is anticipated
And your cooperation is appreciated.

If you have any questions please contact Robert Alexie at (867) 777-7961.

Yours truly,

Willard Hagen, Chairman

cc Rudy Cockney, DINA, Inuvik, NT
Mardy Semmler, GLR, Inuvik, NT



GWICH'IN LAND AND WATER BOARD

BOX 2018 INUVIK NT X0E 0T0
PH 867 777 4954 FX 867 777 2616
WEB glwb . com
EMAIL glwbpermit @ inuvik . net

CONDITIONS ANNEXED TO AND FORMING PART OF LAND USE PERMIT NUMBER

Part A: Permit

1. This permit entitles "**IMPERIAL OIL RESOURCES VENTURES LIMITED**" to conduct the following activities:
 - a) **Winter 2005 Field Geo-technical Investigation Program – Land Use Permit CNR Trail Route, Gwich'in Settlement Region.**
2. The Permit is issued subject to the conditions contained herein with respect to the use of land for the activities and area identified in Part A, Item 1. a) of this permit.
3. Compliance with the terms and conditions of this permit does not absolve the Permittee from responsibility for compliance with the requirements of all applicable Federal, Territorial, Regional and Municipal legislation, bylaws or ordinances.

Part B: Definitions

"**Act**" means the *Mackenzie Valley Resource Management Act*;

"**Artesian Aquifer**" means a water-bearing stratum, which when encountered during drilling operations, produces a pressurized flow of groundwater that reaches an elevation above the ground surface;

"**Board**" means the Gwich'in Land and Water Board established under Part 4 of the *Mackenzie Valley Resource Management Act*;

"**Dogleg**" means clearing a line, trail or right-of-way that is curved sufficiently so that no part of the clearing beyond the curve is visible when approached from either direction;

"**Drill Waste**" means all materials or chemicals, solid or liquid, associated with the drilling of boreholes and includes borehole cuttings;

"**Inspector**" means an Inspector designated by the Minister under the *Mackenzie Valley Resource Management Act*;

"**Sewage**" means all toilet wastes and grey water;

"**Heavy Equipment**" means any wheeled or tracked overland vehicle that exerts pressure on the ground in excess of 35 kPa.

Part C: Conditions

All numbered conditions correspond to the item heading defined in subsection 26(1) of the MVRMA. Conditions apply to all activities.

1.0 26 (1) (a) - LOCATION AND AREA

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|-----|---|---|
| 1.1 | The Permittee shall not conduct this land use operation on any lands not designated in the accepted application, unless otherwise authorized in writing by the Board | PLANS |
| 1.2 | The Permittee shall not conduct any part of the land use operation within three hundred (300) metres of any privately owned land or structure, unless otherwise authorized in writing by the Board. | PRIVATE PROPERTY |
| 1.3 | (a) The Permittee shall offset vehicle travel in areas without a snow covered surface. | OFFSET VEHICLE TRAVEL |
| | (b) The Permittee shall confine the line to a maximum width of eight (8) metres, unless otherwise authorized in writing by a Land Use Inspector. | |
| 1.4 | The Permittee shall not construct parallel lines or roads unless authorized by the Board. | PARALLEL ROADS |
| 1.5 | The Permittee shall remove from Territorial Lands, all scrap metal, discarded machinery and parts, barrels and kegs, buildings and building material. | REMOVE WASTE MATERIAL |
| 1.6 | The Permittee shall not construct an adit or drillsite within thirty (30) metres of the normal high water mark of a stream, unless approval in writing is obtained from the Board. | LOCATION OF ADITS AND DRILLSITES |
| 1.7 | The Permittee shall locate all lines, trails and rights-of-way to be constructed parallel to streams a minimum of thirty (30) metres from any stream except at crossings, unless otherwise authorized in writing by a Land Use Inspector. | PARALLELING STREAMS |

2.0 26 (1) (b) - TIME

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| 2.1 | This permit is valid only when the Permittee is in possession of a valid access authorization from Gwich'in Land Administration. | EXPIRY DATE |
| 2.2 | The Permittee's Field Supervisor shall contact or meet with a Land Use Inspector at the office of the Department of Indian Affairs and Northern Development, telephone number (867) 777-3361, at least forty-eight (48) hours prior to the commencement of this land use operation. | CONTACT INSPECTOR |
| 2.3 | The Permittee shall advise a Land Use Inspector at least ten (10) days prior to the completion of the land use operation of (a) his plan for removal or storage of equipment and materials, and (b) | REPORTS BEFORE REMOVAL |

when final clean-up and and restoration of the land used will be completed.

