

2006 FORT LIARD, NORTHWEST TERRITORIES CALL FOR NOMINATIONS

Closing at 4 p.m. (E.T.) on September 15, 2006

1. Call for Nominations

The Minister of Indian Affairs and Northern Development hereby calls for posting requests for nine (9) parcels of Crown reserve lands located in the Fort Liard area of the southern Northwest Territories. A map is enclosed for reference.

Certain areas within the general Call for Nominations area have been excluded from the Call at the request of the Acho Dene Koe First Nation (ADKFN). These are indicated on the map.

The two (2) parcels which receive most posting requests will be considered by the Minister in developing a call for bids tentatively scheduled to open in September 2006, pursuant to Section 14 of the *Canada Petroleum Resources Act* (CPRA). Two (2) additional blocks may be considered for a second Calls for Bids in 2007.

Posting requests must be received by 4 p.m. E.T. on **September 15, 2006** for consideration.

Terms and conditions of the proposed call for bids are attached for information.

2. Content of Posting Requests

The area included in the Fort Liard Call for Nominations covers approximately 130,023 hectares with 10,036 hectares already included in existing interests (significant discovery and production licences). The area available has been divided into nine (9) parcels which vary in size from 25 to 54 sections. (See Map)

Companies are invited to nominate any number of the defined parcels using the attached posting form by listing the parcel number.

A Posting Request Form is attached and should accompany the request.

3. Submission of Posting Requests

All requests should be submitted by fax by 4 p.m. (E.T.) on **September 15, 2006**. Each request should be addressed as follows:

"Fort Liard Request for Posting - 2006"

Closing (September 15, 2006)

Attention: Oil and Gas Management

Northern Oil and Gas Branch

FAX: (819) 953-5828

Requesters are advised to give prior notice of their intent to submit a fax by calling (819) 997-0048 or (819) 997-0221 immediately prior to transmission. Telephone confirmation will be provided, if requested, upon receipt of the fax. Only the fax copy is necessary; original copies are not required.

All submissions received will become property of the Crown and will not be returned.

All information concerning nominations will remain confidential.

4. Priority of Posting

Not applicable

5. Specific Considerations

5.1 Environmental considerations

Seasonal or operating limitations may be established in accordance with provisions of the *Canada Oil and Gas Operations Act*. For example, the work season may be restricted to those months when the proposed type of activity will not have a significant impact on fish habitats, birds or other species and there may be precise conditions relating to drilling fluids and waste discharges.

Site specific environmental operating terms and conditions may be imposed at the permitting stage pertaining to a variety of matters such as cut-lines, drilling fluids, waste discharges and operating seasons. Various seismic procedures, such as heli-portable seismic operations and the use of existing cut-lines in order to minimize surface disturbance, should be considered. Consultation with the ADKFN regarding such matters as hunting and trapping, fishing and other related activities will be necessary prior to regulatory approvals.

Specific environmental protection plans developed in consultation with the ADKFN may be required of the proponent prior to the commencement of activity. These plans would describe the necessary procedures the operator would take to minimize any environmental impacts to sensitive fish habitats, birds or wildlife habitat of the region, for example moose/caribou. Betalamea Lake and areas similarly shaded on the map have been identified as sites of particular sensitivity by the ADKFN and surface operations may not be permitted.

The implementation of associated activity may require the hiring of a local monitor to observe and provide advice on a number of items including cut-lines/roads, disposal of wastes, fuel storage and other related matters.

5.2 Community Considerations

The proponent may be required to provide community specific harvesting funding plans prior to the commencement of any activities. These funding plans could describe how the proponent will assist harvesters in managing and maintaining their traditional way of life in the area.

The area included in the Call for Nominations is located in the vicinity of the community of Fort Liard. The proponent is expected to engage the community in discussions concerning the operations at the earliest possible opportunity. The proponent may also be required to participate in working groups to discuss operational effects on the community.

5.3 Northern Benefits Requirements

The successful bidder shall adhere to the **Northern Benefits Requirements Associated with New Exploration Programs** which is available by request or by downloading from our website.

As per the DFN Interim Measures Agreement, the Minister of IAND shall require a benefits plan for any work, activity or development that requires the authorization or approval of the National Energy Board under the *Canada Oil and Gas Operations Act* in the Dehcho territory.

