



Spring 2009 Oil and Gas Disposition RFP Review—Submissions

Updated April 22, 2009

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 2009 RFP Review.



Spring 2009 Oil and Gas Disposition RFP Review—Submissions

Submissions from First Nations

Please Note:

The First Nation of Nacho Nyak Dunn responded and said that they did not have any concerns and were not sending a written submission for the Spring 2009 Request for Posting Review.

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

Debra Wortley
Rights and Royalty Manager
Oil and Gas Resources
Suite 300-211 Main Street
Whitehorse, YT
Y1A 2B2
(867) 667-3512

Date: April 6, 2009

Re: Request for Posting- Oil and Gas Deposition Process

The Natural Resource Department of the Vuntut Gwitchin Government has assessed the Request for Posting within the Vuntut Gwitchin traditional territory and has no immediate concerns for the specified area. Best management practices should apply throughout the Request for Postings area to reduce any potential detrimental effects to streams in the vicinity. Protection of the Porcupine Caribou Herds winter habitat will be the utmost concern for the Vuntut Gwitchin First Nation and recommends conservation initiatives are in place so that exploration and development cease when caribou are in the area.

Lance Nukon
Lands Manager
Vuntut Gwitchin Government
Box 94, Old Crow, YT
Y0B 1N0
(867) 966-3261 ext 257



Spring 2009 Oil and Gas Disposition RFP Review—Submissions

Submissions from Government

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

From: Wally.Hidinger

Sent: January 21, 2009 11:49 AM

To: 'oilangdisposition@gov.yk.ca'

Subject: Proposed Bid Area 2009

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.

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



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

January 27, 2009

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

Re: Spring 2009 Oil and Gas Request for Posting

Thank you for the opportunity to comment on the Oil and Gas Spring 2009 Request for Postings. No systematic heritage resource inventories have been carried out in the area of 2009S001 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.

The following information is from a survey along the Dempster Highway by S. Greer in 1989 for Yukon Departments of Tourism and Renewable Resources, and indicates the potential for heritage sites and features to be present in the 2009S001 area.

Ndak haii juu'an' adaniinlaih gwachoo

Big Juuk'an' Creek, which is the creek which flows northeastward into the upper Eagle River, entering the Eagle River downstream of Moose, David and Palmer Lakes. The Dempster Highway runs along the west side of the headwaters of this creek, southwest of Aitch Hill. This is a Gwich'in place name which translates as "current up above coming from Juuk'an'". It refers to the creek which flows from above Juuk'a' Mountain or Burnt Mountain, which is Mount Higgins. Juuk'a' Mountain has coal deposits which burn all the time, even in winter, underground. The creek valley is a traditional Gwich'in trail route, when travelling from the Eagle River area to the Ogilvie River.

Ehnjuu Choo Njik

Gwich'in place name which means "big stand of timber creek". Dempster Highway crosses the headwaters of this creek. Creek is located east of Dempster Highway and drains eastward into the upper Eagle River downstream from Moose, Davis and Palmer Lakes. The fact that this creek is named suggests some importance in traditional use of the region.

A handwritten signature in black ink, appearing to read "Ruth Gotthardt".

Ruth Gotthardt
Yukon Archaeologist

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

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

Sent: Tuesday, March 10, 2009 11:58 AM

To: Debra.Wortley

Cc: Young, Briar

Subject: RE: Spring 2009 Request for Posting - one request received

Hi Debra,

At this point in the RFP Review process DFO has no comment on this requested parcel of land in the Eagle Plain oil and gas basin. We would engage a proponent at the more specific project review stage as part of our regulatory process under the *Fisheries Act to determine* if proposed work activities (e.g., watercourse crossings, etc.) would impact fish and fish habitat.

However, we are still more than willing to participate in this group as we have in the past.

Regards,

Rob Smith

DFO Habitat Biologist

Yukon/Transboundary Rivers Area

(867) 393-6736

March 27, 2009

MEMORANDUM

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

FROM: Randy Lamb, Manager
Environmental Affairs Section

RE: Spring 2009 Request for Posting in the Eagle Plains Area

Environment Yukon has completed its review of the current Spring 2009 request for posting area and submit the following comments for your consideration. As the nominated area is located immediately adjacent to the oil and gas permits disposed of in 1999, these comments are essentially the same as our 1999 and 2000 comments.

We understand this phase of the review process is to identify major issues or concerns that should be taken into account in preparing for the Call for Bids for the area nominated south of Eagle Plains and straddling the Dempster Highway.