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|------|---|------------------------------------|
| 2.4 | The Permittee shall submit to the Board and Land Use Inspector a progress report every seven (7) days during this land use operation. | PROGRESS
REPORTS |
| 2.5 | The Permittee shall not conduct any overland movement of equipment or vehicles before 0800 hours local time on, November 15 th unless otherwise authorized in writing by a Land Use Inspector. | START-UP
DATE |
| 2.6 | The Permittee shall not conduct any overland movement of equipment and vehicles after 0800 hours local time on, April 15 th , unless otherwise authorized in writing by a Land Use Inspector. | SHUT-DOWN
DATE |
| 2.7 | The Permittee shall not conduct any overland movement of equipment and vehicles between April 15 th and, November 15 th unless otherwise authorized by a Land Use Inspector. | SHUT-DOWN
PERIOD |
| 2.8 | The Board, for the purpose of this operation, designates April 15 th as spring break-up. | SPRING
BREAK-UP |
| 2.9 | The Permittee shall remove all ice bridges prior to spring break-up or completion of the land use operation, unless otherwise approved in writing by a Land Use Inspector. | REMOVE
ICE BRIDGE |
| 2.10 | The Permittee shall dispose of all brush and timber prior to removal of men or equipment from the land use area. | BRUSH
DISPOSAL |
| 2.11 | The Permittee shall commence and foster re-vegetation on the land used, as directed by a Land Use Inspector, within one (1) year of the completion of the land use operation. | RE-ESTABLISH
VEGETATION |
| 2.12 | The Permittee shall complete all clean-up and restoration of the lands used prior to the expiry date of this Permit. | CLEAN-UP |
| 2.13 | The BOARD reserves the right to impose closure of any area to the Permittee in periods when dangers to natural resources are severe. | CLOSURE |

3.0	26 (1) (c) - EQUIPMENT
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| 3.1 | The Permittee shall not use any equipment except of the type, size, and number that is listed in the accepted application, unless otherwise authorized in writing by a Land Use Inspector. | ONLY
APPROVED
EQUIPMENT |
| 3.2 | The Permittee shall equip bulldozer blades used in this operation with "mushroom" type shoes which shall extended twenty (20) centimetres below the cutting edge of the blade or a similar type of device intended to protect vegetation and avoid unnecessary soil disturbance.. | BULLDOZER
BLADES
AND SHOES |
| 3.3 | The Permittee shall keep all garbage and debris in a covered container until disposed of. This container shall be marked with | GARBAGE
CONTAINERS |

the Permittee's name.

- 3.4 The Permittee shall remove all garbage and debris from the land use area to a disposal site approved in writing by the board **REMOVE GARBAGE**

4.0 26 (1) (d) – METHODS AND TECHNIQUES

- 4.1 The Permittee shall scout proposed lines and routes to select the best location for crossing streams and avoiding terrain obstacles prior to the movement of any vehicle that exerts pressure on the ground in excess of 35 kPa. **DETOURS AND CROSSINGS**
- 4.2 a) The Permittee shall construct and maintain winter ice roads with a minimum of fifteen (15) centimeters packed snow and/or Ice at all times during this land use operation. If this cannot be done, then the Permittee shall construct winter roads in a manner approved by a Land Use Inspector. **SNOW ROADS/ ICE ROADS**
- b) The Permittee shall construct and maintain access lines with a minimum of fifteen (15) centimeters of packed snow at all times during this land use operation **ACCESS LINES**
- 4.3 The Permittee shall dogleg lines, trails and rights-of-way that approach lakes, streams or public roads, as specified in writing by a Land Use Inspector and, **DOGLEG APPROACHES**
- a) The Permittee shall hand clear all lines, trails and right -of -ways Within thirty (30) metres of all lakes, rivers or streams
- 4.4 The Permittee shall plug all bore holes as the land use operation progresses. **PLUG HOLES**
- 4.5 The Permittee shall replace all excavated material from the test pits prior to the expiry of this Permit. **TEST PITS**
- 4.6 The Permittee shall not erect camps or store material on the surface ice of streams, channel, lakes or any other water bodies unless authorized , in writing by an inspector **STORAGE ON ICE**