- a) the benefits plan submitted by the operator for the approval of the Minister of IAND shall be commensurate with the nature, scope, magnitude and duration of the proposed work, activity or development. The benefits plan may contain provisions for consultation, maximization of opportunities for employment, training, the supply of goods and services, and compensation for damages relating to resource harvesting.
- b) For minor, short duration geological and geophysical activities, the operator's written commitment to work to the Benefits Statement of Principles that appears in Calls for Bids for exploration rights shall be sufficient.

5.4 Dehcho First Nations Interim Measures Agreement

The DFN, which include the ADKFN, is currently involved in lands and resource negotiations with Canada. An Interim Measures Agreement was signed in May 2001 providing for an increased role for the DFN throughout the entire Dehcho region. The IMA includes provisions for an Interim Land Withdrawal, protected by way of Order in Council in August 2003, and an Interim Resource Development Agreement, signed in April 2003.

5.5 Dehcho Land Use Plan

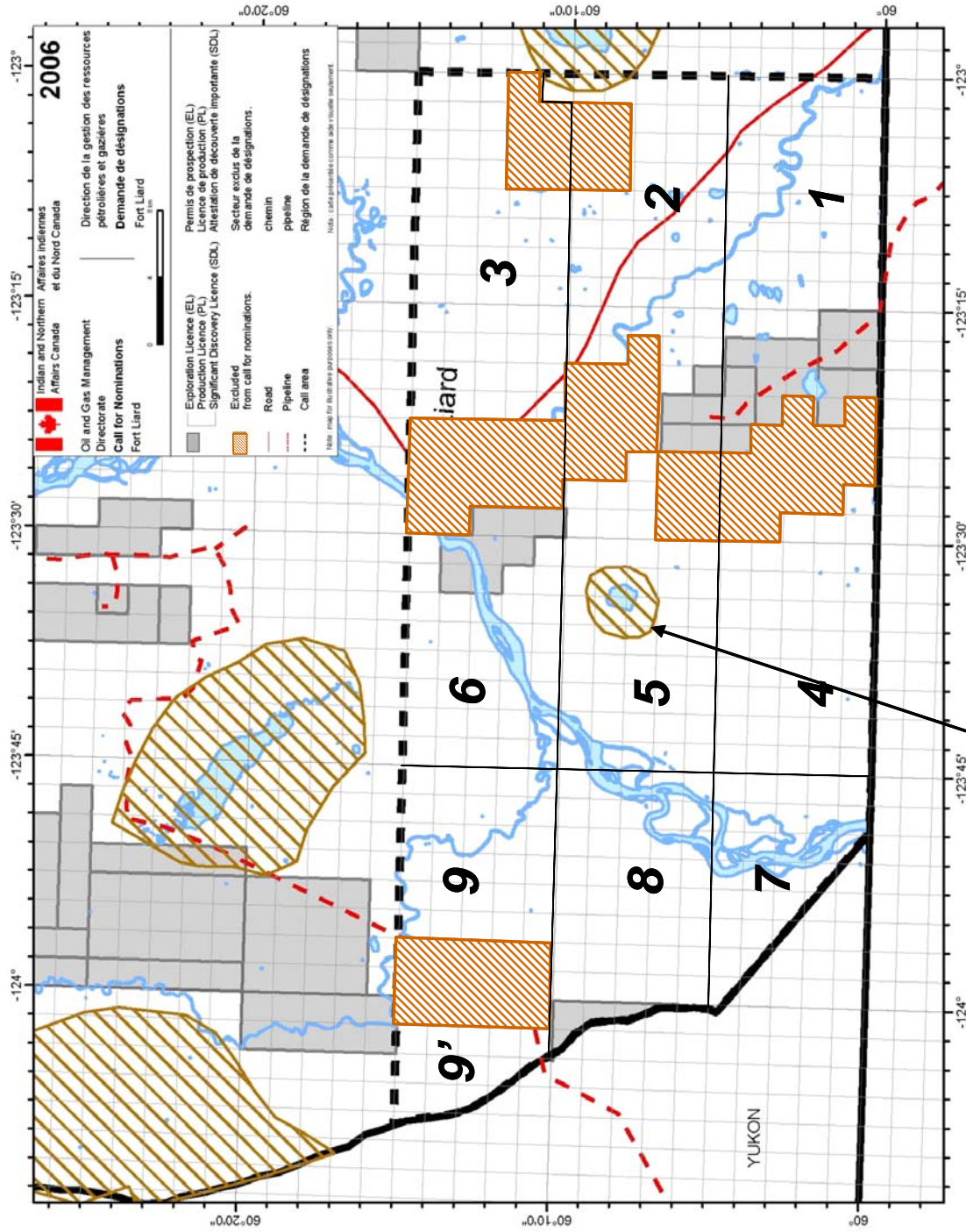
As of the issuance of this Call for Nominations, the Department of Indian and Northern Affairs is reviewing the Final Draft of “Respect for the Land: The Dehcho Land Use Plan” submitted by the Dehcho Land Use Planning Committee for consideration by the Minister. Should the plan be favourably considered by the Minister, nominators should be aware that the provisions of the Plan may apply to their future operations. The Final Draft of the Plan may be viewed at <http://www.dehcholands.org>

