



Spring 2010 Oil and Gas Disposition RFP Review—Submissions

Updated April 8, 2010

When a Request for Posting (RFP) is received, the Government of Yukon formally initiates an oil and gas rights disposition process by conducting an RFP Review. This process is scheduled for a period of approximately 60 days. If a RFP is not received a disposition process is not conducted.

During a RFP Review, Oil and Gas Resources utilizes various means to solicit environmental, socio-economic and surface access concerns. RFPs are referred to government agencies and to First Nations having traditional territories in a RFP Location. Notices are published in local newspapers and magazines inviting members of the public to review the requested Location. First Nations, government departments and agencies or members of the public may also make arrangements to meet with branch officials to discuss RFPs and submit representation.

This document contains the written submissions from the Spring 2010 RFP Review.

Subject: FW: Spring 2010 RFP and Peel Watershed Regional Plan

-----Original Message-----

From: Darren Taylor [mailto:darren.taylor@gov.trondek.com]

Sent: Thursday, March 11, 2010 2:58 PM

To: Debra.Wortley

Cc: Tim Gerberding; Michael Earl

Subject: RE: Spring 2010 RFP and Peel Watershed Regional Plan

I appreciate the information Debra, I concur with your assessment and recommendation on this issue. I would be appropriate to take the recommended action considering the LOU that was signed by the parties, and the one year OIC re: mineral activities.

Mahsi,

From: Debra.Wortley@gov.yk.ca [Debra.Wortley@gov.yk.ca]

Sent: March-10-10 9:38 AM

To: nrd@vgfn.net; Darren Taylor; landsmanager@nndfn.com; monaghan@northwestel.net; msemmler@gwichin.nt.ca; landsenvironment@nndfn.com

Cc: IMCEAEX-_O=GOVERNMENT+20OF+20YUKON_OU=YNET_cn=Recipients_cn=Sharon+2ELegoffe@gov.yk.ca; Ron.Sumanik@gov.yk.ca

Subject: Spring 2010 RFP and Peel Watershed Regional Plan

We have discovered an overlap of approximately 8 ha between the Spring 2010 Request for Posting (RFP) and the Peel Watershed Planning Region (PWPR). See the attached map. The overlap is not evident until the map blown up to an extremely large scale. The rest of the RFP is located in the North Yukon Planning Region.

The Recommended Peel Watershed Regional Land Use Plan (the Plan) shows that the 8 ha area is located within Landscape Management Unit 4, the Dalglish Creek Integrated Management Area, and the Dempster Highway Corridor. The Plan does not indicate that this area (the former Permit #1) is in the Planning Region.

It is our proposal that both the Call for Bids and the Permit state that surface access in the 8 ha area would not be allowed until Order in Council (OIC) prohibiting mineral activities expires, and that any activity within the Permit location would need to comply with the objectives, goal and conditions of whichever land use plan the activity takes place.

I would appreciate any comments you may have concerning this overlap and our proposal to prohibit surface access while the OIC is in place.

As always, if you have any questions please call or email.

Debra Wortley

Rights and Royalty Manager

Oil and Gas Resources

Suite 300-211 Main Street

Whitehorse, Yukon

Y1A 2B2

phone: (867)667-3512

fax: (867) 393-6262

email: debra.wortley@gov.yk.ca

DISCLAIMER: This e-mail message is intended only for the named recipient(s) above and may contain information that is confidential. If you have received this message in error, or are not the named recipient(s), please immediately notify the sender and delete this e-mail message.



GWICH'IN TRIBAL COUNCIL
Lands & Resources
Box 1509, Inuvik, NT X0E 0T0
Phone (867)777-7900 Fax (867)777-7919

Gwich'in land, culture & economy for a better future!

March 26, 2010

Yukon Energy, Mines and Resources
P.O. Box 2703
Whitehorse, YT Y1A 2C6

Fax: 867/393-6262

Att: Debra Wortley – Rights Disposition Manager – Oil and Gas Management Branch

Dear Deb:

Re: Request for Postings comments – Spring 2010

The Gwich'in Tribal Council (GTC) would like to submit the following comments with regard for the Request for Postings (RFP's) received by the Yukon Oil and Gas Management Branch within the Gwich'in Settlement Region and the Gwich'in traditional territory:

1. Land Use Planning should be completed prior to any development activities allowed within the Peel River Watershed;
2. Concerns exploration and development would have impacts to traditional use, including excessive noise, disruption to hunting and trapping areas, water quality, wetlands, fish/waterfowl and wildlife and wildlife habitat, freshwater lakes and streams, berry picking sites;
3. Resource Management Planning, including caribou, sheep and grizzly bear, should be completed prior to allowing exploration and development activities within the Gwich'in traditional territory;
4. Cumulative effects assessments should be ongoing and each project should be assessed based on all activities within the region and limitations established to ensure sustainable development is being completed;
5. The recognition of heritage sites and community use within the proposed area, including the importance of wilderness tourism;
6. Global warming and climate change implications may have an effect within the proposed project area and with increased exploration and development;
7. Consultation from industry with Gwich'in community groups, including GTC should be engaged prior to the issuance of any right for oil and gas exploration and development;
8. Preferential hiring of Gwich'in businesses and participants for work within the Gwich'in Settlement Region;
9. All season access roads should not be permitted as part of the exploration and development rights issuance;
10. Existing roads and trails should be utilized to minimize the footprint of proposed projects.

If you have any questions or concerns with regard to this letter or the comments contact me at 867/777/7913.

Yours truly,

Mardy Semmler
Lands Manager

Copied to: Tetlit Gwich'in Council
Tetlit Gwich'in Renewable Resource Council

Fax: 867/952-2212
Fax: 867/952-2212

VUNTUT GWITCHIN Government

Government of Vuntut Gwitchin First Nation

Natural resources department



P.O. Box 94,
Old Crow, Yukon
Y0B 1N0

Phone: (867)966-3261
Fax: (867)966-3800
Web: www.vgfn.ca

March 31, 2010

Debra Wortley
Yukon Government
Rights and Royalty Manager
Oil and Gas Resources
Suite 300-211 Main Street
Whitehorse, Yukon
Y1A 2B2

The Vuntut Gwitchin Government (VGG) offers the following comments and recommendations in response to the recent Spring 2010 Request for Postings (RFP) oil and gas disposition process.

In accordance with the North Yukon Land Use Plan (the Plan), the intended land use within the area identified as 2010S01 is defined as an acceptable practice. Any future proposed land use activities in this area are subject to further guidelines contained within the Plan and of course other regulatory reviews, requirements and best practices.

With regards to the small landbase located in the south-east corner of the RFP area, immediately east of the Dempster Highway, it is the view of the VGG that the area in question is in the Dempster Corridor exemption area and should remain in the call for bids. We appreciate Yukon government's sensitive approach to this area however feel that the Plan clearly indicates management intentions.

VGG realizes there will be further opportunities to submit detailed comments and recommendations should further development plans materialize, but at this time wish to indicate that there are no substantial reservations or issues with the area currently selected.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Carl Charlie', with a long, sweeping underline.

Carl Charlie
Lands Manager
Vuntut Gwitchin Government

cc: North Yukon Renewable Resources Council

Sharon.Legoffe

Subject: FW: Spring 2010 Oil and Gas Request for Postings Review

-----Original Message-----

From: Smith, Rob [mailto:Rob.Smith@dfo-mpo.gc.ca]

Sent: Wednesday, February 10, 2010 3:37 PM

To: Debra.Wortley

Subject: RE: Spring 2010 Oil and Gas Request for Postings Review

Hi Debra,

DFO's involvement would likely come as a result of a proponent submitting an exploration or development application (on the ground operations) in future in this area thru YESAB at which time we would review the proposal for potential impacts to fish and fish habitat as per the *Fisheries Act*. We can not comment "generically" under our Legislation on potential impacts to fish and fish habitat for the overall RFP process and subsequent land permits.

Cheers!

Rob Smith

DFO Habitat Biologist

Yukon/Transboundary Rivers Area

(867) 393-6736

From: Debra.Wortley@gov.yk.ca [mailto:Debra.Wortley@gov.yk.ca]

Sent: February 2, 2010 10:30 AM

To: Scott.Herron@ec.gc.ca; brian.pelchat@ec.gc.ca; Smith, Rob; Wally.Hidinger@gov.yk.ca;

Cathryn.Paish@gov.yk.ca; Lee.Pigage@gov.yk.ca; Randy.Lamb@gov.yk.ca;

Ruth.Gotthardt@gov.yk.ca

Subject: Spring 2010 Oil and Gas Request for Postings Review

Good day all. The Spring 2010 RFP closed on January 20, 2010. We received one expression of interest from industry. The requested location is in the Eagle Plain oil and gas basin and is the old Permit #1 area along the Dempster Highway. Permit #1 expired November 28, 2009. The OGR website (www.yukonoilandgas.com) has been updated with maps showing the RFP. I have also attached an overview map showing the location, surrounding Permits, Significant Discovery Licences and the Dempster Highway.

The RFP Review will take place during February and March. I will prepare the Report to the Minister regarding comments and concerns raised about environmental, socio-economic and surface access issues brought forward during the RFP Review. The Call for Bids for this location is scheduled to take place between April 26 and June 9th.

Let me know if you have any questions about either the oil and gas disposition process or the RFP Review. Please forward any comments or concerns you may have about this location by March 31st.

Debra Wortley

Rights and Royalty Manager

Oil and Gas Resources

From: Wally.Hidinger
Sent: Wednesday, February 24, 2010 1:25 PM
To: Debra.Wortley
Subject: FW: Spring 2010 Oil and Gas Request for Postings Review

HPW has reviewed the material circulated by O&G. We have no major concerns with any of these potential dispositions. If and when some field activity is planned to take place, we'd like the people doing the work to contact us with regard to joining access roads to the Dempster (or any other) Highway. An access permit will be required, whether the connection is permanent or temporary. The permit process allows us to be assured that the access is in a safe place and adequately designed. That's it from our side.

The area requested for posting is also within the North Yukon Land Use Planning Region. The NYLUP specifies that HPW is to complete an access management plan, with specific reference to potential oil and gas activity near the Dempster Highway. Our current schedule for development of the access management plan is to prepare terms of reference for the plan in fall of 2010, carry out any required field study in the summer and fall of 2011 and complete the plan by June 2012. I don't think the development of the access management plan will affect the land disposition process now proposed and in fact, knowing of any oil and gas dispositions that take place near the Dempster Highway in 2010 will be helpful to the development of the plan. I'll keep you informed as we navigate through the planning process as input from EMR will be important.

Let me know if you have any questions.
Cheers.