Caribou:

The importance of this area to the Porcupine Caribou herd is our primary wildlife issue with this proposed location for the Call for Bids. Occupation of the area by the Porcupine Caribou herd is the dominant wildlife concern in the Eagle Plains Area. Caribou utilize the area both as rutting grounds and winter habitat as early as October 01st and leave as late as May 15th. 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.

A review of the report "Sensitive Habitats of the Porcupine Caribou Herd" confirms that rutting and winter habitats are considered of less concern than other seasonal habitats (i.e. calving). Hence, there is no strong factual basis to recommend specific exclusion areas at this time.

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. Future proponents will need to take this into account and determine ways 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, therefore, becomes greater with each new incremental development in this region. Hunting and traffic along the Dempster Highway currently provide disturbance impacts to caribou in this area. Monitoring of exploration activities and their effects on caribou will be important in order to determine if those effects from individual projects in the area are in fact cumulative.

Moose:

In general, the riparian vegetation such as willows and conifers 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 by Yukon standards.

Other Fish & Wildlife Comments:

- No comments related to impacts on bears at this time and we shall investigate this area further through our resident carnivore biologist. Should concerns be forthcoming they will be forwarded at a later date.
- Fisheries 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 relatively pristine viewscape. Exploration activities should 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 however 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. Future proponents need to be made aware of these Regulations with respect to access off the Highway and activities within the corridor.

Given that historic seismic lines exist within this nominated area, increased habitat loss due to potential future seismic line cutting, access construction and other surface developments are of concern to our Department. We suggest future proponents consider minimum disturbance techniques in their seismic line cutting and other related activities which have the potential for direct loss of habitat.

Recommendations:

- *The nominated areas fall within the Porcupine caribou rutting and winter range and as such, it will be expected that this factor 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 must 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 is 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

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

From: Cathryn.Paish

Sent: Thursday, April 02, 2009 5:16 PM

To: Debra.Wortley

Subject: Request for Posting

Many apologies for not getting the comments in. They will essentially be the same as those we submitted in April 2007. (attached)

Our recent YESAA assessment experience with both proponents and the Oil & Gas Branch (Richard in particular) has been very positive. The Oil and Gas Branch made a significant effort to recognize and address tourism-related concerns during the assessment and decision making process. I've also attached a copy of the North Yukon Tourism Strategy.

<< File: Tsm comments April 2007.doc >>

<< File: FINAL Strategy revised Feb 09.doc >>

Tourism Resource Coordinator
Tourism Branch
Yukon Department of Tourism and Culture
Box 2703
Whitehorse, Yukon
Phone: 867-667-5433
Fax: 867-667-3546

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MEMORANDUM

April 27, 2007

TO: Government Of Yukon
Department of Energy, Mines and Resources
Oil and Gas Management Branch

FROM: Cathryn Paish, Tourism Resource Coordinator
Tourism Branch
Department of Tourism & Culture

RE: Spring 2007 Disposition Public Notice and Review
Tourism Branch Comments

Thank you for the opportunity to comment on the Spring 2007 Oil and Gas Disposition. These comments summarize tourism-related values and concerns regarding the proposed dispositions. More detailed tourism information on the disposition areas has been provided to the Rights Disposition Manager under separate cover.

Our comments focus on the Dempster Highway, Eagle and Porcupine Rivers in the Eagle Plain Oil and Gas Basin and on the Peel River in the Peel Plateau Oil and Gas Basin.

The Dempster Highway

The Dempster Highway is a unique tourism attraction, with an international reputation as one of the last wilderness highways in North America. The Highway provides visitors with exceptional opportunities to view tundra landscapes with arctic, glacial and permafrost features which are unusual at this latitude.

Just over 8000 non-Yukon visitors traveled the Dempster Highway in the North Yukon Tourism Region in the summer of 2004 – an increase of 700 since 1999 and almost double the number of travelers in 1994. Visitors include independent motorists and guided groups in vans and buses. About ten tour companies serving some 500 clients operate on the Dempster Highway, mostly traveling in vans and camping as they go. Tours include wildlife and bird watching, hiking, nature study and other outdoor activities. Winter driving tours are also offered by Yukon operators.

From a tourism and visitor perspective, it is important to consider the Dempster Highway as a whole, where viewsapes and the wilderness character of the landscape are an integral part of the driving experience. Even though the proposed dispositions may directly affect only portions of the Highway, they have the potential to negatively impact the overall driving experience.

