From: <u>David Hohnstein</u>
To: <u>"Andrea Cull"</u>

Cc: dewars@inac-ainc.gc.ca; KusugakP@inac-ainc.gc.ca; gord@northarrowminerals.com; Phyllis Beaulieu

Subject: New Water Licence Application - Torp Lake Project - North Arrow Minerals Inc.

Date: Wednesday, November 18, 2009 10:17:22 AM

Good afternoon Andrea,

I was wondering if I could ask you for some further input into this application and the comments submitted?

The NWB received an application for a new water licence from North Arrow Minerals Inc. in July, with additional information submitted in August. The application went out for review and comment with the deadline for comments September 18, 2009. Comments have been received, reviewed and the NWB staff is looking at presenting the application to the Board with a recommendation for approval of the new Licence.

NWB File No. 2BE-TOR

INAC File: CIDMS #: 355943 - Submission dated September 18, 2009

With this file (and possibly all future files) there is one issue that remains to be confirmed with options to be presented to the Board, and that is with respect to the comments received from INAC, under Item 3, and the recommendation to provide secondary containment for the storage of fuel on site. In our discussions on terms and conditions for exploration licences, the NWB has generally addressed this concern (similar to those of Env. Can.) with appropriate conditions in the licence with respect to the location of fuel storage in relation to water and the prevention of petroleum products/chemicals from entering water, ie:

"The Licensee shall prevent any chemicals, petroleum products or wastes associated with the project from entering water. All sumps and fuel caches shall be located at a distance of at least thirty one (31) metres from the ordinary high water mark of any adjacent water body where direct flow into a water body is not possible and no additional impacts are created."

With the potential introduction of secondary containment requirements to a WL (or if already in a land use permit), the issue of accumulated water would need to be addressed and the disposal of that water. In addition, there is also the added disturbance of land, potentially impacting waters upon construction, removal and closure of the containment. No recommendations have been received from parties with regard to the handling of accumulated water, disposal and potential impacts. EC's and other submissions are available on the NWB's ftp site for reference which also recommend the use of secondary containment (insta-berms) and disposal of the accumulated water, only if the "appropriate chemical analysis has determined that the contents will not violate the requirements of Section 36.3 of the Fisheries Act, such as contact with hydrocarbons."

A few questions/clarifications that I would like to request are:

1) Are the concerns with the secondary containment for fuel storage addressed in the associated land use permit for this project? If so, are there any recommendations

- for dealing with the accumulated water within the containment? Would it be possible to obtain a copy of the permit and associated conditions;
- 2) Is this a concern with exploration only? Or are other projects which have fuel storage affected (ie research camps, lodges etc.);
- 3) Is there a min/max fuel storage volume for fuel caches that would apply to these types of projects (I've heard the number 19 drums passed around but nothing confirmed), if so, are there restrictions in the land use permit preventing from having more than one fuel cache for a particular project (ie 40 drums for the project, but spread out in 4 caches?);
- 4) How are these fuel storage areas being handled in the NWT where there would not be a water licence issued for the "smaller" projects;
- 5) I have a "draft" version of an INAC document that was produced in March '09 on the "Recommended Best Practices for the Storage and Handling of Petroleum and Allied Petroleum Products on Federal Crown Lands in Nunavut, March 2009, Nunavut Regional Office, INAC". Has this discussion paper been followed up on and finalized or are these practices still in the discussion phase? Without getting into to much detail, the recommended storage practice for barrel fuel is contradicted in that, in one area it refers to storage of 4000L or more, including barrel caches (top of page 9), and in the "sample land use permit requirements" only refers to the storage of fuel in a container 4000L or greater (page 11, items 11.6 and 11.7)

Some clarification on this issue(s) would be appreciated prior to moving forward on this application, as well as other new/renewals to be expected. If you could provide some additional information on the secondary containment requirement (recommendation), the basis for it and the options for dealing with the discharge of water from these storages, that would be great. If it would be easier to discuss over the phone, either individually or via telecom with others (ie land, inspection, EC, GN, the applicant) that could work well.

Thanks for your time as I greatly appreciate your (INAC's) input in the development of licence conditions that will work for all parties involved. If you have any questions please feel free to give me a call at your convenience at (780) 443-4406 (MST).

Regards,

Dave



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