

**2008-2009 ARCTIC ISLANDS OF NUNAVUT
Call for Nominations
Closing at 4 p.m. (E.T.) on January 28, 2009**

1. Call for Nominations

The Minister of Indian Affairs and Northern Development hereby calls for the submission of nominations for Crown reserve lands located in Nunavut. A map is attached for reference.

Lands currently under licence which revert to Crown reserve status during the course of this call for nominations may also be nominated.

Posting requests received at the latest on **January 28, 2009 by 4 p.m., E.T.** will be considered by the Minister for inclusion in a call for bids tentatively scheduled to be issued early February 2009 pursuant to Section 14 of the *Canada Petroleum Resources Act* (CPRA). Terms and conditions of the proposed call for bids are attached for information.

2. Content of Posting Requests

All posting requests must be described in accordance with the attached Guidelines for Posting Parcels North of Latitude 60° N. Each tract posted shall comprise laterally or diagonally contiguous blocks.

The maximum size of any posting request between latitude 75° N and latitude 78° N is eight grids.

The block size North of latitude 78° N, should not exceed 216,080* hectares in area.
*(*Eight grids at 75° N)*

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

3. Submission of Posting Requests

All requests should be submitted by fax at the latest on **January 28, 2009 by 4 p.m. E.T.** Each request should be addressed as follows:

**Arctic Islands of Nunavut Request for Posting
Closing January 28, 2009
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) 997-0877 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

Priority of posting will be determined by order of receipt. Time of receipt will be that recorded by the fax machine of the Northern Oil and Gas Branch in Gatineau.

In case of overlapping requests, the first to be received will have priority. The second requester will be informed of the area remaining in the request which does not overlap a prior nomination. The second requester will be required to state whether they would like to maintain their posting on the remaining lands or withdraw the request.

5. Specific Considerations

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

Land Claim Requirements

The lands available for posting are located within the Nunavut Settlement area. Successful bidders shall adhere to the terms of the Nunavut Land Claims Agreement reached with the Inuit. Interested parties are advised to obtain a copy of the agreement.

Conditions Relating to the Environment

Operators wishing to carry out activities as a result of this process will be required to comply with all federal environmental requirements defined in the Nunavut Land Claims Agreement as well as those stemming from the Canadian Environmental Assessment Act, the Canada Oil and Gas Operations Act, the Territorial Lands Act, the Arctic Waters Pollution Prevention Act, the Migratory birds Convention Act, the Species at Risk Act and other applicable legislation.

The yellow hatched area on the attached map has been identified to alert potential nominators that additional operating terms and conditions may be applied at the activity stage. For example, the work season may be restricted to those months when the proposed type of activity will not have a significant impact on sensitive fish and marine habitats, mammals, birds or other species. In addition, extra conditions may be imposed relating to drilling fluids and waste discharges, and site specific environmental protection plans may be required prior to the commencement of activity. These environmental protection plans would describe the necessary procedures the operator would take to minimize any environmental impacts to a particular species in the region.

Referring to the map, specific environmental information has been provided by Nunavut Tunngavik Incorporated and marine and wildlife specialists, including Fisheries and Oceans, Environment Canada and the Government of Nunavut; additional information is incorporated from the 1991 Lancaster Sound Regional Land Use Plan. The Canadian Wildlife Service advises that the Ivory Gull was recently listed by the Committee on the Status of Endangered Wildlife of Canada (COSEWIC) as "Endangered", and the Ross's Gull was recently listed as "Threatened" under the Species at Risk Act. In addition, the Red Knot, a medium- sized shorebird which nests in the region, is listed as "Special Concern". Information on all of the species at risk in this region can be found at <http://www.sararegistry.gc.ca>. The Canadian Wildlife Service has extensive information on known breeding locations in the high Arctic, and proponents should contact their Iqaluit

office (867 975-4633) for further information.

Polar Bears and Peary Caribou inhabit the High Arctic Islands. Polar Bears are listed as "Special Concern" by COSEWIC, while the Peary Caribou are listed as "Endangered" by the Government of Canada. Management of bears and caribou is a territorial responsibility, and thus proponents should contact the Government of Nunavut, Department of Environment for information on important locations for these species.