W. P. (Wally) Hidinger, P. Eng.
Manager, Transportation Planning and Programming
Tel & vmail: 867-633-7930 Fax:867-393-6447
Email: hidinger@gov.yk.ca

-----Original Message-----

From: Debra.Wortley
Sent: February 2, 2010 10:30 AM
To: Scott Herron (Scott.Herron@ec.gc.ca); Brian Pelchat EC (brian.pelchat@ec.gc.ca); Rob Smith (Rob.Smith@dfo-mpo.gc.ca); Wally.Hidinger; Cathryn.Paish; Lee.Pigage; Randy.Lamb; Ruth.Gotthardt
Subject: Spring 2010 Oil and Gas Request for Postings Review

Good day all. The Spring 2010 RFP closed on January 20, 2010. We received one expression of interest from industry. The requested location is in the Eagle Plain oil and gas basin and is the old Permit #1 area along the Dempster Highway. Permit #1 expired November 28, 2009. The OGR website (www.yukonoilandgas.com) has been updated with maps showing the RFP. I have also attached an overview map showing the location, surrounding Permits, Significant Discovery Licences and the Dempster Highway.

The RFP Review will take place during February and March. I will prepare the Report to the Minister regarding comments and concerns raised about environmental, socio-economic and surface access issues brought forward during the RFP Review. The Call for Bids for this location is scheduled to take place between April 26 and June 9th.

Let me know if you have any questions about either the oil and gas disposition process or the RFP Review. Please forward any comments or concerns you may have about this location by March 31st.

Debra Wortley
Rights and Royalty Manager
Oil and Gas Resources
Suite 300-211 Main Street
Whitehorse, Yukon
Y1A 2B2
phone: (867)667-3512
fax: (867) 393-6262
email: debra.wortley@gov.yk.ca

DISCLAIMER: This e-mail message is intended only for the named recipient(s) above and may contain information that is confidential. If you have received this message in error, or are not the named recipient(s), please immediately notify the sender and delete this e-mail message.



Tourism and Culture
Box 2703, Whitehorse, Yukon Y1A 2C6
Heritage Resources

March 1, 2010

Debra Wortley
Rights and Royalty Manager
Oil and Gas Resources
Suite 300-211 Main Street
Whitehorse, Yukon
Y1A 2B2

Re: Spring 2010 Oil and Gas Request for Posting

Thank you for the opportunity to comment on the Oil and Gas Spring 2010 Request for Postings. Systematic heritage resource inventories are limited in the area of 2010S001 and heritage values (historic, archaeological and palaeontological) for the area are largely unknown. Heritage assessment is recommended in advance of any planned development or activity in the area which may impact on heritage resources.

A handwritten signature in black ink, appearing to read "Ruth Gotthardt". The signature is stylized and somewhat cursive.

Ruth Gotthardt
Yukon Archaeologist



Environment
Box 2703, Whitehorse, Yukon Y1A 2C6

April 01, 2010

MEMORANDUM

TO: Debra Wortley, Rights and Royalty Manager
Oil & Gas Resources

FROM: Randy Lamb, Manager
Environmental Affairs Section

RE: Spring 2010 Request for Posting in the Eagle Plains Area

Environment Yukon has completed its review of the spring 2010 request for posting in the Eagle Plain oil and gas basin and submits the following comments for your consideration.

The area overlaps with important habitat for the Porcupine Caribou herd. In light of recent conservation measures implemented by Yukon Government for this herd, coupled with a pending court case, it is understood that EMR has agreed to consider timing of the posting in reference to such legal proceedings. At this time, the importance of this area for the Porcupine Caribou Herd is the primary wildlife issue within the Eagle Plains area. Secondary issues are also outlined below.

Porcupine Caribou Herd:

The Eagle Plain oil and gas basin is used by caribou as rutting grounds and winter habitat as early as October 1st and as late as May 15th of each year. This time period also coincides with the traditional period for winter petroleum exploration activities and therefore oil and gas related development activity can be anticipated to have some effect on the caribou herd during these months.

Large caribou herds like the Porcupine herd require large areas of space during the winter for foraging as well as predator avoidance. Disturbance to caribou in this eastern portion of their winter range has the potential to displace them from the area during exploration activities. Proponents will need to take this into account and will need to work collaboratively with regulators and Environment officials to mitigate the potential for increased stresses on the herd.

Oil and gas dispositions already exist immediately to the Northwest, West and South of this nominated area. The issue of cumulative effects, particularly to caribou becomes greater with each new incremental development in this region as hunting and traffic along the Dempster Highway also contribute to disturbance impacts to the herd. Monitoring of exploration activities and their effects on caribou will be important in order to determine if cumulative effects from multiple projects in the area are significant. Also of note, the Porcupine Caribou Management Board is currently undertaking a

multi-year cumulative effects study that aims to develop a decision tool for addressing cumulative effects on the herd.

In 2009, the Yukon Government instituted interim regulations to protect the Porcupine Caribou Herd amid serious conservation concerns due to the herd's declining population. These measures remain in effect until an approved harvest management plan is accepted and implemented by the respective Parties¹. In addition, the parties have set a deadline of March 31st, 2010 for finalizing the Harvest Management Plan, followed by a 6 month implementation planning agreement.

Secondary Concerns:

Moose:

In general, the riparian areas that follow the creeks and drainages can be extremely important to local moose populations. They represent the only suitable habitat for moose and serve as seasonal movement corridors for moose migrating through the area. Moose densities in these restricted habitats have been observed to be quite high.

Other Fish & Wildlife Comments:

- No comments related to impacts on bears have been identified at this time. Should concerns be forthcoming they will be forwarded at a later date.
- Fisheries and water quality considerations can be addressed through implementation of standard industry accepted land use practices with respect to access and stream crossing installations.

Dempster Highway Corridor:

The Dempster Highway is known for its wilderness character and importance to tourists and locals alike for its pristine views. Exploration activities need to be aware of scenic vantage points along the highway and make every effort to minimize disturbance to ensure continued viewshed quality. Pre-planning with respect to access routing will be required to mitigate potential viewscape concerns.

The Dempster Highway corridor (8 km on either side of the Highway) is regulated under the Dempster Highway Development Area Regulations of the Area Development Act. Proponents need to be made aware of these Regulations with respect to access off the Highway and activities within the corridor.

While historic seismic practices and techniques within the nominated area have contributed to habitat loss, seismic techniques and technologies have advanced such that these impacts can now be mitigated to a very high degree through the employment of industry accepted Best Management Practices.

¹ The Parties consist of the Government of Canada, Yukon Government, the Government of Northwest Territories, Trondék Hwëch'in, Na-cho Nyäk Dun, Vuntut Gwitchin First Nation, Inuvialuit Game Council and the Gwich'in Tribal Council

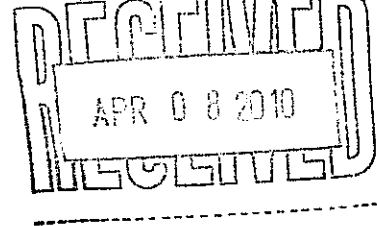
Recommendations:

- *The nominated areas fall within the Porcupine caribou rutting and winter range and as such, this aspect should be considered in all phases of exploration and development.*
- *Extensive access pre-planning will be required to determine best routing (i.e. terrain, viewscape and riparian considerations) and implementation of measures to prevent public use of industry trails and access.*
- *Given the incremental nature of oil and gas exploration activities and development, coupled with the environmental sensitivities inherent to the Eagle Plains / Dempster area, a Cumulative Effects Assessment (CEA) would be an integral component of any proposed activities. Included in the CEA should be a detailed effects monitoring program that would in part, help validate initial environmental effects predictions and enable early detection of deviations from baseline conditions. It is important to note here that there exists currently, very good baseline data for the Porcupine herd which will be of great benefit to prospective operators in addressing this issue.*
- *Riparian movement corridors (as mentioned under Moose) be avoided whenever possible and any exploration or access road development be minimized to the maximum extent possible.*
- *The Dempster Highway corridor is regulated under the Dempster Highway Development Area Regulations and a DHDA authorization will be required with respect to access off the Highway and activities within the corridor.*

Should you require clarification or additional information on the above please contact this office at (867) 667-5409.

Sincerely,

Randy Lamb
Manager, Environmental Affairs Section
Environmental Programs Branch



Porcupine Caribou Management Board

Box 31723, Whitehorse, Yukon Y1A 6L3
Phone: (867) 633.4780 • Fax: (867) 393.3904 • Email: pcmb@taiga.net

March 26, 2010

Public Notice and Review
Government of Yukon
Department of Energy, Mines and Resources
Oil and Gas Resources
Suite 300, 211 Main Street
Whitehorse, Yukon Y1A 2B2
Fax: 867.393.6262

To Whom It May Concern:

Re Spring 2010 Oil and Gas Rights Disposition Review

The Porcupine Caribou Management Board (PCMB) offers this submission with respect to the Spring 2010 Oil and Gas Rights Disposition Review currently underway. Our concerns in this review are essentially the same as what we expressed in 2007 regarding the RFPs in the Peel Plateau and for the Spring 2008 Oil and Gas Rights Disposition Review.

In the past, the Oil and Gas Branch has granted rights to numerous locations through the Porcupine Caribou Herd's winter range. Individually, none of these projects stands out as being objectionable. It is the potential for cumulative impacts of numerous rights dispositions over time that concerns the PCMB. While we are not in a position to propose a limit on the quantity of RFPs that are approved, we instead submit to you that you should impose limits by approving the dispositions that would likely leave the smallest environmental footprint, in the most resilient locations. As more and more rights dispositions are granted, our concerns heighten.

Background – The declining population of the Porcupine Caribou Herd means all projects that might affect the herd's use of its range, including in the Eagle Plain basin, require caution.

The PCMB is concerned about the impacts that projects at these locations will have on the Porcupine Caribou Herd, which appears to be particularly vulnerable at this time.

The herd's population has been declining since 1989, when the population peaked at 178,000 caribou. Although a photocensus has not been taken since 2001 to confirm the population estimates, the PCMB is confident that the current population is below 110,000 caribou, based on calving surveys, computerized population modeling and other studies. In November of 2006, the Board passed a unanimous resolution noting that the herd is in immediate need of conservation of the herd, among other things.

This matter of declining population is of enough concern that the Board is working with all the caribou herd's user groups to develop a harvest management strategy as one means of protecting the herd. If the traditional caribou users are being asked to alter their harvesting activities, it goes without saying that other human activities in the range of the herd need to be altered or even avoided for the good of the Porcupine Caribou Herd. In this case, we believe that conservation of the Herd should be of utmost importance when you consider the RFPs.

Any dispositions granted could potentially affect the health of the herd. The current decline of the population suggests that the herd might not be as resilient to the stresses of development as we would like to see. In addition to direct impacts of human activity, the projects also affect the herd's habitat. In turn, the well-being of the herd affects the ability of numerous native groups to participate in Porcupine Caribou traditions that have bonded the community members together and to the earth for millennia.