6. Resulting Call for Bids

The individual or company that requested the posting of a parcel(s) is expected to submit a bid(s) in response to the Call for Bids, should those parcels be selected for bidding.

The Minister is not obliged to proceed with a Call for Bids for any lands posted.

Call for Bid documents and a sample exploration licence are included as examples for information only in this Call for Nominations package. These documents may be subject to minor modification prior to issuance.



Betalamea Lake and areas similarly shaded have been identified as areas of particular sensitivity and surface operations may not be permitted.

(Insert Call Title)

Call for Nominations

This posting request is submitted in response to the subject
Call for Nominations closing on _____

(Insert Closing Date)

(name of individual or corporation)

phone number / fax number

requests that the following lands be posted in the next call
for bids to be held for the area associated with the above-
noted Call for Nominations.

signature

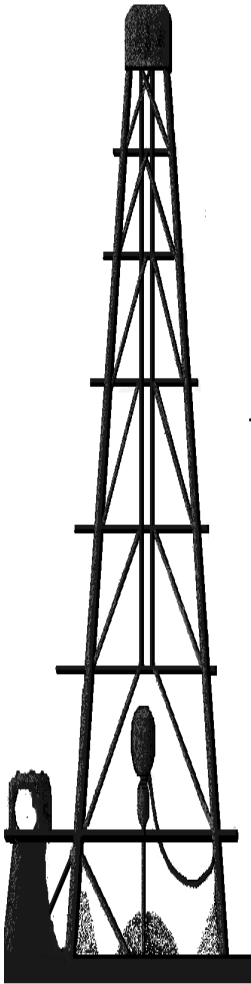
Date

~~print name and title~~

PARCEL NUMBER(S) REQUESTED:-

Total number of sections: NOT APPLICABLE

Each request for a posting must conform with the size limitations
described in the Call for Nominations.



Department of Indian Affairs
and Northern Development
Northern Oil and Gas Directorate
Room 627 - 10 Wellington St.
HULL QC K1A 0H4
Fax: (819) 953-5828

NORTHERN BENEFITS REQUIREMENTS ASSOCIATED WITH NEW EXPLORATION PROGRAMS

A. Benefits Statement of Principles

Companies engaged in exploration activities on frontier lands are expected to follow the principles outlined below.

It is recognized that the nature and duration of work programs must be considered in determining the extent to which companies are able to implement the benefits principles.

Industrial Benefits

The company is committed to obtaining its goods and services on a fair and competitive basis. The company will support and encourage the development of regional businesses by considering potential suppliers for work associated with the program on the basis of best value, competitiveness and benefits to the regional communities and by providing relevant information to the supply community. Within the context of its general procurement policy, the company will conduct its operations so as to optimize the short and long-term benefits accruing to the North by providing opportunities for involving northern businesses on a full, fair and competitive basis.

The company is committed to ensuring that its contractors follow the above with respect to all subcontracting opportunities.

The company is committed to work with regional communities and government agencies to identify potential business development opportunities.

Employment and Training

The company is committed to the principles of fair and equal employment and training opportunities consistent with the *Canadian Charter of Rights and Freedoms*. This commitment will promote fairness in employment opportunities and avoid employment practices which result in employment barriers. The company will give first consideration to qualified individuals resident in the regional communities.