Industry should be aware that the North Baffin Regional Land Use Plan 2000, an updated version of the 1991 Lancaster Sound Regional Land Use Plan, was approved in June 2000. This land use plan has been developed by the Nunavut Planning Commission with the Inuit of Nunavut, the Government of Nunavut and Indian Affairs and Northern Development, and is a helpful source of land use information. Any oil and gas related proposals should conform with the North Baffin Regional Land Use Plan 2000.

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. The Minister reserves the right to refuse future posting requests by that individual or company if a bid is not submitted.

The Minister will take into account all nominations in developing a call for bids but may modify nominations to configure a bid block following consultation with the nominee.

The Minister is not obliged to proceed with a call for bids for any lands posted.

125°W 120°W 115°W 110°W 105°W 100°W 95°W 90°W 85°W 80°W 75°W 70°W

2008 - 2009

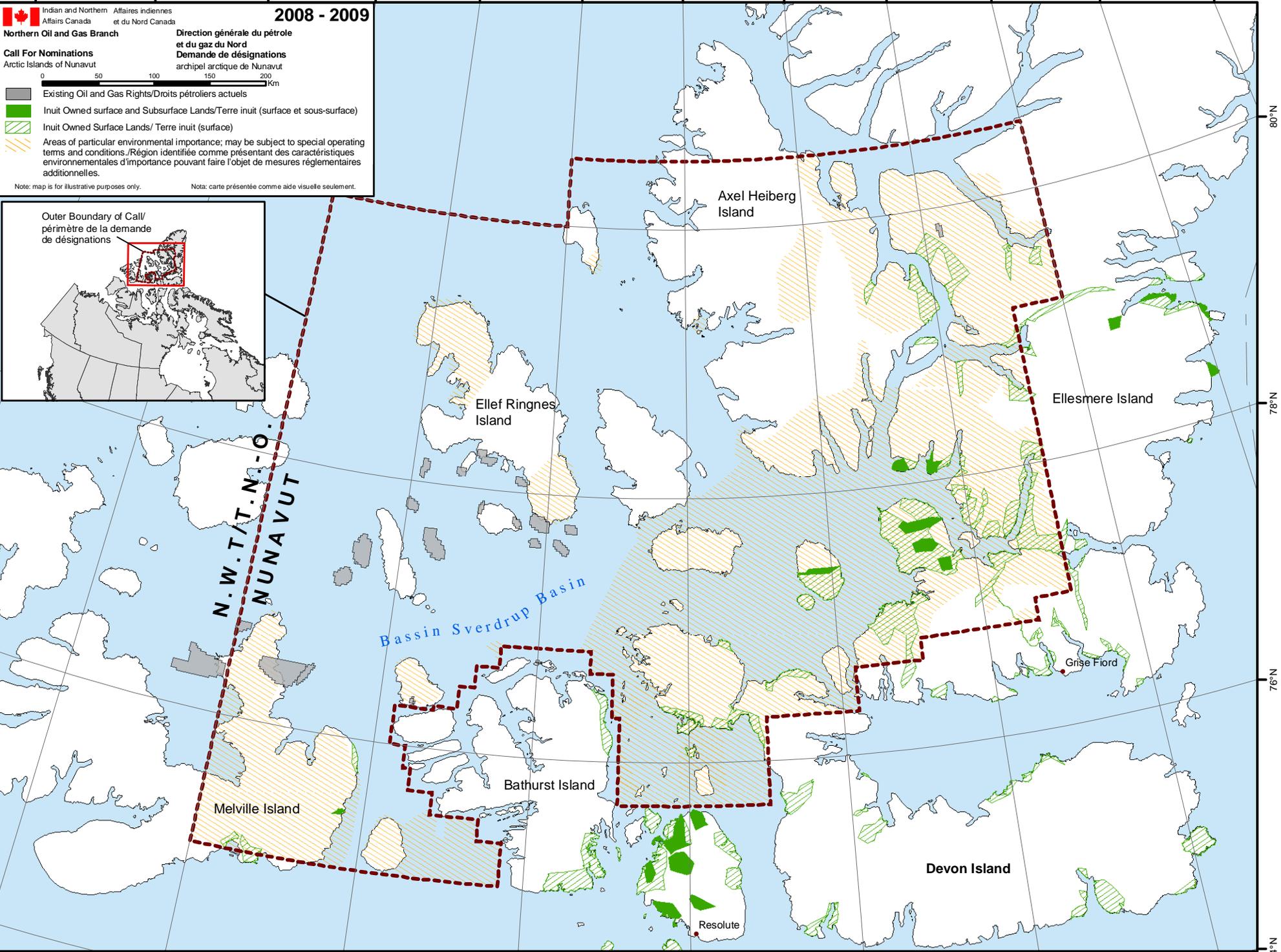
Indian and Northern Affairs Canada / Affaires indiennes et du Nord Canada
 Northern Oil and Gas Branch / Direction générale du pétrole et du gaz du Nord