The Eagle Plain basin is part of the herd's winter habitat. Although caribou are most resilient to human activity during wintertime, their winter habitat is still important to their well-being. In addition, as human activity increases, the number of caribou in the area will decrease, displacing the caribou from their chosen habitat. "Whatever happens in the winter affects the calf survival, affects the pregnancy the next year and virtually every aspect of productivity from age of first reproduction to calf survival." Quote from Don Russell, Canadian Wildlife Service; 2000 presentation: *Porcupine Caribou Habitat and Oil and Gas Development in the North Yukon*.

As noted, we have provided comments in rights disposition reviews in the past, and at this time, we renew our concerns and our recommendations. Generally, we will remind you that the direct impacts of human activity (such as loss of habitat) combined with indirect activities (such as displacing caribou from their habitat) could seriously affect the well-being of the herd. Again, when the herd is not thriving, the First Nation communities that have used the caribou for centuries also suffer. The Porcupine Caribou Herd connects the community members to each other and to the earth. Continuing Porcupine Caribou traditions is critical for healthy communities in the herd's range.

Recommendations

Again, the PCMB would like to see that any development that is undertaken is done in a responsible manner. To that end, the PCMB urges to make your rulings with the well-being of the Porcupine Caribou at the top of your mind, and to give the benefit of any doubts to the caribou herd.

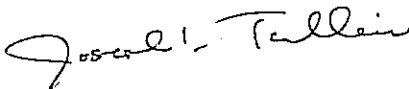
The PCMB makes the following recommendations:

- Please consider cumulative impacts when you consider which RFPs to accept.
- Priority should be given to projects that minimize potential for damage to the landscape. Examples include:
 - Areas that can be accessed using existing roadways or shared roadways
 - If access roads must be constructed, the shorter the road the better
 - Areas that have been identified as having a more resilient landscape are preferable
 - Areas that can be accessed by using water bodies to create winter-only roads.

In conclusion, we will emphasize that the Porcupine Caribou Herd migrates through the traditional territories of the Vuntut Gwitch'in First Nation, Tr'ondek Hwech'in and the First Nation of Nacho Nyak Dun in Yukon, and the Inuvialuit and other Gwich'in First Nations in the Northwest Territories. Although these groups are represented on our Board, we do not speak for these organizations. Harvest of the Porcupine Caribou Herd is a traditional practice of these native groups since time immemorial. The well-being of the herd represents valued cultural and heritage components even to First Nations whose traditional territories are far from the lands in question. Not only is the health of the Porcupine Caribou Herd a valid consideration for its own sake, but the health of the herd is also critical in maintaining centuries of caribou traditions for First Nations in the herd's range.

If you have any questions, please do not hesitate to contact our office.

Sincerely,



Joe Tetlich
Chair



March 31st, 2010

Yukon Territorial Government
Energy Mines and Resources Department
Oil and Gas Resources
Suite 300, 211 Main Street
Whitehorse, Yukon, Y1A 2B2

Email: oilandgasdisposition@gov.yk.ca

Attn: Rights and Royalty Manager

**Re: Spring 2010 Oil and Gas Disposition
Removal of all areas that overlap with Peel Watershed**

Dear Deb Wortley

It is the understanding of the Yukon Conservation Society that the Yukon Department of Energy, Mines and Resources has received one posting request for oil and gas rights in the Eagle Plains basin.

A very small portion of the Request for Posting region is located within the Peel Watershed. As you are aware, the Yukon Government has issued an interim one-year Order in Council removing the entire Peel Watershed from mineral staking. The Yukon Government also stated it will not issue oil and gas permits in this region for the same length of time.

In order to comply with the spirit of the Order in Council, the Government's commitment to include oil and gas activity in that withdrawal, and to honour the intent of the Peel Watershed Land Use Plan, **the Yukon Conservation Society strongly asks that any and all lands within the Peel Watershed, no matter how small, not be part of the Spring 2010 Oil and Gas Disposition.**

Yours truly

Anne Middler
Energy Coordinator
Yukon Conservation Society

Tel: 867-668-5678

Email: ycsenergycoordinator@gmail.com

*Spring 2010 – Yukon’s Oil and Gas Disposition Process
Vuntut Gwitch’in Government– March 15, 2010
Old Crow, NWT*

Attendance:

Shel Graupe, Director of Natural Resources, VGFN
Carl Charlie, Lands Manager, VGFN
Kathie Nukon, Councillor, VGFN
Roger Kaye, Councillor, VGFN
Debra Wortley, Rights and Royalties Manager, YG-OGR
Sharon LeGoffe, Rights and Royalties Administrator, YG-OGR

Presentation

Debra Wortley provided a power point presentation entitled “Yukon’s Disposition Process and Spring 2010 Request for Postings. The power point included:

- background to the current events and activities, and explained the disposition process
- explained that the current RFP is in the same location as Permit #0001 that expired in November of 2009
- described the small overlap of 8 ha in the Peel Planning Region, and
- YG’s proposal to include the overlap in the Call for Bids but to suspend surface access until the OIC expires

Questions asked:

- Roger Kaye asked, what if VGFN does not want any oil and gas activity and Dawson and Mayo and Tetlit Gwich’in does?
- Deb explained that depending on the reason provided by VG, areas could be excluded, specific concerns identified in the CFB, or terms and conditions added during licencing.
- Carl Charlie asked about benefits agreements. Northern Cross’ benefits agreements was discussed.
- Roger Kaye asked about the drilling programs and can the companies drill in the winter or summer? Deb explained that Northern Cross has approval for 3 summer and 2 winter drilling programs.

At the close of the meeting Debra Wortley stressed the importance of YG receiving feedback from VGFN and that their comments form part of the Report to the Minister.

***Spring 2010 – Yukon’s Oil and Gas Disposition Process
North Yukon Renewable Resource Council Meeting
March 16, 2010
Old Crow, NWT***

Attendance:

Nick Gray, Executive Director, NYRRC
Tyler Lord, NYRRC member
Joel Peter, NYRRC member
Vernon Kaye, NYRRC member
Robert Bruce, NYRRC Chair
Debra Wortley, Rights and Royalties Manager, YG-OGR
Sharon LeGoffe, Rights and Royalties Administrator, YG-OGR

Presentation

Debra Wortley started the presentation off with explaining the different maps that she had hung up. She explained that the purpose of the meeting was to discuss the current RFP location and that it is the same location as Permit #0001 that had expired in November 2009.

- Nick asked if the RFP process was conducted twice per year and Debra responded that yes, it is conducted twice annually and the dates are published on our website.

Debra started the power-point presentation entitled “Yukon’s Disposition Process and Spring 2010 Request for Postings.

- Deb provided background to the current events and activities, and explained the disposition process.
- She mentioned that there is a small overlap of 8 ha in the Peel Planning Region and that OGR’s proposal was to include the overlap in the CFB but suspend access until the OIC expired.

Some questions that were asked:

- Robert asked about Northern Cross’ planned activity which was followed by a short discussion about Northern Cross’ testing and summer/winter drilling programs.
- Deb explained that all the letters the Branch receives from organizations regarding RFP’s are published on our website and used to determine if YG should go ahead for a Call for Bids, or not.
- Nick asked if there was a minimum bid. Deb explained that the minimum bid is \$400k.
- Debra requested the NYRRC provide their comments on OGR’s proposal for the 8 ha overlap.
- Debra said that she would check on the status of the Caribou BMP.
- Nick offered to have the NYRRC review the Caribou BMP and provide comments.
- Robert mentioned that the Gwich’in Tribal Council (GTC) and Inuvialuit Game Council (IGC) have jointly filed a court challenge against YG.

***Spring 2010 – Yukon’s Oil and Gas Disposition Process
Tetlit Gwich’in Renewable Resources Council
March 18, 2010
Ft. McPherson, NWT***

Attendance:

Mardy Semmler, GTC
Allen Firth, GTC
Johnnie Charlie, TG RRCouncil
Mary Rose Tetlich, TG RRCouncil
Peter Kaye, TG RRCouncil
Eddie Wright, TG RRCouncil
Albert Peterson, TG RRCouncil
Annie Jane Modeste
Debra Wortley, Rights and Royalties Manager, YG-OGR
Sharon LeGoffe, Rights and Royalties Administrator, YG-OGR

Presentation

Debra Wortley provided a power-point presentation entitled “Yukon’s Disposition Process and Spring 2010 Request for Postings. Deb provided background to the current events and activities, and explained the disposition process. Several color maps were explained and used in the presentation.

Deb explained that:

- The current RFP is in the same location as Permit #0001 that expired in November of 2009.
- There is a small overlap of 8 ha in the Peel Planning Region and that YG’s proposal is to include the overlap in the Call for Bids but to suspend surface access until the OIC expires.
- Allen Firth asked if YG recognizes TGC and GTC as partners when developing oil and gas legislation. Deb replied, no because the TGC and GTC are not Yukon First Nations. YG is not obligated to consult under the *Oil and Gas Act*, but we meet as a courtesy.
- Allen Firth then asked if, TGC and GTC ever be included with Yukon First Nations. Deb replied that the possibility exists if the Final Agreements were changed or if Transboundary Agreements were signed.
- Deb gave an overview of Northern Cross’ proposed well programs and an overview of Yukon’s oil and gas disposition process.
- Allen Firth asked if the proponent (Northern Cross) is obligated to hire TGC people? Deb explained that YG negotiates benefits agreements for Yukon First Nation’s for work in Yukon. NT negotiates their own benefits agreements with NT First Nation’s for work done in NT. She mentioned that she would encourage the company to advertise in Ft. McPherson and Inuvik.
- Johnnie Charlie asked why Hunt Oil didn’t do any work on their Permit #0004? Debra and Mardy explained that Hunt Oil was looking for financial partners. Hunt didn’t realize the cost to get to the Peel or that there were multiple regulatory regimes to deal with.

In closing, Mardy Semmler stressed the importance of feedback from the community from meetings like these. She suggested that when she drafts her letter to YG in response to the RFP, she would send it to the TGRRC for their input.

Spring 2010 Request for Postings

Report to the Minister

Oil and Gas Request for Postings Review
Eagle Plain Basin

Prepared by the
Division Head
Oil and Gas Resources
Department of Energy, Mines and Resources
Government of Yukon


April 15, 2010



Ministerial Signature Page

Spring 2010 – Request for Postings

Recommended by:




Division Head
Greg Komaromi

Energy, Mines and Resources

May 3/10
Date

Reviewed by:




Deputy Minister
Angus Robertson

Energy, Mines and Resources

May 3/10
Date

Approved by:



Minister
Patrick Rouble

Energy, Mines and Resources

May 6/10
Date

Report to the Minister: Spring 2010 Request for Postings

Executive Summary

Twice each year the Government of Yukon (YG) offers the oil and gas industry an opportunity to express interest in obtaining oil and gas rights through a Request for Postings (RFP). The RFP is the initial step in the disposition of oil and gas rights. The first RFP of 2010 closed on January 20, 2010. One location was identified in the Eagle Plain oil and gas basin. The review of the requested location concluded on April 1, 2010. This report considers input from First Nations, government agencies, and the public; and makes a recommendation on whether or not to proceed with a Call for Bids (CFB), which is the next step in the disposition process. The report also provides suggestions about how concerns and issues raised in the RFP Review may be addressed.