5.0 26 (1) (e) – TYPE, LOCATION, CAPACITY AND OPERATION OF FACILITIES

- 5.1 The Permittee shall ensure that the land use area is kept clean and tidy at all times. **CLEAN WORK AREA**

6.0 26 (1) (f) – CONTROL OR PREVENTION OF FLOODING, EROSION AND SUBSIDENCE OF LAND

- 6.1 (a) The Permittee shall, where flowing water from bore holes is encountered, plug the bore hole in such a manner as to permanently prevent any further outflow of water and; **PLUG ARTESIAN WELLS**
- b) The artesian occurrence shall be reported to the Board

within forty-eight (48) hours.

6.2	The Permittee shall remove any obstruction to natural drainage caused by any part of this land use operation.	NATURAL DRAINAGE
6.3	The Permittee shall not use any material other than water and/ or clean snow in the construction of ice bridges, ramps and snow fills.	ICE BRIDGE MATERIAL
6.4	The Permittee shall not allow any ice bridge to hinder the flow of water in any stream.	ICE BRIDGE
6.5	The Permittee shall remove snow fills in stream crossings as the land use operation progresses by v-notching, unless otherwise authorized in writing by a Land Use Inspector.	REMOVE WATER CROSSINGS
6.6	The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging.	VEHICLE MOVEMENT FREEZE-UP
6.7	The Permittee shall suspend overland travel of equipment or vehicles if rutting occurs.	SUSPEND OVER-LAND TRAVEL
6.8	The Permittee shall detour around all sand hills, unless otherwise authorized in writing by a Land Use Inspector.	AVOID SAND HILLS
6.9	The Permittee shall establish vegetation on all areas stripped of vegetation during this land use operation as authorized in writing by the Inspector	REVEGETATE STRIPPED AREA
6.10	The Permittee shall apply grass seed and fertilizer to areas designated in writing by a Land Use Inspector.	REPLANT DESIGNATED AREAS
6.11	The Permittee, when clearing land shall: b) Save all vegetation removed from the land use area c) Place the vegetation over the land use area prior to expiry of the land use permit	SAVE VEGETATION
6.12	The Permittee shall save the organic soil stripped from the excavation site	SAVE ORGANIC SOIL
6.13	The Permittee shall place the organic soil over the disturbed area prior to the expiry date of this permit	PLACE ORGANIC SOIL
6.14	The Permittee shall not cut any stream bank.	STREAM BANKS

7.0	26 (1) (g) - USE, STORAGE, HANDLING AND DISPOSAL OF CHEMICAL OR TOXIC MATERIAL
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7.1	The Permittee shall not use the following materials during the drilling	PROHIBITED
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operation without the prior approval of the Board.

CHEMICALS

- a) Chlorinated phenols (Dowicide B, etc.)
- b) Compounds composed primarily of heavy metals
- c) Asbestos

7.2 The Permittee shall not allow any drilling waste to spread to the surrounding lands.

**DRILL WASTE
CONTAINMENT**

7.3 The Permittee shall dispose of all waste petroleum & plastics products by removal.

**WASTE
PETROLEUM
DISPOSAL**

7.4 The Permittee shall report all spills as outlined in INAC Spill Reporting Protocol for Upstream Oil and Gas Operations and:

**REPORT
CHEMICAL
AND
PETROLEUM
SPILLS**

- a) Report applicable spills to the 24 hour Spill Report Line (867) 920-8130.

7.5 The Permittee shall not place any petroleum fuel storage containers within thirty (30) metres of the normal high water mark of any stream unless the permittee obtains an authorization from the Board.