Development of new access roads from the Dempster could lead to increased use of off-road vehicles and result in serious impacts on the landscape. Public use of new roads or trails should not be allowed.

Best Management Practices for Wilderness Tourism for trails, roads and routes should be applied to dispositions along the Dempster Highway. Particular attention should be paid to avoiding visual impacts.

Eagle and Porcupine Rivers

Several proposed dispositions include or border on portions of the Eagle and Porcupine Rivers. While current tourism activity on these rivers is modest – 60-70 mostly self-guided visitors each summer – both rivers have potential for increased visitor use and economic benefits to the North Yukon. The Porcupine river offers one of the longest road-free entry-level canoe routes in the Yukon, and inexpensive road access and lack of hazards make the Eagle-Porcupine route suitable for most paddlers. The North Yukon Tourism Strategy and the Draft North Yukon Land Use Plan identify these rivers as important for current and potential tourism in North Yukon.

Oil and Gas Best Management Practices for Wilderness Tourism for River Corridors should apply to the Porcupine and Eagle Rivers.



Spring 2009 Oil and Gas Disposition RFP Review—Submissions

Submissions from the General Public

There were no submissions from the general public in this RFP Review.



Spring 2009 Oil and Gas Disposition RFP Review—Submissions

Submissions from Boards, Councils, and NGOs

There were no submissions from boards, councils, and NGOs in this RFP Review.

Spring 2009 Request for Postings

Report to the Minister

Oil and Gas Request for Postings Review
Eagle Plain Basin

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

April 9, 2009



Ministerial Signature Page

Spring 2009 – Request for Postings

RECOMMENDED BY:




Division Head
Greg Komaromi

Energy, Mines and Resources

April 9/09
Date

REVIEWED BY:

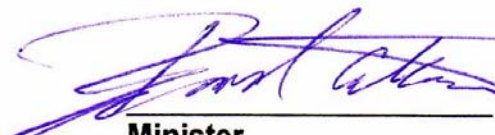


Deputy Minister
Angus Robertson

Energy, Mines and Resources

April 9/09
Date

APPROVED BY:



Minister
Brad Cathers

Energy, Mines and Resources

Apr. 9/09
Date

Report to the Minister: Spring 2009 Request for Postings

Executive Summary

Twice each year the Government of Yukon offers the oil and gas industry an opportunity to express an 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 2009 closed on January 14, 2009. One location was identified in the Eagle Plain oil and gas basin. The review of the requested location concluded on March 27, 2009. This report considers input from First Nations, government agencies and the public, makes a recommendation on whether or not to proceed with a Call for Bids (CFB), and provides suggestions about how the concerns and issues raised in the RFP Review may be addressed by successful bidders in the CFB. The CFB is the next step in the allocation of exploration rights for oil and gas in Yukon.

The location submitted for the spring 2009 RFP is similar to one requested in the spring 2007 RFP. No bids were received for that location in the subsequent CFB. Relatively few responses were received during the spring 2009 RFP Reviews. Many respondents to previous RFP Reviews referred the Division Head to their earlier correspondence. Key issues raised by respondents to the current RFP Review are:

- The importance of the Eagle Plain oil and gas basin as winter range for the Porcupine Caribou Herd.
- The importance of having industry representatives work closely with the Government of Yukon Heritage Branch and the Vuntut Gwitchin and the N-cho Nyak First Nation heritage offices to identify potential cultural, historic and heritage sites.
- The significance of the Dempster Highway to both tourists traveling on the northern road and to the wilderness tourism industry, and
- The need to plan all-season access off the Dempster Highway.

The identified issues were reviewed by the Oil and Gas Resources Division Head.

The Division Head concluded that the environmental, socio-economic and surface access issues raised during the spring 2009 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 2009 Request for Postings in the Eagle Plain basin proceed.
(See the map at the end of the report.)

Report to the Minister: Spring 2009 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 entire disposition process includes a Request for Postings (RFP), an RFP Review, a Call for Bids (CFB) and finally the issuance of one or more Oil and Gas Permits. The RFP provides an opportunity for the industry to express an interest in locations where they wish to obtain oil and gas rights. The RFP Review is an opportunity for the public, First Nations, and government agencies 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 bids on posted locations. An Oil and Gas Permit is issued to the successful bidder for an initial term of six years.