Input was received from the Vuntut Gwitchin, Tr'ondek Hwech'in, Gwich'in Tribal Council, YG departments, the Yukon Conservation Society, and the Porcupine Caribou Management Board. As well, the First Nation of Na-cho Nyak Dun and the Department of Tourism and Culture, Tourism Branch referred the Division Head to comments they had made in previous RFP Reviews for similar requested locations. The location submitted for the Spring 2010 RFP delineates the same area as Permit No. 001, which expired in November 2009. Key issues raised were:

- The importance of the Eagle Plains region as winter range for the Porcupine Caribou Herd.
- Consideration of cumulative effects of oil and gas activities, particularly in respect to the Porcupine Caribou Herd.
- An overlap of eight hectares of the requested location and the Peel Watershed Land Use Planning area.
- The significance of the Dempster Highway to tourist travel, the wilderness tourism industry and the oil and gas industry.

The Division Head concluded that the environmental, socio-economic and surface access issues raised during the spring 2010 RFP Review can be adequately addressed through the use of mitigative measures, best management practices, and the existing regulatory regime.

It is the recommendation of the Division Head that the Call for Bids for the location identified in the Spring 2010 Request for Postings in the Eagle Plain basin proceed.

Report to the Minister: Spring 2010 Request for Postings

Introduction

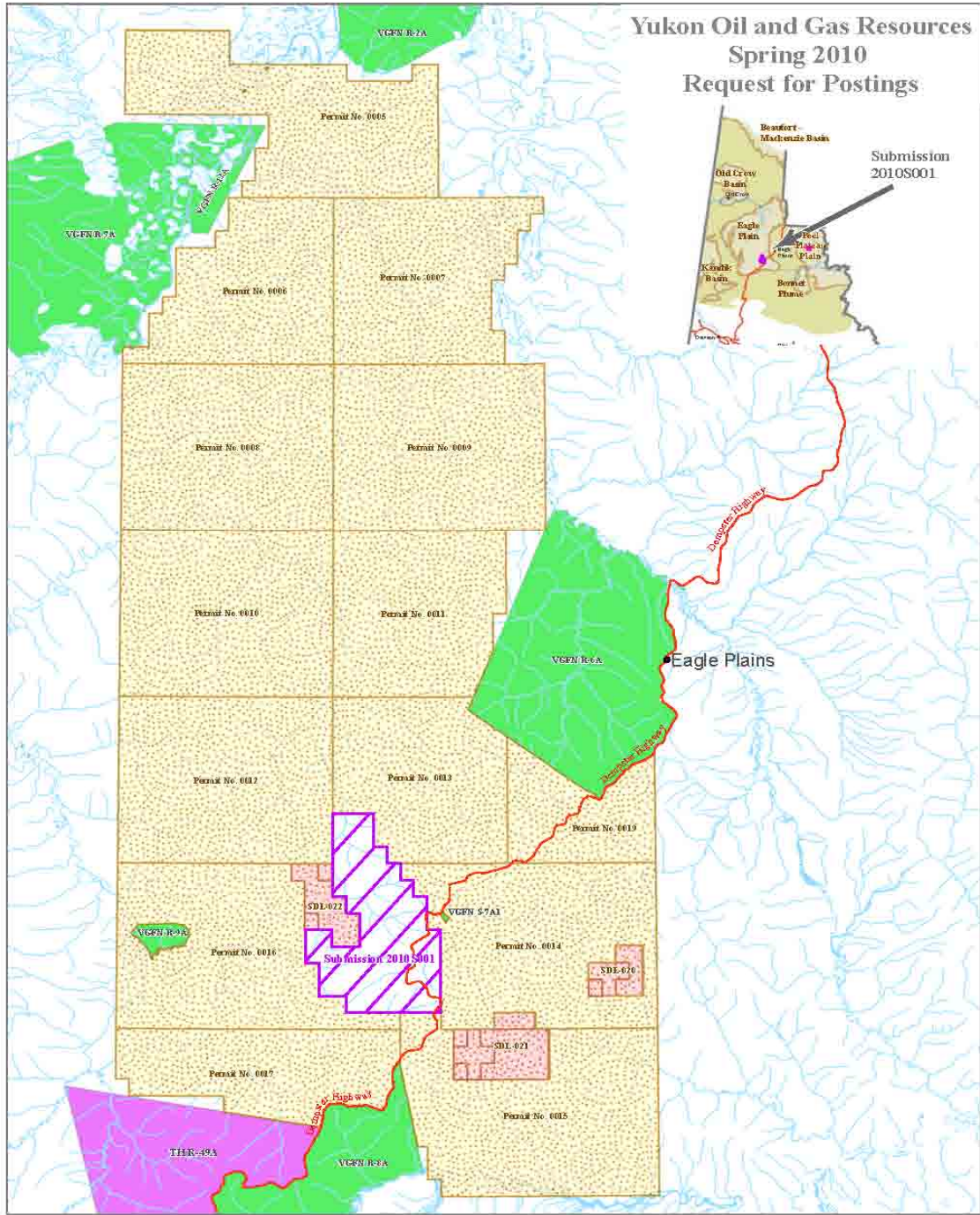
Pursuant to Yukon's *Oil and Gas Act* and the *Oil and Gas Disposition Regulations*, rights to oil and gas are granted by the Minister through a competitive disposition process. The disposition process includes a Request for Postings (RFP), an RFP Review, a Call for Bids (CFB) and finally the issuance of an Oil and Gas Permits. The RFP provides an opportunity for the industry to express interest in locations where they wish to obtain oil and gas rights. The RFP Review is an opportunity for First Nations, government agencies, and the public to identify environmental, socio-economic, and surface access concerns related to the requested locations. The Division Head is required, as per section 8 of the *Oil and Gas Disposition Regulations*, to report these concerns and make a recommendation to the Minister on whether or not to proceed with a CFB. During the CFB companies are invited to submit a work bid for the posted location. An Oil and Gas Permit is issued to a successful bidder for an initial term of six years. A successful bid is determined based on the sole criteria of the highest work bid for that location.

Five disposition processes have been held in Yukon since 2007. During that time thirty-five RFPs were received for the Eagle Plain and Peel Plateau-Plain sedimentary basins. Following the RFP Reviews, a total of twenty-three locations were made available in the ensuing CFBs. From these, fifteen Oil and Gas Permits were issued. Work bids for these Permits exceeded 23.3 million dollars.

The first RFP of 2010 closed on January 20, 2010 with the request of one location in the Eagle Plain oil and gas basin. This result was communicated to northern First Nations, government departments, and wildlife boards and councils. In order to inform Yukoners and also residents of Inuvik and Fort McPherson, about the RFP Review and how to submit responses, numerous notices were placed in newspapers in Whitehorse, Dawson, and Inuvik, and in Yukon's *Up Here* magazine. The Oil and Gas Resources (OGR) web page was updated with information and maps about the requested locations. This information was published during February and March 2010. The RFP Review concluded on April 1, 2010.

This report contains three main sections. Section A outlines the public outreach involved in the RFP Review process. Section B summarizes the issues raised with responses by the Government of Yukon. Section C provides recommendations to the Minister from the Division Head, Oil and Gas Resources.

Yukon Oil and Gas Resources Spring 2010 Request for Postings



- 2010 Request for Posting Submission**
- 2010S001
- Yukon Active Oil and Gas Dispositions**
- Permit
 - Significant Discovery Licence
- First Nation Lands**
- Tr'ondëk Hwëch'in
 - Vuntut Gwitchin First Nation

Request for Postings submissions are a result of an invitation from the Minister of Energy, Mines and Resources of Yukon for expressions of interest for the identification of locations for Oil and Gas Permits. Additional information about this Request for Postings and the oil and gas disposition process can be found at www.emrg.gov.yk.ca/oilandgas/rights.html.

For an explanation of the Yukon Oil and Gas Land Division System refer to the *Yukon Oil and Gas Disposition Regulations* sections 2 to 4. The Oil and Gas Land Division System Poster is available at <http://www.emrg.gov.yk.ca/oilandgas/imapdata.html>.

For illustrative purposes only. Not to be used for legal or navigational purposes.

A. Participation in the Review of the Request for Postings

The RFP Review package, including detailed maps of the requested location, was posted on the Oil and Gas Resources (OGR) web page (www.yukonoilandgas.com) in late January 2010. The requested location is the same area as Permit No. 001, which expired in November 2009. Permit No. 001 was the first disposition issued by the Government of Yukon (YG) following the transfer of oil and gas management from the federal government to YG in 1998 and as such has been known to be an area of interest to the oil and gas industry for over ten years.

First Nations, government agencies, and wildlife boards and councils were contacted to inquire if face-to-face meetings or additional information was required to facilitate their participation in the RFP Review.

In order to facilitate dialogue, OGR staff made numerous telephone calls, provided additional information to First Nation government staff, and encouraged comment. The information provided by OGR included digital and paper copies of colour maps, relevant reports, digital data, details about the requested location, and the next steps in the disposition process. Responding to a request by the Gwich'in Tribal Council (GTC), summaries of previous disposition processes and information about the current RFP were sent to Gwich'in Renewable Resource Councils in Inuvik, Fort McPherson, Akalvik, and Tsiigehtchic. When OGR learned that approximately eight hectares of the requested location overlapped the Peel Watershed Planning Region, additional maps showing the overlapping area were sent to the northern First Nations.

Meetings were held in Old Crow with Vuntut Gwitchin (VG) Council and Natural Resources Department staff on March 15, 2010, and with the North Yukon Renewable Resource Council (NYRRC) on March 16th. A community open house was also held the evening of March 16th at the NYRRC office. A community meeting in Fort McPherson was held on March 18th and was attended by both GTC and Tetlit Gwich'in Council (TGC) RRC members. The Yukon Conservation Society (YCS) also requested a meeting to discuss the requested location. The meeting with YCS was held on March 22nd at the OGR office in Whitehorse.

Following the meetings in Old Crow, Fort McPherson and Whitehorse, VG, GTC and YCS submitted letters that summarized their respective concerns about the requested location. As well, responses were received from the Porcupine Caribou Management Board (PCMB) and various YG departments. The First Nation of Na-cho Nyak Dun (NND) and the YT Tourism Branch asked that correspondence from previous RFP Reviews be used for the Spring 2010 RFP Review. An RFP is the first step toward the issuance of rights for oil and gas exploration on Yukon lands. Further consultation with First Nations will take place prior to the licensing of oil and gas activities. There will also be future opportunities for First Nations, government departments and agencies, and the public to comment when applications are made prior to the commencement of an oil and gas activity.