**FUEL BY
STREAM**

7.6 The Permittee shall not allow any drilling waste to spread to the surrounding lands other than Drill Cuttings.

**DRILL WASTE
CONTAINMENT**

7.7 The Permittee shall mark all stationary petroleum products storage facilities with flags, posts or similar devices so that they are at all times plainly visible to local vehicle travel

**MARK
FUEL
LOCATION**

8.0 26 (1) (h) - WILDLIFE AND FISHERIES HABITAT

8.1 The Permittee shall not unnecessarily damage wildlife habitat in conducting this land use operation.

**HABITAT
DAMAGE**

8.2 The Permittee shall not obstruct the movement of fish while conducting this land use operation.

**FREE FISH
MOVEMENT**

8.3 The Permittee shall not destroy or damage beaver dams.

BEAVER DAMS

8.4 The Permittee shall not destroy or damage muskrat lodges.

**MUSKRAT
LODGES**

8.5 The Permittee shall not in any circumstances deposit or allow the Deposit of any deleterious substances (including but not limited to fuels, lubricants, hydraulics, and coolants) of any type into any waters, or in any place under any conditions where the deleterious substances may enter the water

**DEPOSITING
DELETERIOUS
SUBSTANCES**

8.6 The Permittee shall screen all water intakes from fish bearing waters To exclude fish in accordance with Department of Fisheries and Oceans requirements

SCREENS

8.7 The Permittee shall not feed wildlife.

**NO FEEDING
WILDLIFE**

9.0 26 (1) (i) STORAGE, HANDLING AND DISPOSAL OF REFUSE OR SEWAGE

N/A

10.0 26 (1) (j) - PROTECTION OF HISTORIC AND ARCHEOLOGICAL SITES AND BURIAL GROUNDS

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| 10.1 | The Permittee shall immediately suspend the Land Use Operation on the site and notify the Gwich'in Land & Water Board at (867) 777-7969 should an archeological site, artifact, burial ground or specimen be disturbed during the land use operation. | ARCHEOLOGICAL
SITES AND/OR
BURIAL GROUND |
| 10.2 | The Permittee shall not knowingly remove, disturb or displace and archeological specimen or site. | DISTURBANCE
OF SITE |
| 10.3 | The Permittee shall ensure that all persons working under authority of the permit are aware of these conditions concerning archeological sites and permit conditions regarding those site | NOTIFICATION
TO
EMPLOYEES |
| 10.4 | The Permittee shall not operate any vehicle within one hundred (100) metres of a known or suspected archeological site unless authorized in writing by the Board | OPERATE
VEHICLE |

11.0 26 (1) (k) - OBJECTS AND PLACES OF RECREATIONAL, SCENIC AND ECOLOGICAL VALUE

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|------|---|------------------------------------|
| 11.1 | The Permittee shall not operate any vehicle within two hundred fifty (250) metres of a known or suspected raptor nesting sites unless otherwise authorized in writing by the Board | AVOID
NESTING
SITES |
| 11.2 | The Permittee shall demarcate the eastern most boundary of the Gwich'in Land Use Plan Heritage management zone described as Viht'ii tshik Zone and defined as HERITAGE CONSERVATION ZONE – H03 Canada Gazette Part II, Vol. 137, N0. 12 within the proposed land used operation with flags, posts or similar devices so they are at all times visible by men and equipment operators. | MARK
BOUNDARY |

12.0 6 (1) (l) - SECURITY DEPOSIT

N/A

13.0 26 (1) (m) - PETROLEUM FUEL STORAGE FACILITIES

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| 13.1 | The Permittee shall report in writing to a Land Use Inspector the location and quantity of all petroleum fuel caches within ten (10) days after the establishment. | REPORT FUEL
LOCATION |
| 13.2 | The Permittee shall not place any petroleum fuel storage containers within thirty (30) metres of the normal high water mark of any stream. | FUEL BY
STREAM |

