



# Inspection Report

**License #:** 2BE-FER0712

**Inspector:** A. Keim

**CIDMS #** 397248

Client	Starfield Resources Inc.,		
Mailing Address	130 AdelaideStreet West Suite 2210. Toronto. ON M5H 3P5		
Inspection site location	Ferguson Lake Project		
Contact name	Alison Rippen- Armstrong	Title	Director
Last inspection date	July 2007	July 25 2009	
Inspection start date	August 11, 2009		
Region	Kivalliq		



INAC, Nunavut District  
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**Submitted Via E-Mail**  
Our File: 2BE-FER0712  
Your File: \_\_\_\_\_  
CIDM # 397248

February 10, 2010

Ms. Alison Rippin Armstrong  
Director of Environment and Permitting  
Starfield Resources Inc.,  
130 Adelaide Street West  
Suite 2210. Toronto. ON  
M5H 3P5

**RE: Water Licence Inspection – Ferguson Lake Camp August 11, 2009**

The following inspection report was generated on a compliance inspection carried out on the Ferguson Lake camp and facilities located at approximately Latitude: 62°53'33"N Longitude: 96°54'15"W in the Kivalliq Region of the Nunavut Territory. These inspections were conducted to determine compliance with the terms and conditions of the Water License (2BE-FER0712) issued to Starfield Resources Inc. by the Nunavut Water Board (NWB).

This Inspection was conducted in response to an earlier Inspection carried out on July 25<sup>th</sup>, 2009 by Land Inspector Kevin Robertson on July 25<sup>th</sup>, 2009 at which time a number of occurrences of Non-conformity with the License as well as a number of potential risks to the environment that required preventative and mitigative actions on the part of the Licensee were identified and passed on to the Water Inspector.

The report references the applicable parts of the Water License (2BE-FER0712) and the findings observed under each of those Parts. During the writing of this report a compliance review was undertaken of the documents, plans and manuals filed by the Licensee and located on the Nunavut Water Board's FTP site.

At the time of the Inspection a water license was approved and in force for the project. However, the camp and project were not in operation at the time of the Inspection and in-fact had been closed since the end of April 2009.

In a letter dated April 20<sup>th</sup>, 2009 and released by the Nunavut Water Board on April 27<sup>th</sup>, 2009, Mr. Fred Mason advised the Worker's Safety and Compensation Commission, the Kivalliq Inuit Association and the Lands Administration Office of INAC that the camp would be closing at the end of the month (April) until such time as the "economics improve".

At the time of the closure the following information was provided to the Nunavut Water Board in a Technical Review Memorandum by INAC and placed on their FTP site (<ftp://nunavutwaterboard.org>);

- Starfield has failed to provide a report on the Dozer Accident that occurred in November 2007. This includes the required Water quality monitoring and sampling results.
- Starfield has failed to complete report on the Hydrocarbon contamination at the Old camp location.
- Starfield has failed to provide an addendum to the 2008 Annual Report addressing incineration of waste oils as required by the current license Part I (1 (i-iii)).

Additionally, as required by the Abandonment and Reclamation Plan submitted and approved to the Nunavut Water Board by Starfield Resources Inc. and which forms part of the current and issued License, Starfield has failed to address the following issues in relation to the closure of the camp;

- Removal to an approved location any fuel barrels,
- Incineration of all waste oils on site,
- Documentation providing evidence of remediation of all drilling sites.



Finally, in addition to the above deficiencies and as noted on site in 2008 by the Lands Inspector, Starfield Resources Inc. had constructed a lined earthen bermed structure to contain fuel on-site. Inside the structure was noted the use of a fuel bladder. A review of the most current Spill Plan on file for Starfield Resources Inc, finds that Bladder usage is not included nor addressed in any way within that Plan. Additionally, a monitoring plan for any fuel left on site (as noted within the April 20<sup>th</sup> 2009 letter) is also absent.

The current License is scheduled to expire on July 1, 2012.

**Issues noted in previous Inspections;**

**2007:**

Old Ferguson Lake camp;

- Poor hydrocarbon containment was evident. Substantial hydrocarbon contamination was obvious throughout the site.
- Insufficient secondary containment of fuel and hydrocarbons throughout the site was noted.
- Batteries and other hazardous materials were evident throughout the site.
- Hydrocarbons, infrastructure and other items were stored too close to water and in one case an old dock has become submerged off shore.
- Lack of secondary containment Fuel storage at the airstrip.

New Ferguson Lake camp;

- The sump is located on ground that will allow over land flow of grey water away from the sump. No Sump pit had been dug at the time of the inspection.
- Toilets in camp are Pacto Toilets. However an Incinerator had not been installed on site.
- Obvious discrete caches of barrels, propane tanks (without securing or binding chains) etc were scattered around the property. None had secondary containment.

**2008:**

- Unknown

**During the period of the July 25<sup>th</sup> and August 11<sup>th</sup> 2009 inspections the following issues were identified by the Inspector;**

- Camp is inactive. No water use at this time.
- Camp appeared to have been abandoned without any consolidation of materials or garbage on site.
- Garbage in bags were found blown around site.
- Water (approx 1 million litres) was noted within the secondary containment of earthen berm structure.
- Obvious oil and other hydrocarbons were noted on surface of water within berm structure.
- The grey water waste line was severed and broken off in two places.
- Hazardous wastes noted throughout the site. (not segregated)
- Large open burning pit littered with metal debris noted in Quarry area.
- No was signage noted on site.
- In the barrel storage area, barrels of waste oil and unidentified product were noted to be leaking.
- No monitoring reports have been provided to the Inspector since closure.

**Non-Compliance:** Issues identified during the inspection and/or review of relevant material

**Issues with a known or anticipated human health impacts;**

- None (camp is currently closed)

**Issues where there is a known or anticipated environmental impairment;**

- Fuel storage requires a sufficiently stringent monitoring program to adequately reduce or mitigate the risk to the environment. This appears to not have taken place throughout 2008 and 2009.
- Hazardous wastes are not segregated and stored as required.
- No records of hazardous wastes or other wastes hauled off site have been provided to the inspector.
- Open burning noted on site.



**Issues where there is a known or suspected violation of a requirement of the Water License;**

- Failure to file Annual reports. Part B (2 (i to vi))
- Failure to give adequate notice. Part B (3)
- Conducting Open Burning on site contrary to Part D (2).
- Failure to furnish records. Part D (6)
- Failure to provide as-built plans and drawings signed by an engineer. Part G (3)
- Failure to up-date the required Spill Plan and submit as required. Part H (2)
- Failure to provide up-dated plans and addendums as required Part I (1)
- Failure to provide a complete report on clean up activities conducted as a result of the Direction issued to Starfield Resources Inc on September 14, 2009.

**NB: It is noted that following the August 11<sup>th</sup>, 2009 Inspection a Direction was issued to Starfield Resources to address the deficiencies and the accumulated hydrocarbon contaminated water contained within the earthen berm structure found on site.**

**To date a report or other information from Starfield Resources Inc., to substantiate compliance with the terms and conditions of the Direction has not been received by the Inspector.**

**Further enforcement actions have been recommended at this time pending submission of the required documents by the licensee. The Licensee is strongly encouraged to contact the Nunavut Water Board and the Inspector to address these deficiencies and determine what actions are required to achieve and maintain compliance with both the issued license and the Act.**

**A. Keim**

**Inspector's Name**

**Inspector's Signature**

Cc:

Peter Kusugak - Manager Field Operations Section- Indian and Northern Affairs Canada

Phyllis Beaulieu – Manager licensing – Nunavut Water Board



















































