B. Assessment of Concerns and Government Response

The following section provides a synopsis of the comments submitted, concerning the RFP location requested in the Spring 2010 RFP. Comments from previous RFP Reviews were also considered in the preparation of this report. In this report, the government's response follows the description of each issue. Where appropriate, suggestions and recommendations are proposed for how the respondents' interests may be addressed in a CFB. Correspondence received during the Spring 2010 RFP Review, and minutes from meetings held in Old Crow and Fort McPherson are posted on the OGR website, www.yukonoilandgas.com.

1.0 ENVIRONMENTAL CONCERNS

1.1 Land Use Planning

Background

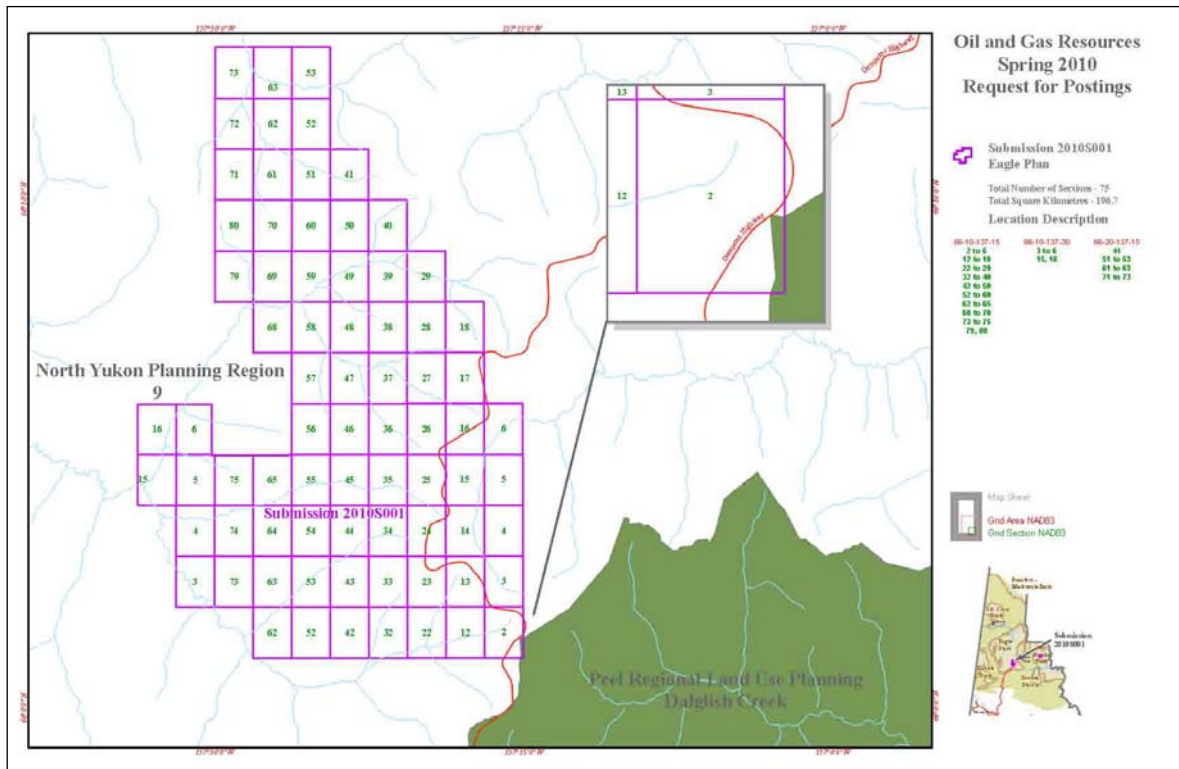
The requested location is largely within the North Yukon Regional Land Use Plan (NYRP) Region. However, an area of approximately eight hectares overlaps the Peel Watershed Planning Region (PWPR). An Order in Council pursuant to section 98 of the *Placer Mining Act* and section 15 of the *Quartz Mining Act* was signed by YG on February 4, 2010 prohibiting persons from entering the PWPR for the purposes of locating a claim or prospecting for gold or minerals for one year. YG also announced that the issuance of new dispositions in the PWPR for oil and gas rights would be suspended for the same period of time. The interim withdrawal ensures that those involved in the planning process have the ability to review and assess the Recommended PWRP plan on the basis of currently existing mineral claims. As a result of the OIC, OGR removed the PWPR from areas in which industry may select RFPs. However, since the Spring 2010 RFP concluded prior to the OIC being signed the requested area, in its entirety, was included in the RFP Review. OGR has proposed that overlap be included in this CFB because if it isn't the rights to the oil and gas in this area is essentially sterilized until either a Permit Holder submits an application to the Minister or until adjacent locations expire or are surrendered and the area becomes eligible for the issuance of new rights. Section 9(2)(e) of the *Oil and Gas Disposition Regulations*, allows for a special condition to be added to the Permit, such as prohibiting surface access until the OIC expires. It should also be noted, as shown on map on page 8 that the eight hectare overlap will be completely surrounded by Yukon Permits and is immediately adjacent to Special Discover Licence 021.

OGR sent maps to the northern First Nations showing the eight hectare overlap with the PWPR and OGR's proposal to include the overlap in the CFB, with surface access being prohibited in the eight hectares until the OIC expired. The following map shows the requested location and the overlap with the PWPR. The overlap and OGR's proposal was discussed with each of northern First Nations lands departments, at the meetings with VG Council and the NYRRC, and the community meeting in Fort McPherson. It should also be noted according to the *Recommended Peel Watershed Regional Land Use Plan (December 2009)* the eight hectare overlap is within the Dempster Corridor and is in the Dalglish Creek Integrated Management Area (IMA). The Plan recognizes that the

Dalglish Creek IMA is in “the southern-most extent of the Eagle Plain oil and gas basin and is considered to be one of Yukon’s most promising deposits, due in part to its proximity to the Dempster Highway corridor.”¹

What We Heard:

VG, NND and TH are support OGR’s proposal for the eight hectare overlap to remain in the CFB. GTC stated that the PWRP should be completed prior to any development activities being permitted. The overlap portion of the requested location was also the main topic of discussion during the meeting with YCS and the only subject of their submission to the RFP Review. YCS recommended that “any and all lands within the Peel Watershed, no matter how small, not be part of the Spring 2010 oil and gas disposition”.



Government Response: The Government of Yukon (YG) continues to support and participate in the regional land use planning process. YG has demonstrated this support by prohibiting the staking of claims or prospecting mineral. OGR has also added the planning area boundary on maps that identify the areas that are not available for oil and gas companies to request for posting. Furthermore, in the eight hectare area that was requested prior to the OIC being established, surface access will be prohibited until the OIC expires.

¹ Page 4-2-116 *Recommended Peel Watershed Regional Land Use Plan (December 2, 2009)*

Departmental Recommendations: YG will continue to participate in and support regional planning, and looks forward to the approval of the Peel Watershed Regional Land Use Plan and the removal of the OIC, and recommends that the eight hectare overlap with the PWRP be included in the call for bids location, but that surface access is prohibited in the overlap until the OIC expires.

Call for Bids Statement: Land Use Planning

The Regional Land Use Plan for the Peel Watershed is expected to be finalized within the next year. Information concerning the status of the Peel Watershed Regional Land Use Plan, planning zones, maps, background information and data about the region can be found on the Peel Watershed Planning Commission website at www.peel.planyukon.ca. The Yukon Planning Atlas with spatial data and maps is also available on the Yukon Planning Council website at www.planyukon.ca. In order to facilitate the review and assessment of the Recommended Peel Watershed Regional Land Use Plan the Government of Yukon has put in place an Order in Council prohibiting mineral prospecting and staking. While the OIC is in place no further oil and gas dispositions will be granted in the Peel Watershed Land Use Planning Region, and surface access on the approximately eight hectare overlap is prohibited.

1.2 Porcupine Caribou Herd (PCH)

What We Heard: The importance of caribou to First Nation citizens and the need to protect the caribou habitat in northern Yukon has been raised by many respondents during this and previous RFP Reviews. The Porcupine Caribou Management Board (PCMB) and the Yukon Department of Environment (DOE) advised that the RFP submission is in the winter range of the herd and there is evidence that the area may be utilized as a rutting ground. The DOE stated that disturbance to the caribou in the eastern portion of their winter range “has the potential to displace (the PCH) from the area during exploration activities” and recommends that “proponents will need to work collaboratively with regulators and (DOE) officials to mitigate the potential for increased stresses on the herd”.

The PCMB stated that the herd is declining and suggests that the herd “might not be as resilient to the stresses of development” as previously thought. In a previous submission PCMB stated “harvest and issues around hunt management as a result of the access provided by the Dempster Highway is the most significant management issue for the herd at this time”. The PCMB is also concerned that “direct impacts of human activity (such as loss of habitat) combined with indirect activities (such as displacing caribou from their habitat) could seriously affect the well-being of the herd”.

While the *North Yukon Regional Land Use Plan, June 2009 (NYRP)* states that “impacts (from oil and gas exploration and development) could affect valued ecological resources, including the Porcupine Caribou Herd²,” the plan goes on to say that “standard oil and gas industry practices have a much smaller footprint and impact on ecological values than practices used in the 1960s. Current operating practices significantly reduce the potential

² page 5-29, *North Yukon Regional Land Use Plan (June 2009)*

for major long term impacts. Given the current low levels of activity, existing site-specific best management practices, used in combination with the direction provided by this plan, are considered adequate to mitigate potential impacts of oil and gas activities”³.

Government Response: YG has implemented recent conservation measures for the PCH and expects to have the PCH Management Plan finalized this spring and implemented by the fall of 2010. YG is also developing a set of best management practices (BMPs) for caribou. The BMPs will, along with mitigation measures and recent conservation measures implemented by the Department of Environment, address the potential interactions of caribou with oil and gas activities. YG will continue to collaborate with government agencies, First Nations, and stakeholders to ensure the most up-to-date information is used in planning and assessing oil and gas activities. YG feels that these measures will address the concerns raised during this and previous reviews.

Departmental Recommendations: YG will continue to support the initiatives of the DOE and PCMB to ensure the integrity and protection of the PCH and other northern caribou populations. The *Oil and Gas Best Management Practices for Caribou* is expected to be finalized in the near future. Examples of mitigative measures for caribou and other wildlife species can be found in the *Significant Values and Mitigative Measures Options: a Document for Discussion* located on the OGR website www.yukonoilandgas.com. YG is confident that the new conservation measures implemented by DOE, the PCH Management Plan, the use of BMPs and mitigation measures will ensure the protection of the PCH and other northern caribou populations.