The company is committed to work with regional communities and government agencies to identify potential employment and training opportunities.

The company is committed to ensuring that its contractors follow the above with respect to all employment and training opportunities.

Consultation

The company is committed to providing appropriate information concerning its exploration programs to concerned individuals, groups and communities in the region. Exchanging relevant information in a timely fashion will enable the company to assess the potential local economic and employment opportunities.

Compensation

The company will provide fair and equitable compensation to individuals involved in hunting, trapping and fishing in the event of adverse impacts demonstrated to result from project-related activities.

A. Annual Report Requirement

The company will submit an annual report within **three** months of the completion date of its seasonal work program.

The report should contain the following information:

- (i) a brief work program description;
- (ii) total program costs (total value of purchased goods and services, total direct wages and total direct work months);
- (iii) total direct wages by northern community of residence;
- (iv) total direct work months by community of residence;
- (v) number of northern community residents employed for each program component (e.g. seismic, drilling, support and construction);
- (vi) total value of purchased goods and services from each northern community, including a brief description of the goods and services purchased from each community;
- (vii) listing of consultations undertaken;
- (viii) a brief description of any programs that may be undertaken in the next work season.

Annual reports are to be sent to:

Director
Oil and Gas Management Directorate
Northern Oil and Gas Branch
Department of Indian Affairs and Northern Development
OTTAWA ON K1A 0H4

PART A

Terms and Conditions of the 2006 - Fort Liard Call for Bids

Closing ☐☐☐

The Minister of Indian Affairs and Northern Development hereby calls for the submission of bids in respect of (☐☐☐) parcels comprising the following lands located in the area of the 2006 Fort Liard Call for Bids.

PARCEL (☐☐☐ hectares)		
Issuance Fee = \$ ☐☐☐		
Latitude	Longitude	Portion

INSERT PARCEL(S) DESCRIPTION AND MAP

Department of Indian Affairs
 and Northern Development
 Northern Oil and Gas Directorate
 15/25 Eddy Street, 10th Floor
 GATINEAU QC K1A 0H4
 Fax: (819) 953-5828

Land Division

These guidelines summarize the land description system for parcels north of latitude 60° N. For more detailed information see Section 4 of the *Canada Oil and Gas Land Regulations*. [Geographic coordinates are referenced to North American Datum 1927.]

Land areas are divided into **grids**, grids into **sections**, and sections into **units**.

Grids are bounded to the east and west by successive meridians of longitude:

- a) for lands south of latitude 70° N, the boundaries are spaced every 15' of longitude (e.g., 122° 00' W and 122° 15' W), or
- b) for lands north of latitude 70° N, they are spaced every 30' of longitude (e.g., 122° 00' W and 122° 30' W).

To the north and south, the boundaries of grids are defined by straight lines joining the points of intersection of their east and west boundaries with successive parallels of latitude spaced every 10' (e.g., 60° 00' N and 60° 10' N). Every grid area is referred to by the latitude and longitude co-ordinates of its northeast corner (e.g., 60° 10' N, 122° 00' W).

The number of **sections** into which a grid is divided depends on the latitude where the grid is located.

A section is bounded to the east and west by meridians:

- i) for lands between latitudes 70° and 75°, the boundaries are spaced at intervals of 1/10 of the distance between the east and west boundaries of the grid area, or
- ii) for lands between 60° and 68°, and between 75° and 78°, they are spaced at intervals of 1/8 of this distance, or
- iii) for lands between 68° and 70°, and between 78° and 85°, they are spaced at intervals of 1/6 of this distance.

To the north and south, the boundaries of sections are defined by straight lines drawn parallel to the north and south boundaries of the grid and spaced at intervals of 1/10 of the distance between these boundaries.

Fig. 1 A Grid with 80 Sections

80	70	60	50	40	30	20	10
				39			
				38			
				37			
				36			
75	65	55	45	35	25	15	5
				34			
				33			
				32			
71	61	51	41	31	21	11	1

Thus, grids have 100, 80 or 60 sections (10x10, 8x10, or 6x10) depending on their location.

The sections are numbered and each is referred to by its number (see the example in Figure 1).

Every section is divided into 16 equal **units**, each of which is identified by a letter (see Figure 2).