Call For Nominations
 Arctic Islands of Nunavut / Demande de désignations archipel arctique de Nunavut

0 50 100 150 200 Km

- Existing Oil and Gas Rights/Droits pétroliers actuels
- Inuit Owned surface and Subsurface Lands/Terre inuit (surface et sous-surface)
- Inuit Owned Surface Lands/ Terre inuit (surface)
- Areas of particular environmental importance; may be subject to special operating terms and conditions./Région identifiée comme présentant des caractéristiques environnementales d'importance pouvant faire l'objet de mesures réglementaires additionnelles.

Note: map is for illustrative purposes only. / Nota: carte présentée comme aide visuelle seulement.



**N.W.T./T.N.-O.
 NUNAVUT**

Bassin Sverdrup

Department of Indian Affairs
 And Northern Development
 Northern Oil and Gas Branch
 10th Floor – 15/25 Eddy Street
 OTTAWA ON K1A 0H4
 FAX: (819) 953-5828

Guidelines for Posting Parcels North of Latitude 60° N

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.

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

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.

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

POSTING REQUEST FORM



(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

Latitude/Longitude	Section(s)	# of Sections
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total number of sections: _____

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

Department of Indian Affairs and Northern Development
Northern Oil and Gas Branch
Postal address: 10th Floor – 15-25 Eddy Street
OTTAWA ON K1A 0H4
Fax: (819) 953-5828

PART A
Proposed Terms and Conditions of the 2009
Arctic Islands of Nunavut Call for Bids
Closing ----- *date to be specified*

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 Arctic Islands of Nunavut:

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

Insert parcel description and map

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 **2009 Arctic Islands of Nunavut Call for Bids** will be nine (9) years consisting of two consecutive periods of six (6) years and three (3) years each.

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 specified***:

Compliance Information Analyst
National Energy Board
Frontier Information Office
444 Seventh 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. **2009 Arctic Islands of Nunavut Call for Bids**. The inner envelope(s) should be clearly marked with the date, call name and parcel number, i.e. **2009 Arctic Islands of Nunavut Call for Bids – Parcel No. ___**.

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 Bid Deposit (**clause 11 (a) of Part B**).

4. Related Requirements

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

Land Claims Requirements

The lands available for posting are located within the Nunavut Settlement area. Successful bidders shall adhere to the terms of the Nunavut Land Claims Agreement reached with the Inuit. Interested parties are advised to obtain a copy of the agreement from the Frontier Information Office of the National Energy Board in Calgary.

Section 27.1.2 of the Nunavut Land Claims Agreement states that prior to the initial exercise of rights in respect of exploration, development or production of petroleum on Crown lands in the Nunavut Settlement Area, and in order to prepare a benefits plan for the approval of the appropriate regulatory authority, the proponent shall consult the Designated Inuit Organization, and Government shall consult the Designated Inuit Organization, in respect to those matters listed in Schedule 27-1 which lists matters appropriate for consultation, including:

- ☐ Inuit training;
- ☐ Inuit hiring;
- ☐ Employment rotation;
- ☐ Labour relations;
- ☐ Business opportunities for Inuit;
- ☐ Housing, accommodation and recreation on project site;
- ☐ Safety, health and hygiene;
- ☐ Language of workplace;
- ☐ Identification, protection and conservation of archaeological sites and specimens;
- ☐ Research and development;
- ☐ Inuit access to facilities constructed for the project such as airfields and roads;
- ☐ Particularly important Inuit environmental concerns and disruption of wildlife;
- ☐ Outpost camps;
- ☐ Information flow, including liaison between Inuit and proponent regarding project management and Inuit participation and concerns;
- ☐ Co-ordination with other developments;
- ☐ Any other matters that the Parties consider to be relevant to the needs of the project and Inuit.