Call for Bids Statement: Porcupine Caribou Herd

The protection of the Porcupine Caribou Herd as well as other caribou herds in northern Yukon was one of the most frequently raised issues by respondents. The Government of Yukon is confident that the use of best management practices, recent conservation measures implemented by the Department of Environment, the Porcupine Caribou Management Plan and mitigation measures will ensure the protection of the Porcupine Caribou Herd and other northern caribou populations. The *Oil and Gas Best Management Practices for Caribou* is expected to be finalized in the near future. Examples of mitigative measures for caribou and other wildlife species can be found in *Significant Values and Mitigative Measures Options: A Document for Discussion* also located on the Oil and Gas Resources, Rights Management web page at www.yukonoilandgas.com.

1.3 Riparian Areas, Water Quality, and Fisheries Habitat

What We Heard: The importance of maintaining high water quality standards and protecting fish habitat and riparian areas was identified by respondents in this and previous RFP Reviews. VG and GTC noted the potential impacts on water quality as a result of oil and gas development and VG stressed the importance of using BMPs to reduce potential detrimental effects to streams. NND, in correspondence to OGR during

³ page 5-29, *North Yukon Regional Land Use Plan (June 2009)*

the Spring 2007 RFP Review, was adamant that “fish and fish habitat should not be an afterthought”. DOE stated that “riparian areas that follow the creeks and drainages can be extremely important to local moose populations. They represent the only suitable habitat for moose and serve as seasonal movement corridors migrating through the area”. The department goes on to say that “riparian movement corridors should be avoided whenever possible and that any exploration or access road development be minimized”. The NYRP also contains recommendations, strategies, and best management practices for sustaining regional fish habitat.

Government Response: Impacts on fish habitat and use of water is carefully controlled and monitored by several government agencies including the Yukon Water Board, the federal Department of Fisheries and Oceans, Environment Canada, and Yukon Department of Environment. Pre-planning by industry, the utilization of best management practices for linear development and mitigative measures similar to those in *Significant Values and Mitigative Measures Options: a Document for Discussion, January 2009* will help ensure that riparian areas are minimally disturbed.

Departmental Recommendations: YG recognizes the importance of healthy, functioning riparian areas and fisheries habitats as well as the need to maintain high water quality, and is confident that environmental assessments of activities are required under the *Yukon Environmental and Socio-Economic Assessment Act (YESAA)*, the utilization of best industry practices and existing legislation will safe guard these vital environmental values.

Call for Bids Statement: Riparian Areas, Water Quality and Fisheries Habitat

The importance of maintaining riparian movement corridors, water quality, and functioning watercourses was identified during this and previous Request for Postings Reviews. Impacts on fish habitat and riparian areas are carefully controlled and monitored by several government agencies including the Yukon Water Board, the federal Department of Fisheries and Oceans, Environment Canada, and the Yukon Department of Environment. These organizations should be contacted early in the planning process for any future activities.

1.4 Cumulative Effects

What We Heard: Concerns about the possible cumulative effects of oil and gas activities were highlighted by GTC, DOE and PCMB as well as in meetings held in Old Crow and Fort McPherson. While the PCMB supports responsible development. DOE and the PCMB noted the increasing interest from the oil and gas industry in northern Yukon and possible impacts on the winter range of the PCH. DOE also noted that there is very good baseline data for the herd that will assist proponents in addressing cumulative environmental effects of oil and gas activities. The DOE and the PCMB support the use of a long-term monitoring program. The PCMB has initiated a multi-year study to evaluating cumulative effects on the herd.

Government Response: It is important to clarify that the RFP is only the first step towards the disposition of oil and gas rights, and only a very small portion of the resulting dispositions are temporarily disturbed for exploration activity. An even smaller portion of the location may eventually be developed if sufficient reserves are discovered. The YESAA requires that an environmental assessment be conducted for all proposed oil and gas activities. Environmental assessments include an analysis of cumulative effects. YG will continue to work with the YESAA board (YESAB) to ensure that environmental and cumulative effect assessments include all known and planned activities. The YESAB does not, and cannot address issues about potential activities that have not been included in a proposal. YG will monitor the relevance of the indicators proposed in the North Yukon Land Use Plan to determine if they accurately reflect cumulative effects and if the levels recommended by the plan are appropriate or adequate to protect the valued ecological and cultural resources.

Research is also being conducted by the Department of Energy, Mines and Resources on the recovery of seismic lines, roads, and other linear disturbances in the Eagle Plain, Peel Plateau-Plain and Liard oil and gas basins. Draft report *Investigation of Seismic Lines and Associated Disturbances* (August 2008), is available from OGR. The final report is expected by the fall of 2010 and will be published on the OGR website. This study will assist YG in determining the current anthropological footprint in the oil and gas basins as well as establishing recovery curves for past and future disturbances.

Departmental Recommendations: Environmental and cumulative effects assessments of oil and gas development are required as part of the overall environmental impact assessment under YESAA.

Call for Bids Statement: Environmental Assessments and Cumulative Effects

No specific statement is required in the CFB to address environmental assessments and cumulative effects as prospective bidders are required to follow the applicable legislation, and familiarize themselves with other documents that govern oil and gas activities.

2.0 SOCIO-ECONOMIC CONCERNS

2.1 Tourism on the Dempster Highway

What We Heard: The Wilderness Tourism Association of Yukon; the Tourism Branch; and DOE have identified the importance of the Dempster Highway to tourists traveling by road and for the wilderness tourism industry. In response to RFP Reviews pertaining to other locations near the Dempster Highway, the Tourism Branch stated that “the Dempster Highway is a unique tourism attraction, with an international reputation as one of the last wilderness highways in North America”.

The Tourism Branch and DOE stated that the visual impacts of oil and gas activities along travel corridors such as the Dempster Highway and northern rivers can have serious affects on tourism in northern Yukon. Visual impacts are a concern for not only

those driving the Dempster Highway but also other users of the backcountry, and in particular for traditional and cultural First Nation activities.

Government Response: The use of best management practices will reduce conflicts with wilderness tourism operations by minimizing visual impacts, providing buffers or setbacks between exploration and development projects, as well as instituting seasonal variations in activities.

Departmental Recommendations: Companies interested in bidding on the requested location are advised that impacts of oil and gas activities on tourism values along the Dempster Highway can be reduced by the implementation of BMPs such as those found in the *Best Management Practices for Wilderness Tourism*. In addition, direct communication between companies and wilderness tourism operators are encouraged, to address specific concerns and review potential mitigation measures.

Call for Bids Statement: Tourism on the Dempster Highway

Tourism along the Dempster Highway is an active and important part of the economy in northern Yukon. The Yukon Department of Energy, Mines and Resources has worked closely with the Wilderness Tourism Association of Yukon and the Department of Tourism and Culture to develop the *Best Management Practices for Wilderness Tourism* found on the Oil and Gas Resources web page www.emr.gov.yk.ca/oilandgas/best_management_practices.html. Through the use of best management practices the Government of Yukon is confident that tourism along the Dempster Highway and the wilderness tourism industry will continue to be an important component of the economy of northern Yukon.

2.2 Heritage Values

What We Heard: The preservation of traditional uses and cultural values is particularly important to all northern First Nations and is supported by the YG Heritage Branch. The North Yukon Planning Commission and VG have recorded many community and traditional heritage sites throughout the Eagle Plain oil and gas basin.

The VG has stated that their First Nation expects companies to partner with them when conducting heritage, archaeological, ethnographic, and contemporary assessments within VGFN traditional territories.

Government Response: Those conducting oil and gas activities must comply with the *Yukon Historic Resources Act* which requires that any finds of heritage sites, historic sites, or objects are reported and left undisturbed. The Heritage Branch has recommended that heritage assessments be conducted in advance of any planned development or activity in order to reduce the impact on heritage resources. In addition, YG has developed *Best Management Practices for Historic Resources* which can be found on the OGR website www.emr.gov.yk.ca/oilandgas/best_management_practices.html. YG expects companies to work in collaboration with First Nations to identify sites and conduct activities in such

a way that culturally sensitive areas are not negatively impacted by oil and gas development.

Departmental Recommendations: Known heritage and cultural information must be identified before companies proceed with any activity to ensure their protection and heritage assessments undertaken. BMPs for historic resources are available on the OGR website and are provided to the successful bidder.

Call for Bids Statement: Heritage Values

The Government of Yukon is confident that known and potential cultural, heritage, and historic sites will be protected through the use of *Best Management Practices for Historic Resources*, www.emr.gov.yk.ca/oilandgas/best_management_practices.html; and by companies working in collaboration with the Vuntut Gwitchin First Nation and the Government of Yukon Heritage Branch when conducting heritage and cultural surveys or assessments.

2.3 Communications, Opportunities and Benefits

What We Heard: The importance of early and regular communications between First Nation governments, YG, and industry representatives was stressed as a key element in the successful development of a Yukon oil and gas industry by northern First Nations. First Nation governments have requested that industry representatives are encouraged to meet with them at the onset of their development planning.

Government Response: YG continues to working towards improved communications between the oil and gas industry representatives and First Nation governments. YG is committed to improving the economic and employment opportunities for all Yukoners. Oil and gas development is seen as an exciting and viable option for improving these opportunities. The Yukon *Oil and Gas Act* requires that companies negotiate benefits agreements with affected Yukon First Nations and Yukon communities when activities with work expenditures are larger than one million dollars within any twelve month period. This ensures that First Nations and Yukon businesses have an opportunity to negotiate local opportunities with industry.

Departmental Recommendations: Permittees applying for a well, geophysical, and facility licenses may be required to conclude benefits agreements and shall adhere to the Yukon benefits requirements outlined in *Additional Information Regarding the Regulation of Oil and Gas Activities and the Issuance of Oil and Gas Rights in Yukon* found on the oil and gas website. As OGR has contact with industry, they will continue to encourage and facilitate direct communications between First Nations, Yukon communities and businesses, and industry; particularly as companies make plans for, and prior to, beginning exploration and development activities.

Call for Bids Statement: Communications, Opportunities and Benefits

Northern First Nations have stressed the importance and need for early and meaningful communications between First Nation governments, the Government of Yukon, and industry. Successful bidders are strongly encouraged to directly contact First Nations at the earliest possible opportunity. All bidders should also review the requirements regarding benefits agreements outlined in *Additional Information Regarding the Regulation of Oil and Gas Activities and the Issuance of Oil and Gas Rights in Yukon* found on the Oil and Gas Resources website, www.yukonoilandgas.com.

3.0 SURFACE ACCESS CONCERNS

3.1 Surface Access

What We Heard: Concerns were raised by many respondents in previous RFP Reviews about increased vehicle traffic on the Dempster Highway, new all-season access roads to oil and gas sites, and the impacts of increased off-road vehicle use on the environment and landscape. In previous comments, DOE suggested that public use of new roads and trails not be permitted.