13.3	The Permittee shall locate mobile fuel vehicles/ facilities on land when stationary for any period of time exceeding twelve (12) hours.	FUEL ON LAND
13.4	The Permittee shall not allow petroleum products to spread to surrounding lands or into water bodies.	FUEL CONTAINMENT
13.5	The Permittee shall: (a) Examine all fuel storage containers for leaks at least once a day (b) Repair all leaks immediately and record any spills.	CHECK FOR LEAKS
13.6	The Permittee shall construct a dyke around each stationary fuel container or group of stationary fuel containers as approved by the inspector	DYKE FUEL CONTAINERS
13.7	The Permittee shall ensure that a spill kit and drip trays are located At each refueling station	DRIP TRAYS
13.8	The Permittee shall not use bladders for storing or transporting petroleum products.	BLADDERS PROHIBITED
13.9	The Permittee shall seal all container outlets except the outlet currently in use.	SEAL OUTLET
13.10	The Permittee shall mark all fuel containers with the Permittee's name. This includes 45 gallon drums.	MARK CONTAINERS
13.11	The Permittee shall at all times have on site sufficient spill clean-up equipment and material in readiness to clean up all hazardous material which may be spilled	OIL SPILL CLEAN- UP EQUIPMENT

14.0	26 (1) (n) - DEBRIS AND BRUSH DISPOSAL
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14.1	The Permittee shall progressively dispose of all debris and brush.	PROGRESSIVE DISPOSAL
14.2	The Permittee shall spread all cut debris and brush over the areas cleared, prior to completion of the operation or expiry of the Land Use Permit.	SPREAD BRUSH
14.3	The Permittee shall salvage all portions of trees cleared that are larger than thirteen (13) centimetres in diameter.	SALVAGE TIMBER
14.4	The Permittee shall neatly pile all salvaged wood at locations specified in writing by a Land Use Inspector.	PILE WOOD
14.5	The Permittee shall not leave tree stumps exceeding twenty (20) centimetres above the ground surface.	TREE STUMPS

15.0	26 (1) (o) RESTORATION OF LANDS
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N/A

16.0 26 (1) (p) DISPLAY OF PERMITS AND PERMIT NUMBERS

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| 16.1 | The Permittee shall display a copy of this Permit in a conspicuous place in each campsite established to carry out this land use operation. | DISPLAY
PERMIT |
| 16.2 | The Permittee shall keep on hand, at all times during this land use operation, a copy of the Land Use Permit. | COPY OF PERMIT |

17.0 31 (1) (q) - MATTERS NOT INCONSISTENT WITH THE REGULATIONS FOR THE PROTECTION OF THE BIOLOGICAL AND PHYSICAL CHARACTERISTICS OF THE LANDS

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| 17.1 | The Permittee shall provide in writing to the Board, at least forty-eight (48) hours prior to commencement of this land use operation, the following information:

(a) person, or persons, in charge of the field operation to whom notices, orders, and reports may be served;

(b) alternates;

(c) all the indirect methods for contacting the above person(s). | IDENTIFY AGENT |
| 17.2 | The Permittee shall, while preparing the access road, make every effort to avoid covering or destroying traps or snares that may be found along these routes. | TRAPS
PROTECTION |
| 17.3 | The Permittee shall, during the course of the land use operation, make every effort to avoid interfering with traditional fish harvesting activities and known traditional fish harvesting areas | TRADITIONAL
FISH
HARVESTING |
| 17.4 | The Permittee shall restore any trails used by trappers or hunters along access routes by slashing any and all trees that may fall across these paths or trails and by removing any other obstructions such as snow piles or debris that may be pushed across the trails. | TRAILS
RESTORATION |
| 17.5 | The permittee shall ensure that a copy of this permit, operating conditions and definitions is provided to and understood by all contractors and sub-contractors prior to the start-up of this Land Use Operation | CONTRACTORS
& SUB-
CONTRACTORS |
| 17.6 | The Permittee shall submit to the Board a contingency plan, for chemical and petroleum spills, for use during the construction and operation of the winter road. | CONTINGENCY
PLAN |
| 17.7 | The Permittee shall appoint a Environmental, Wildlife and Heritage Monitor or Monitors to oversee all land use activities during the operation and;

a) submit monitoring a report every seven (7) days to the satisfaction of the Board
b) submit the names of the persons in-charge of monitoring and a list of active Monitors employed during land use operation to the Land Use Inspector | MONITORS &
MONITORING
REPORTS |