Fig. 2 Units in a section

M	N	O	P
L	K	J	I
E	F	G	H
D	C	B	A

Terms and Conditions of the 2006 - Fort Liard Call For Bids

1. Acceptance and Agreement - *Canada Petroleum Resources Act s.s. 24.1*

Any submission of a bid in response to a call for bids shall be made on the understanding that the terms and conditions as contained herein are accepted and agreed to by the bidder. Such understanding shall include the acceptance of and agreement with the terms and conditions contained within the form of the **Exploration Licence** and with the **Benefits Statement of Principles**, copies of which are available by request or by downloading from our website.

2. Exploration Licence - *Canada Petroleum Resources Act s.s. 14.3 (a)*

Any exploration licence which may result from a call for bids will be issued pursuant to the *Canada Petroleum Resources Act (CPRA)*, R.S., 1985, c. 36, 2nd supplement, or legislation made in amendment thereof or in substitution therefor and any regulations made thereunder from time to time.

Term - *Canada Petroleum Resources Act s.s. 14.3 (c)*

The term for exploration licences issued from the **2006 Fort Liard Call for Bids** will be seven years consisting of two consecutive periods of four years for the first period and three years for the second period. [NOTE: The duration of first and second periods may be adjusted for the Call for Bids to ensure optimal use of operating seasons.]

3. Submission of Bids - *Canada Petroleum Resources Act s.s. 14.3 (e), (f)*

Sealed bids must be delivered, either by registered mail or in person, to the following address prior to **NOON**, Mountain Time on **(date to be determined)**:

Regulatory Information Administrator
Operations Business Unit
National Energy Board
444 - 7TH Avenue S.W.
CALGARY AB T2P 0X8

Each bid submitted in response to a Call must be addressed to the Minister of Indian Affairs and Northern Development and be in double sealed envelopes bearing no corporate identification. The outer envelope should be clearly marked with the date and call name, i.e. "**2006 Fort Liard Call for Bids**". The inner envelope(s) should be clearly marked with the date, call name and parcel number, i.e. "**2006 Fort Liard Call for Bids - Parcel ___**".

Individuals or companies submitting more than one bid may place all bids in a single outer envelope.

The **Bid Submission Form** is available by request or by downloading from our website.

To be accepted, bids must be accompanied by separate financial instruments in respect of the issuance fee (**clause 6 of Part B**) and the Work Deposit (**clause 10 of Part B**).

4. **Related Requirements**

The exercise of petroleum exploration rights is subject to specific terms and conditions including:

Conditions Relating to the Environment

Seasonal or operating limitations may be established in accordance with provisions of the *Canada Oil and Gas Operations Act*. For example, the work season may be restricted to those months when the proposed type of activity will not have a significant impact on fish habitats, birds or other species and there may be precise conditions relating to drilling fluids and waste discharges.

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- b) For minor, short duration geological and geophysical activities, the operator's written commitment to work to the Benefits Statement of Principles that appears in Calls for Bids for

exploration rights shall be sufficient.

Information

For more information on the administration of this call, the rights issuance process or the resource management regime, please contact:

Director,
Oil and Gas Management Directorate
Northern Oil and Gas Branch
Department of Indian and Northern Affairs
OTTAWA ON K1A 0H4
Tel: (819) 997-0878; Fax: (819) 953-5828 Internet: GreenG@inac.gc.ca

Manager, Land Tenure
Oil and Gas Management Directorate
Northern Oil and Gas Branch
Department of Indian and Northern Affairs
OTTAWA ON K1A 0H4
Tel: (819) 997-0221; Fax: (819) 953-5828 Internet: Caseyr@inac.gc.ca

Northern Oil and Gas information, including maps, may be found on and downloaded from the DIAND web site at www.ainc-inac.gc.ca/oil/.

For information on the perspectives of Acho Dene Koe First Nation and the Fort Liard community please contact Chief Harry Deneron at (867) 770-4571 or view the following web site:
www.beaverenterprises.nt.ca

Geological and well information with respect to the lands or area which is available for public disclosure may be obtained from:

Data Management Administrator
Information Office
National Energy Board
444 - 7th Avenue S.W.
CALGARY AB T2P 0X8

Fax: (403) 292-5876
Phone: (403) 292-4800