In the three disposition processes held since January 2007, thirty-two RFPs were received from industry for the Eagle Plain and Peel Plateau-Plain sedimentary basins. Following the RFP Reviews a total of twenty-two locations were made available in the 2007 and 2008 CFBs, and fourteen Oil and Gas Permits were issued. Work bids for these Permits exceeded \$22,000,000.

The first disposition process of 2009 closed on January 14, 2009. A RFP Review was launched, and industry's request for one location in the Eagle Plain basin was immediately communicated to First Nations and government departments. Numerous public notices were placed in Whitehorse, Dawson and Inuvik newspapers as well as Yukon's *Up Here* magazine during February and March 2009 in order to inform Yukoners of the RFP Review and how they may respond. The Oil and Gas Resources (OGR) web page was updated with information and maps about the requested locations. The review of the requested posting concluded on March 27, 2009.

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

A. Participation in the Review of the Request for Postings

The RFP Review package, including detailed maps, was posted on the Oil and Gas Resources (OGR) web page (www.yukonoilandgas.com) in mid January 2009.

First Nations and government agencies 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.

One meeting was held with Vuntut Gwitchin First Nation (VGFN) Natural Resources Department staff on March 4, 2009. The meeting with VGFN was held in conjunction with an orientation of EMR offices for the new VGFN Lands Manager. Following the meeting VGFN submitted letter that summarized their concerns about the requested location. Although no other meetings were requested by First Nations, federal or Yukon government agencies during the RFP review period, it should be noted that a similar location was also requested in 2007. The Spring 2007 RFP Review included community visits and meetings with First Nation government staff in Old Crow and Fort McPherson as well as numerous meetings with boards, councils and conservation organizations.

At the close of the spring 2009 review period, written responses were received from the several Yukon government departments and the VGFN Natural Resources Department. Comments from previous RFP Reviews were also considered in the preparation of this report.

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 many other opportunities for First Nations, government departments and agencies, as well as the public to comment prior to the commencement of any oil and gas activity.

B. Assessment of Concerns and Government Response

The following section provides a synopsis of the comments concerning the RFP location requested by industry in the Eagle Plain oil and gas basin. The comments used in the preparation of this report were submitted during this and previous reviews. In many cases reviewers have either asked that their comments on previous RFPs be used or have made reference to earlier correspondence. 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 are addressed in the CFB.

1.0 ENVIRONMENTAL CONCERNS

1.1 Land Use Planning

What We Heard: No comments specifically about land use planning were received during this review, although the topic has been raised frequently in the past. The North Yukon Regional Land Use Plan (North Yukon LUP) is in the final stages. A Final Recommended Plan has been published in January 2009 and is being reviewed by Yukon and First Nation governments.

Government Response: The Government of Yukon (YG) continues to support and participate in the regional land use planning process. Recommendations and analysis from the *Final Recommended North Yukon Land Use Plan, January 2009* are incorporated in this report. According to the Plan the requested location is in integrated management area Zone IV. This zone has the “highest development” management intent designation and is described as having

- lower ecological and heritage/cultural values within a moderately sensitive biophysical setting, and
- higher levels of land use are consistent with Zone IV objectives.

Departmental Recommendations: YG will continue to participate in and support regional planning, and looks forward to the approval of the North Yukon Regional Land Use Plan.

Call for Bids Statement: Land Use Planning

The Regional Land Use Plan for North Yukon is expected to be finalized in the near future. Information concerning the status of the North Yukon Land Use Plan, planning zones, maps, background information and data about the region can be found on the North Yukon Planning Commission website www.nypc.planyukon.ca. The Yukon Planning Atlas with spatial data and maps is also available on the Yukon Planning Council website www.planyukon.ca.

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. 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 also evidence that the area may be utilized as a rutting ground. The DOE states 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 mitigation measures should be employed to reduce this potential stress on the herd.

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 “harvest by employees and support personnel for oil and gas projects (in Northern Yukon) could represent an added burden to a herd that is already under considerable pressure”.

While the *Final Recommended North Yukon Land Use Plan, January 2009* states that “impacts (from oil and gas exploration and development) could affect valued ecological resources, including the Porcupine Caribou Herd,” however, 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 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.”