The NYRP states that the Dempster Highway “is recognized as critical infrastructure for future regional economic development” and that the Dempster Highway corridor “is intended to encourage the location of land use activities within the existing zone of influence of the highway”. The Plan goes on to identify new access routes off the Dempster Highway as “one of the most important management issues facing the region in the future”.

The PCMB, in their submissions to the 2007 RFP Review, expressed concern that increased traffic on the Dempster Highway could lead to increases in the direct loss of caribou due to road-kills or injuries. The PCMB suggested increased access could increase the potential for the introduction of invasive plant species and recommended that a comprehensive study be undertaken to assess the effects of road construction and highway traffic on lichen and other vegetation. The PCMB also recommends that existing roadways be used and shared, that roads be constructed to as short a distance as possible, and where possible, winter-only access be created by utilizing water bodies to construct ice-roads.

Government Response: When all-season roads are required to access producing wells, YG will work with disposition holders to undertake access planning. Companies are required to prepare access plans for both temporary and long-term linear development in the Eagle Plain basin. There are also several BMPs for seismic exploration that address access activities. These include the reduction of new public access and travel corridors, as well as managing the access needs of all users (industrial, commercial, recreational and subsistence activities). In cases where the impact of conventional seismic activities, cannot be tolerated, access for low impact seismic or geophysical exploration could be allowed. As well, the Department of Highways and Public Works will begin work on an access management plan for the Dempster Highway in the summer of 2010.

Departmental Recommendations: YG will ensure that when companies propose activities, any associated access plans include consideration for BMPs, regulatory approvals and YESAB reviews. In addition, access from the Dempster Highway will require a *Dempster Highway Development Authorization* under regulations pursuant to the *Yukon Area Development Act*. These regulations were put in place to control access and hunting along the Dempster Highway within the range of the PCH. It is recommended that companies contact the Department of Highways and Public Works regarding permits for temporary or permanent access points off the Dempster Highway. Companies are required to contact the DOE regarding permits under the *Dempster Highway Development Area Regulations*.

Call for Bids Statement: Surface Access

Concerns were raised by First Nations and members of the Yukon public about new all-season access roads off the Dempster Highway; increased off-road vehicular use; and the potential visual impacts of new access on the landscape. The Government of Yukon is confident that the use of best management practices and mitigative measures such as those found on the Oil and Gas Resources website for seismic activities- www.emr.gov.yk.ca/oilandgas/best_management_practices.html, will limit the detrimental effects of new access. Companies are required to address all regulatory requirements associated with surface access. Bidders are also encouraged to review regulatory requirements for access outlined in *Additional Information Regarding the Regulation of Oil and Gas Activities and the Issuance of Oil and Gas Rights in Yukon* found on the Oil and Gas Resources website, www.yukonoilandgas.com.

C. Oil and Gas Resources, Division Head Recommendation

The Minister has two options with respect to the proposed Call for Bid location and Division Head recommendation. He may choose to:

1. Accept the location and recommendation of the Division Head, or
2. Reject the location and recommendation of the Division Head.

YG gathered feedback and information from a number of sources including First Nations, Yukon government departments and members of the Yukon public about the Spring 2010 RFP, as well as during earlier RFP Reviews in the Eagle Plain oil and gas basin. The views of those opposed to, and in support of, the disposition were heard and analyzed.

It is the recommendation of the Division Head to proceed with a Call for Bids for the location identified in the Spring 2010 Request for Postings in the Eagle Plain basin.

If the Minister accepts this recommendation, there are individuals and agencies who responded during previous RFP reviews that may feel that government did not listen to their concerns. The Division Head is of the opinion that the environmental, socio-economic, and surface access issues raised during the Spring 2010 RFP Review are addressed by use of mitigative measures, BMPs and the existing regulatory regime. It is important to note that RFPs and CFBs form parts of the early stages of the of oil and gas exploration process and that further consultations with First Nations will take place prior to the licensing of oil and gas activities. There will also be many other opportunities for First Nations, government departments and agencies, and the public to comment prior to any oil and gas activity taking place. YG will continue to work with the respondents as well as industry to ensure the orderly and responsible development of an oil and gas industry in northern Yukon.



Yukon Oil and Gas Act
Yukon Oil and Gas Disposition Regulations

Call for Work Bids Spring 2010

Exploration Basin: Eagle Plain

The Minister of Energy, Mines and Resources invites the submission of bids for the purchase of an Oil and Gas Permit granting oil and gas rights in Yukon lands in accordance with and subject to the conditions contained in this Call for Work Bids.

See Appendix A to this Call for Work Bids for a map and the legal description of the location.

BIDDING DEADLINE: 11:00 A.M. Pacific Daylight Time, June 9, 2010.

Yukon Call for Work Bids Spring 2010
Government of Yukon
Department of Energy, Mines and Resources
Oil and Gas Resources
Suite 300, 211 Main Street
Whitehorse, Yukon, Canada
Y1A 2B2

Inquiries only:
Tel: (867) 667-3427
Fax: (867) 393-6262

oilandgasdisposition@gov.yk.ca

Government of Yukon
Oil and Gas Act
Oil and Gas Disposition Regulations
Call for Work Bids Spring 2010

1. Call for Work Bids

This Call for Work Bids is made pursuant to Yukon's *Oil and Gas Act (Act)* and the *Oil and Gas Disposition Regulations (OGDR)*. The Oil and Gas Permit (Permit) to be sold will grant rights to oil and gas under the administration and control of the Government of Yukon. The Permit will be issued pursuant to the Act and the OGDR and will grant the rights in accordance with section 30 of the Act.

By submitting a bid in response to this Call for Work Bids, the bidder and any person or persons on whose behalf the bid is submitted accept and agree to the terms and conditions in this Call for Work Bids. Any bid submitted that does not conform to the terms and conditions in this Call for Work Bids may result in the rejection of the bid. The Minister reserves the right to reject any or all bids submitted. The results of the sale will be made public as soon as practicable after the bidding deadline.

If there is a conflict or inconsistency between any provision of this Call for Work Bids and the Act, the OGDR or a Permit; the Act, the OGDR or the Permit prevails.

2. The Oil and Gas Permit

The form of the Permit to be sold will be substantially similar to the *Standard Oil and Gas Permit* shown on the Oil and Gas Resources website at www.yukonoilandgas.com. The Permit will contain provisions respecting, among other matters,

- the location (Appendix A of the Permit);
- the return or refunding of the work deposit (Appendix B of the Permit);
- the *Schedule of Allowable Expenditures* (Appendix B of the Permit);
- rentals for a renewal term (Appendix C of the Permit); and
- royalty on test production (Section 4(a) of the Permit).

All appendices that are attached to a Permit shall form part of the Permit.

3. Submission of Bids

Bids must be physically received at the following address prior to 11:00 A.M., Pacific Daylight Time, on June 9, 2010.

Yukon Call for Work Bids Spring 2010
Government of Yukon
Department of Energy, Mines and Resources
Oil and Gas Resources
Suite 300, 211 Main Street
Whitehorse, Yukon, Canada
Y1A 2B2

Bids of less than \$400,000 will be rejected.

Late bids are opened on the third business day following the day on which the results of the sale are made public for the purpose of identifying the senders and returning the work deposits and permit issuance fees.

Each bid must be contained in its own sealed envelope (the inner envelope) which must in turn be contained in another sealed envelope (the outer envelope).

The inner envelope must contain:

- the completed form (Work Bid Submission Form), (see www.gov.yk.ca/forms/#o to download a copy of this interactive form);
- the work deposit (see section 5); and
- the Permit issuance fee (see section 6).

The inner envelope must be clearly marked "Yukon Call for Work Bids Spring 2010: Location 2010S001" (the number of the location).

The outer envelope must be addressed to Oil and Gas Resources at the above address.

The inner and outer envelopes must not show any printing, writing or other marking except as needed to comply with the preceding requirements. In particular, they must not show anything that could identify the bidder or any person on whose behalf the bid is submitted. **Non-compliance may result in rejection of the bid.**

4. Selection of Successful Bids

The successful bid will be selected on the basis of a sole criterion, namely, the highest total amount of expenditures proposed to be made with respect to work or purchases related to exploration for oil and gas in the location of the Permit during its initial term. The classes of such expenditures are restricted to those described in the *Schedule of Allowable Expenditures* contained in the Permit.

If there are two or more tied bids each bidder involved will be notified of the tie and have the opportunity to submit a new bid.

- (a) Tied bidders will be notified within 24 hours of Call for Bid closing.
- (b) Bidders that wish to do so may re-submit a new bid. Re-submitted bids must be made on a new Work Bid Submission Form.
- (c) Re-submissions must be received by Oil and Gas Resources before 4:00 PM Pacific Daylight Saving Time, the day following notification.
- (d) Re-submitted bid forms may be hand delivered, e-mailed or faxed to Oil and Gas Resources.
- (e) Re-submitted bids must be equal to or greater than the original bid.
- (f) Bid deposits from tied bidders will be held until the tie is resolved.
- (g) The successful bidder must submit the difference between the original bid deposit and the new work deposit to Oil and Gas Resources within fourteen days.

5. Work Deposit

Oil and Gas Disposition Regulations, sections 9 and 12

Each bid must be accompanied by a work deposit for the Permit in the amount of twenty-five per cent (25%) of the bid submitted.

The work deposit must be submitted in the form of a bank draft, money order or certified cheque made payable to the Government of Yukon. Work deposits submitted with unsuccessful bids will be returned. The work deposit submitted with the successful bid may be replaced by an irrevocable letter of credit satisfactory to the Minister or other negotiable financial instrument satisfactory to the Minister.

As allowable expenditures are incurred during the initial term of the Permit or any extension of that term pursuant to section 35 of the Act, the work deposit is returnable or refundable in accordance with section 12 of the OGDR. As a work deposit represents 25% of the total amount bid for the Permit, returns or refunds are prorated on the basis of 25% of allowable expenditures incurred. The allowable expenditures are based on the costs of exploratory work and purchases determined in accordance with the *Schedule of*

Allowable Expenditures contained in the Permit and the *Supplemental Guidelines for the Schedule of Allowable Expenditures in Oil and Gas Permits issued after January 1, 2007* applicable to that Schedule. The Supplemental Guidelines applicable to the Schedule are shown in the Oil and Gas Resources website www.yukonoilandgas.com and deal with the calculation of the costs that may be approved as allowable expenditures under the Schedule.

6. Permit Issuance Fee

A Permit issuance fee of \$500 must be submitted with each bid by a **separate** certified cheque, bank draft or money order made payable to the Government of Yukon. The fees submitted with unsuccessful bids will be returned.

7. Term of Permit

Oil and Gas Act, sections 31 to 36, Oil and Gas Disposition Regulations, section 38

Subject to the Act, the initial term of the Permit is six (6) years with a right of renewal. If the Permit is renewed, the second or renewal term is four (4) years. Under the Act, the initial term and the second or renewal term of a permit cannot exceed an aggregate of ten (10) years.