Conditions Relating to the Environment

Operators wishing to carry out activities as a result of this process will be required to comply with all federal environmental requirements defined in the Nunavut Land Claims Agreement as well as those stemming from the *Canadian Environmental Assessment Act*, the *Canada Oil and Gas Operations Act*, the *Territorial Lands Act*, the *Arctic Waters Pollution Prevention Act*, the *Migratory birds Convention Act*, the *Species at Risk Act* and

other applicable legislation.

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Northern Benefits Requirements

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

Benefits Plans

Prior to the initial exercise of rights in respect of exploration, development or production of petroleum on Crown lands in the Nunavut Settlement Area; the successful bidder must submit a Benefits Plan to the Minister for approval. In this regard the proponents are referred to the requirements in Section 5.2 of the *Canada Oil and Gas Operations Act*, Section 21 of the *Canada Petroleum Resources Act* and Section 27.1.2 of the Nunavut Land Claims Agreement.

The Benefits Plan must provide Northerners and northern businesses with full and fair access to training, employment and business opportunities in accordance with the Benefits Principles.

In addition, the Benefits Plan should reflect the consultations between the parties on all matters listed in schedule 27-1 of the Nunavut Land Claims Agreement. In particular, there must be provisions in the Benefits Plan to ensure that Inuit have access to training and employment opportunities and to facilitate their participation in the supply of goods and services. The provisions should be commensurate with the scale and duration of the proposed work and the capacity and interests of Inuit and Inuit owned businesses.

When a Benefits Plan is based on several proposed activities, some of which could change depending upon the results of initial work, the plan should be updated periodically. The update, which need not be lengthy, may be provided as part of an Annual Report or separately.

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 work with regional communities and government agencies to identify potential business development opportunities.

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

B. 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
 Department of Indian Affairs and Northern
 Development
 OTTAWA ON K1A 0H4

C. Comprehensive Land Claim Settlement Agreements

The comprehensive land claim settlement agreements for the Inuvialuit, Gwich'in, Sahtu and Nunavut areas contain provisions regarding consultation and benefits as well as other matters such as land and water use, environmental review and surface access. When planning activities in these land claim settlement areas, companies are expected to familiarize themselves with the provisions of the relevant land claim settlement agreement and make early contact with the responsible Aboriginal organization regarding procedures and time lines.

Information

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

Rights Issuance
Northern Oil and Gas Branch
Department of Indian Affairs and Northern Development
15/25 Eddy Street, 10th Floor
OTTAWA ON K1A 0H4
Tel: (819) 997-0048; Fax: (819) 953-5828
E-mail: STJEANLL@inac.gc.ca

Northern Oil and Gas Branch
Department of Indian Affairs and Northern Development
15/25 Eddy Street, 10th Floor
OTTAWA ON K1A 0H4
Tel: (819) 997-0877; Fax: (819) 953-5828

Northern Oil and Gas information, including maps, may be found on and downloaded from the DIAND web site at <http://www.ainc-inac.gc.ca/nth/og/le/mp/index-eng.asp>

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

Data Coordinator
National Energy Board
Exploration and Production
444 Seventh Avenue SW
CALGARY AB T2P 0X8

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

Nunavut Contact List

Nunavut Tunngavik Incorporated	http://www.tunngavik.com/
*Lands and Resources, Nunavut Tunngavik Incorporated	http://www.ntilands.com/
Nunavut Land Claims Agreement	http://www.ainc-inac.gc.ca/pr/agr/nunavut/index_e.html
Nunavut Surface Rights Tribunal	http://www.nunanet.com/~nsrt/
Nunavut Wildlife Management Board	http://www.nwmb.com/
Nunavut Impact Review Board	http://www.nirb.ca/
Regional Inuit Associations	
Kitikmeot Inuit Association	http://www.polarnet.ca/polarnet/kia.htm
Kivalliq Inuit Association	http://www.kivalliqinuitassociation.com/English/Home/Main.html
Qikiqtani Inuit Association	http://www.qia.ca/i18n/english/home.shtm

* Primary Contact -Designated Inuit Organization

Please note that Designated Inuit Organization (DIO=s) may have compiled a comprehensive list of Inuit firms, together with information on goods and services which they would be in a position to furnish. This list has been compiled for purposes of government contracts but may be considered for oil and gas activity when consulting pursuant to article 27.1.2.