Government Response: YG is currently developing a set of best management practices (BMPs) for caribou. The BMPs will, along with mitigation measures, address the potential interactions of caribou with oil and gas activities. YG will continue to work 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 PCMB to ensure the integrity and protection of the PCH and other northern caribou populations. The document entitled *Oil and Gas Best Management Practices for Caribou* is nearing completion and is expected to be posted on the OGR website 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 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 during reviews of RFP in northern Yukon. The document entitled, *Oil and Gas Best Management Practices for Caribou* is expected to be posted on the Oil and Gas Resources web page 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 www.yukonoilandgas.com. The Government of Yukon is confident that the use of BMPs and mitigation measures will ensure the protection of the Porcupine Caribou Herd and other northern caribou populations.

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. VGFN stressed the importance of using BMPs to reduce potential detrimental effects to streams. NND, in correspondence to OGR during the Spring 2007

RFP Review, was adamant that “fish and fish habitat should not be an afterthought”. DOE states that “riparian movement corridors, a common habitat for moose should be avoided whenever possible and that any exploration or access road development be minimized”. The *Final Recommended North Yukon Land Use Plan* 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 used by moose and fisheries habitat are minimally disturbed.

Departmental Recommendations: Environmental assessments of activities are required under the *Yukon Environmental and Socio-Economic Assessment Act (YESAA)*, and companies are required to obtain all necessary regulatory approvals.

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 company’s planning 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 DOE and previously by the PCMB and Yukon Conservation Society. While the PCMB supports responsible development, they are troubled about the increasing interest from the oil and gas industry in northern Yukon and the winter range of the PCH. The PCMB noted the “population (of the PCH) has been declining slowly but steadily for over a decade” and are concerned that the decline may be from loss of habitat and habitat fragmentation due to increased human activity. DOE have also stressed that “monitoring of exploration activities and their effects on caribou will be important in order to determine if those effects from individual projects in the area are in fact cumulative.” The PCMB supports this and have recommended the use of a long-term monitoring program consistent with the CircumArctic Rangifer Monitoring and Assessment Network, the NWT Cumulative Effects Assessment and Management Strategy and Framework, and the NWT Cumulative Impact Monitoring Program.

The *Final Recommended North Yukon Land Use Plan, January 2009* proposes two cumulative effect indicators, i.e. direct surface disturbance and linear density. The plan

states that any increase in the level of either indicator could result in an increased risk of damage to valued ecological and cultural resources. The plan goes on to say that the “indicator levels are designed to promote pro-active and integrated land management”, and serve as a benchmark for government to review and consider the potential outcomes of resource decisions.

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 on all 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 concerns raised by respondents of long term impacts of oil and gas projects that may occur in the future are valid. However, 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 interim findings (August 2008) entitled, *Investigation of Seismic Lines and Associated Disturbances and the Development of a Recovery Curve for Modeling and the Cumulative Footprint of Oil and Gas Development*, is available from OGR. The final report expected by the summer of 2009 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 effect assessments of oil and gas development will be 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 and other documents that will affect oil and gas activities.

2.0 SOCIO-ECONOMIC CONCERNS

2.1 Tourism on the Dempster Highway

What We Heard: The Wilderness Tourism Association of the Yukon and the Yukon Government Department of Tourism and Culture, Tourism Branch have identified the importance of the Dempster Highway to tourists traveling by road and for the wilderness tourism industry. 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.”

Respondents 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 impact 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 First Nations and is supported by the YG Heritage Branch. The North Yukon Planning Commission and VGFN have recorded many community and traditional heritage sites throughout the Eagle Plain oil and gas basin. The Heritage Branch has

identified two potential heritage sites or features within the requested location, i.e. Ndak haii juu'an' adaniinlaii gwachoo (Big Juuk'an' Creek) and Ehnjuu Choo Njk Creek.

The Vuntut Gwitchin government has also 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, 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 Nations have requested that industry representatives be encouraged to meet with them at the onset of their development planning.

Government Response: YG is working towards improving communications between the oil and gas industry representatives and First Nations and 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. 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 opportunity agreements and shall adhere to the Yukon benefits requirements outlined in *Additional Information Regarding the Regulation of Oil and Gas Activities 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, 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 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 about increased vehicle traffic on the Dempster Highway, new all-season access roads to oil and gas sites, and the impact of increased off-road vehicle use on environment and landscape. DOE has suggested that public use of new roads and trails not be permitted.