For a Permittee to be entitled to a renewal of a Permit,

- the drilling of a well (the Qualifying Well) must be commenced before the end of the initial term in the location of the Permit or, when allowed under the OGDR, outside the location; and
- the Qualifying Well must be drilled during the initial term or any extension of that term under section 35 of the Act, in accordance with the terms and conditions of the Well Licence.

Section 35 of the Act provides for the extension of the initial term when the drilling of the Qualifying Well is still being conducted at the end of the initial term. When the initial term is extended by reason of drilling, the second term is reduced accordingly.

Section 36 of the Act and section 38 of the *Oil and Gas Disposition Regulations* provides for the conversion of the Permit to an Oil and Gas Lease.

8. Designation of Representative and Official Service Address

Oil and Gas Act, sections 8 and 21, Oil and Gas Disposition Regulations, sections 13 and 14

Subject to the Act, and the OGDR, when an oil and gas disposition is held by two or more holders, one of those holders or some other person must be designated as the representative. An official service address must be indicated for the designated representative. The designated representative and the official service address may either be appointed on the Work Bid Submission Form in Section G; or within fourteen days of the effective date of the Permit. Should the latter option be chosen the forms entitled

Notice of Designated Representative, Replacement or Revocation, and Notice of Official Service Address of Designated Representative or Sole Holder can be found on the Oil and Gas Resources website www.yukonoilandgas.com. If a designated representative is not appointed after 14 days following the effective date of an Oil and Gas Permit, the Minister may designate one of the holders as the representative of the disposition.

9. Eligibility to Hold a Permit

Oil and Gas Disposition Regulations, sections 10(4) and 18

No person is eligible to be the holder or one of the holders of the Permit unless that person is a corporation that is incorporated, continued or registered under the *Business Corporations Act* (Yukon) or the *Bank Act* (Canada), licensed under the *Insurance Act* (Yukon) or, in any other case, is approved by the Minister as a corporation that may hold a Permit.

A bid shall not be rejected merely because a corporation shown on the *Work Bid Submission Form* as the intended holder or one of the intended co-holders of the Permit is not registered as an extra-territorial corporation under Part 21 of the *Business Corporations Act* (Yukon) but if the bid is successful, the issuance of the Permit is subject to the condition that the corporation must be registered under that Part within 30 days after the day on which the Minister publicly announces the name of the successful bidder for the Permit.

If a corporation is shown on the *Work Bid Submission Form* for a successful bid as the intended holder or one of the intended holders of the Permit and the corporation

- (a) is ineligible to be the holder or a co-holder of the Permit, or
- (b) is an unregistered extra-territorial corporation that fails to meet the condition in the preceding paragraph within the 30-day period,

the Permit will not be issued and the bid will be deemed to be rejected.

10. Rentals

Oil and Gas Disposition Regulations, section 29

Provision for rentals in the Permit will be the same as those found in Appendix C of the *Standard Oil and Gas Permit* shown in the Oil and Gas Resources website www.yukonoilandgas.com. In summary:

- No rentals are payable in respect of any year in the initial term of the Permit.
- In the renewal term, the rentals for a year are payable on or before the first day of that year at the rate of \$5.00 per hectare per year.

- When the renewal term of the Permit is extended due to the drilling of a well, rentals for the extension period will be payable monthly, in advance, at the rate of one-twelfth (1/12) of the annual rate for the renewal term.

Failure to pay rentals may result in the cancellation of the Permit.

11. Specific Environmental, Socio-economic or Surface Access Concerns

Oil and Gas Disposition Regulations, sections 6, 7, 9(2)(d)

Prospective bidders in the Call for Work Bids should be aware that the following concerns were raised during the Spring 2010 Request for Posting Review. The Government of Yukon continues to work closely with industry, First Nations, and government agencies in the development of a wide range of best management practices that will reduce the time, intensity, and duration of the footprint on the land base resulting from oil and gas activities.

Land Use Planning

The Regional Land Use Plan for the Peel Watershed is expected to be finalized within the next year. Information concerning the status of the Peel Watershed Regional Land Use Plan, planning zones, maps, background information and data about the region can be found on the Peel Watershed Planning Commission website at www.peel.planyukon.ca. The Yukon Planning Atlas with spatial data and maps is also available on the Yukon Planning Council website at www.planyukon.ca.

In order to facilitate the review and assessment of the Recommended Peel Watershed Regional Land Use Plan the Government of Yukon has put in place an Order in Council (OIC) prohibiting mineral prospecting and staking. While the OIC is in place, surface access for oil and gas activities on the approximately eight hectares that overlaps the Peel Watershed Regional Land Use Planning Region is prohibited.

Porcupine Caribou Herd

The protection of the Porcupine Caribou Herd as well as other caribou herds in northern Yukon was one of the most frequently raised issues by respondents. The Government of Yukon is confident that the use of best management practices, recent conservation measures implemented by the Yukon Department of Environment, the *Porcupine Caribou Management Plan* and mitigation measures will ensure the protection of the Porcupine caribou herd and other northern caribou populations. The *Oil and Gas Best Management Practices for Caribou* is expected to be finalized in the near future. Examples of mitigative measures for caribou and other wildlife species can be found in *Significant Values and Mitigative Measures Options: A Document for Discussion* also located on the Oil and Gas Resources, Rights Management web page at www.yukonoilandgas.com.

Riparian Areas, Water Quality and Fisheries Habitat

The importance of maintaining riparian movement corridors, water quality, and functioning watercourses was identified during this and previous Request for Postings Reviews. Impacts on fish habitat and riparian areas are carefully controlled and monitored by several government agencies including the Yukon Water Board, the federal Department of Fisheries and Oceans, Environment Canada, and the Yukon Department of Environment. These organizations should be contacted early in the planning process for any future activities.

Tourism on the Dempster Highway

Tourism along the Dempster Highway is an active and important part of the economy in northern Yukon. The Yukon Department of Energy, Mines and Resources has worked closely with the Wilderness Tourism Association of Yukon and the Department of Tourism and Culture to develop the *Best Management Practices for Wilderness Tourism* found on the Oil and Gas Resources web page www.emr.gov.yk.ca/oilandgas/best_management_practices.html. Through the use of best management practices the Government of Yukon is confident that tourism along the Dempster Highway and the wilderness tourism industry will continue to be an important component of the economy of northern Yukon.

Heritage Values

The Government of Yukon is confident that known and potential cultural, heritage, and historic sites in Permit locations will be protected through the use of *Best Management Practices for Historic Resources*, www.emr.gov.yk.ca/oilandgas/best_management_practices.html; and by companies working in collaboration with the Vuntut Gwitchin First Nation and the Government of Yukon Heritage Branch when conducting heritage and cultural surveys or assessments.

Communications, Opportunities and Benefits

Northern First Nations have stressed the importance and need for early and meaningful communications between First Nation governments, the Government of Yukon, and industry. Successful bidders are strongly encouraged to directly contact First Nations at the earliest possible opportunity. All bidders should also review the requirements regarding benefits agreements outlined in *Additional Information Regarding the Regulation of Oil and Gas Activities and the Issuance of Oil and Gas Rights in Yukon* found on the Oil and Gas Resources website, www.yukonoilandgas.com.

Surface Access

Concerns were raised by First Nations and members of the Yukon public about the creation of new all-season access roads off the Dempster Highway; increased off-road vehicular use; and the potential visual impacts of new access on the landscape. The Government of Yukon is confident that the use of best management practices and mitigative measures such as those found on the Oil and Gas Resources website for seismic activities- www.emr.gov.yk.ca/oilandgas/best_management_practices.html, will

limit the detrimental effects of new access. Companies are required to address all regulatory requirements associated with surface access. Bidders are also encouraged to review regulatory requirements for access outlined in *Additional Information Regarding the Regulation of Oil and Gas Activities and the Issuance of Oil and Gas Rights in Yukon* found on the Oil and Gas Resources website, www.yukonoilandgas.com.

12. Refer to *Additional Information Regarding the Regulation of Oil and Gas Activity and the Issuance of Oil and Gas Rights in Yukon*

Prospective bidders are advised to make themselves aware of legislation and other documents that will affect oil and gas activities conducted by or on behalf of the Permittee. See the Oil and Gas Resources website at www.yukonoilandgas.com for *Additional Information Regarding the Regulation of Oil and Gas Activity and the Issuance of Oil and Gas Rights in Yukon*. This is a non-exhaustive list, and it is the responsibility of the bidder to meet the requirements of the laws of Yukon in relation to oil and gas activities and operations. Prospective bidders should also be aware that environmental and cumulative effects assessments may be required prior to any activities. They are encouraged to familiarize themselves with the *Yukon Environmental and Socio-economic Assessment Act* which can be found on the Yukon Environmental and Socio-economic Assessment Board website at <http://www.yesab.ca>.

Prospective bidders are advised that the Government of Yukon will hold consultations with First Nations whose traditional territories overlap sites where applications for oil and gas activities have been received. These consultations may result in terms and conditions that could affect the scope or timing of proposed activities.

**APPENDIX A:
CALL FOR WORK BIDS SPRING 2010
EAGLE PLAIN
OIL AND GAS BASIN
LOCATION: 2010S001**

A. Oil and Gas Basin: Eagle Plain
--

Grid Area(s)	66-10-137-15	66-10-137-30	66-20-137-15
Sections(s) (all or portions of the noted sections)	2 to 6 12 to 18 22 to 29 32 to 40 42 to 50 52 to 60 62 to 70 73 to 75 77 to 80	3 to 6 8 to 10 15, 16	41 51 to 53 61 to 63 71 to 73

Notes: There are no exceptions.	Total Number of Sections: 82 Total area: 197.7 square kilometres; 19773 hectares, more or less
---	---

The map of Call for Work Bid Location 2010S001 is on the oil and gas website:
http://www.emr.gov.yk.ca/oilandgas/rights_management_maps_and_data.html



Spring 2010 Oil and Gas Call for Work Bids


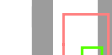

 Bid Location 2010S001
Eagle Plain

Location Description

66-20-137-15 all or portions of	66-10-137-15 all or portions of
41	2 to 6
51 to 53	12 to 18
61 to 63	22 to 29
71 to 73	32 to 40
66-10-137-30 all or portions of	42 to 50
3 to 6	52 to 60
8 to 10	62 to 70
15, 16	73 to 75
	77 to 80

Total Number of Sections - 82
Total Square Kilometres - 197.7
Total Hectares - 19773
Total Acres - 48860.6

-  Permit
-  Significant Discovery Licence
-  Peel Watershed

-  Map Sheet
-  Grid Area NAD83
-  Grid Section NAD83



66°10'0"N

137°30'0"W

137°15'0"W

137°0'0"W

137°30'0"W

137°15'0"W