The *Final Recommended North Yukon Land Use Plan, January 2009* 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 Reviews, expressed concern that increased traffic on the Dempster Highway could lead to increases in direct loss of caribou due to road-kills or injuries. The PCMB also suggested increased access activity means higher 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. In the PCMB’s submission to the Spring 2008 RFP Review, the board recommended 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 access is required to producing wells, YG will work with disposition holders to undertake access planning. Access management could be achieved through access planning similar to the scenarios proposed by YG in the *Final Recommended North Yukon Land Use Plan, January 2009*, or companies would be required to provide access management plans for long-term access into 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.

Departmental Recommendations: YG will ensure that when companies propose activities, any associated access plans include consideration for BMPs, regulatory approvals and environmental 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 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 CFB Locations and Division Head recommendation. He may choose to:

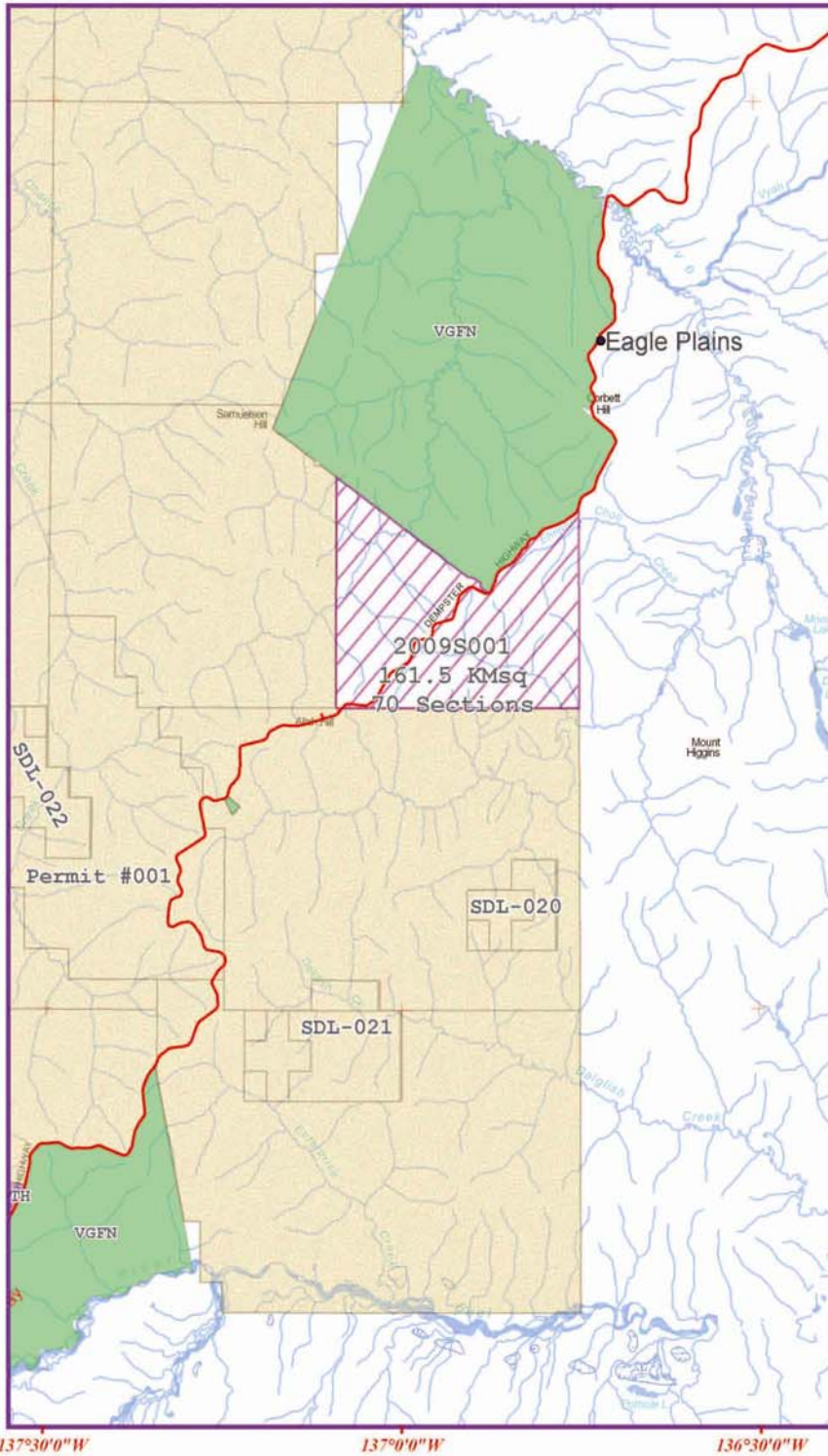
1. Accept the location and recommendation of the Division Head, or
2. Reject the location and recommendation of the Division Head.




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 2009 RFP as well as earlier RFPs 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 that the Call for Bids for the location identified in the Spring 2009 Request for Postings in the Eagle Plain basin proceed.
(see attached map).

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 2009 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 oil and gas exploration process and that further consultations with affected 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.

Spring 2009 Oil and Gas Call for Bids



-  OILGAS_Bid_Location
- Yukon Oil and Gas Dispositions**
-  Active Dispositions
-  VGFN



Note: First Nations settlement Lands will NOT be included in Call for Bids.

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.

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.emr.gov.yk.ca/oilandgas/mapsdata.html>





Yukon Oil and Gas Act
Yukon Oil and Gas Disposition Regulations

Call for Work Bids Spring 2009

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 10, 2009.

Yukon Call for Work Bids Spring 2009
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 2009

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 10, 2009.

Yukon Call for Work Bids Spring 2009
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 2009: Location 2009S001" (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 for the Permit, the successful bid will be determined by a draw. The draw will be conducted in the following manner: the name of each tied bidder will be written on an individual blank piece of paper and placed in a container. One piece of paper will be drawn from the container. The name of the bidder on the piece of paper drawn is the successful bidder. The Rights and Royalties Manager will conduct the draw and a Department of Justice representative will verify the result.

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 2009 Request for Posting Review. The Government of Yukon continues to work closely with industry, First Nations, and other 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.

Environmental Concerns

Land Use Planning

The Regional Land Use Plan for North Yukon is expected to be finalized in the near future. Information concerning the status of the North Yukon Land Use Plan, planning zones, maps, background information and data about the region can be found on the North Yukon Planning Commission website www.nypc.planyukon.ca. The Yukon Planning Atlas with spatial data and maps is also available on the Yukon Planning Council website www.planyukon.ca, and may prove to be helpful.

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 during the review of the Request for Posting in northern Yukon. The document entitled, *Oil and Gas Best Management Practices for Caribou* is expected to be posted on the Oil and Gas Resources web page 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 www.yukonoilandgas.com. The Government of Yukon is confident that the use of best management practices and mitigation measures will ensure the protection of the Porcupine Caribou Herd and other northern caribou populations.

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 company's planning for any future activities.

Tourism on the Dempster Highway

Tourism along the Dempster Highway is an active and important part of Yukon's northern economy. The Yukon Department of Energy, Mines and Resources have worked closely with the Wilderness Tourism Association of Yukon and the Department of Tourism and Culture, Tourism Branch 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 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's Department of Tourism and Culture, 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, 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 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 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 encouraged to review regulatory requirements for access outlined in *Additional Information Regarding the Regulation of Oil and Gas Activities 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 Activities 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 Activities 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* (YESAA) 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 2009
EAGLE PLAIN
OIL AND GAS BASIN
LOCATION: 2009S001**

A. Oil and Gas Basin: Eagle Plain

Grid Area(s)	66-20-136-45	66-20-137-0
Sections(s) (all or portions of the noted sections)	1 to 7 11 to 17 21 to 26 31 to 35 41 to 45 51 to 55 61 to 66 71 to 76	1 to 7 11 to 18 21 to 28

Notes: There are no exceptions.	Total Number of Sections: 70 Total area: 161.5 square kilometres; 16153 hectares, more or less
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The map of Call for Work Bid Location 2009S001 is on the oil and gas website:
http://www.emr.gov.yk.ca/oilandgas/rights_management_maps_and_data.html

Spring 2009 Oil and Gas Call for Work Bids

 Bid Location 2009S001
Eagle Plain

Location Description

66-20-137-0 all or portions of	66-20-136-45 all or portions of
1 to 7	1 to 7
11 to 18	11 to 17
21 to 28	21 to 26
	31 to 35
	41 to 45
	51 to 55
	61 to 66
	71 to 76

Total Number of Sections - 70
Total Square Kilometres - 161.5
Total Hectares - 16153
Total Acres - 39915

-  Resource Basin
-  Existing Disposition
-  First Nation Land

Note: First Nations Settlement Lands will NOT be included in Call for Bids

Map Sheet
 Grid Area NAD83
 Grid Section NAD83



S525-30-09100 Spring 2009
Call 2009S001
April, 2009

