



File 9224-E243-001P

9 January 2008

Mr. Allan Châtenay
Explor Geophysical Ltd.
Suite 701, 736 8th Ave SW
Calgary, AB. T2P 1H4
Fax: (403) 269-5252

Dear Mr. Châtenay:

Explor 2D Seismic Survey Colville Lake Area NWT 2008

Please find attached a Geophysical Operation Authorization and the terms and conditions for the subject program. The program is authorized for acquisition of approximately 300 km of 2D seismic on five seismic lines in the K'asho Got'ine and Deline Districts of the Sahtu region, NWT. The program will utilize drills mounted on tracked vehicles with a mixed energy source of dynamite and vibroseis. Please note that the Operation Identifier No. **9224-E243-001P** has been assigned to this operation and should be quoted on all future correspondence.

Explor Geophysical Ltd., as the operator, is responsible for conducting this operation in accordance with all legislation applicable to this application including the *Canada Labour Code, Part II* and the *Oil and Gas Occupational Safety and Health Regulations*. Explor is strongly encouraged to ensure all contractors are aware of the terms and conditions of the approval.

Please provide the NEB with ample notice of start-up so that an inspector may be dispatched to view operations. Take note that the inspector may wish to attend the start-up/safety meeting.

As well, several report forms and information pages are attached for your information and use.

This survey is classified as **non-exclusive** and the data will fall under the fifteen year rule for data confidentiality. Explor Geophysical Ltd. must file a complete report to the National Energy Board as outlined in the *Geophysical Operations Regulations* **one year** after program completion.

Yours sincerely,

Bharat C. Dixit
Chief Conservation Officer

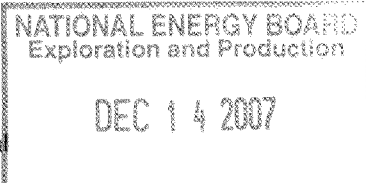
Encl: Geophysical Operations Authorization
Terms and Conditions
Canada Labour Code Part XVI Information on Reporting
Hazardous Occurrence Investigation Report Form
Weekly Progress Report Form
NEB Contacts Form
N.W.T. Spill Report Form



National Energy
Board



Office nationale
de l'énergie



GEOPHYSICAL OPERATION AUTHORIZATION

Applicant: Explor Geophysical Ltd.

Operating Licence No.: 1176 Land Use Permit / Water Licence No.: S07B-017 / S07L1-006

Geographical Area: Colville Lake Area, NT

Grids or NTS Map Sheets: 96K, 96L, 96M, 96N

Interests Identifier: Select

Description of Operation: SAHTU 2008 - 2D SEISMIC PROGRAM - Kasho Gotine and Deline DISTRICTS.

SPECIFICS OF OPERATION

Exclusive ☐ For (if different from applicant): _____ Non-Exclusive ☒ Participation ☐ Purchase / Reprocessing ☐

Proposed Commencement Date: 15/12/2007 Proposed Completion Date: 15/04/2008

No. of Personnel: 49 No. of Crews: 1

Data Acquisition Equipment: SERCEL 408 Estimated Kilometres: 300.00km

Vessel / Aircraft Names / Registration Numbers: _____

Energy Source: Dynamite / Vibroseis

Depth: 12.00m Charge Size: 2.00kg

Source Parameters: 40M Detector Parameters: 10M

OPERATIONAL CONTACT

Name: Allan Chatenay

Address: #710, 736 8th Avenue Calgary, Alberta T2P 1H4

Telephone: (403)263-5950 Facsimile: (403)269-5252

ESTIMATED EXPENDITURES

	On-Interest	Off-Interest
Field Work:	\$ _____	\$15000000.00
Data Processing:	\$ _____	\$187500.00
Interpretation / Laboratory:	\$ _____	\$ _____

CONTRACTORS

Data Acquisition: Veritas

Data Processing: Veritas

Data Interpretation / Laboratory Studies: N/A

"I certify that I have complied with the notification, permitting and / or licencing requirements of all federal / territorial legislation that are applicable to this operation".

Signed: _____

Responsible Officer

Date: 4-Dec-2007

Name: Allan Chatenay

Operator: Explor Geophysical Ltd.

Title: Vice President Operations

Telephone: (403)263-5950

NEB USE ONLY

This operation is authorized under Section 5. (1)(b) of the *Canada Oil and Gas Operations Act* (O-7) and is subject to the terms and conditions attached to this authorization.

Signed: _____

Chief Conservation Officer

Date: 09 JAN 08

Operation Identifier: 9224 / 243-001P

Number of Attachments: _____

Canada

Terms and conditions of the approval are as stated below:

1. Unless otherwise directed by the Chief Conservation Officer, the operator shall implement or cause to be implemented all the policies, practices, mitigative measures, recommendations and procedures for operational safety and the protection of the environment included in or referred to in the operator's application and subsequent submissions.
2. The operator shall, within 30 days of the completion of the geophysical survey, file with the Chief Conservation Officer, a confirmation, by an officer of the company, that the approved Project was completed in compliance with all applicable conditions in the Geophysical Operation Authorization. If compliance with any of these conditions cannot be confirmed, the officer of the company shall file with the Chief Conservation Officer details as to why compliance cannot be confirmed.
3. The operator shall notify the NEB, by the most expedient communication means available, of any major incidents, accidents or any lost time occurrences. Any changes or updates in field contacts or Journey Management procedures in the Emergency Response Plan are to be conveyed to the NEB as soon as the changes or updates are made. Telephone numbers are provided on the attached NEB contact list.
4. To promote additional safety and environmental protection, it is recommended that the spill response procedures and equipment needs be periodically reviewed and, where necessary, upgraded to ensure that these are adequate for the volumes of fuel or other materials to be stored or used.
5. Weekly status reports, with the Operation Identifier number (9224-E243-001P) noted in the subject line, are to be emailed to dailyreports@neb-one.gc.ca or faxed to the attention of the Chief Conservation Officer (fax number (403) 292-5876) by Monday 8:30 am. Please contact Lori-Ann Sharp (telephone 403-299-1994) should there be any difficulty in delivery of the weekly status reports.
6. The operator is requested to *voluntarily* submit any shot hole data (driller logs, sediment descriptions, near surface hazards, shot hole location information, etc.) recorded when acquiring seismic data. This data will be added to the public geodatabase maintained at the Geological survey of Canada.
7. Shallow Gas
This is an area of shallow biogenic gas deposits. The operator must be familiar with Section 19, of the *Canada Oil and Gas Geophysical Operations Regulations* Drilling Shot Holes for Charges. All necessary precautions shall be made while drilling shot holes to ensure that any released gas is not ignited. The following precautions as a minimum are to be taken:

Shot Holes

- a. there must be no open ignition sources such as generators, heat sources, or smoking;
- b. if gas is encountered while drilling, a flowing hole report, that indicates the shot hole location, must be submitted, without delay, to a NEB Safety Officer;
- c. all unnecessary electrical is turned off;
- d. the engine is equipped with air intake shut-off valves that can be activated by the driller;

- e. the drilling rig is positioned, with respect to the wind, so that gas encountered during drilling will not accumulate in the vicinity of the rig;
- f. use alternate means of communication to report the encountering of shallow gas, not the cab radio in the rig that has encountered the gas;
- g. if gas is encountered, explosives shall not be detonated in the encountering shot hole until cleared by the NEB Safety Officer;
- h. a check valve is to be installed on the kelly hose;
- i. water vents must be left open and never closed while drilling or loading water; and
- j. water must be loaded from a source that has low potential for gas with the suction hose placed well below the bottom of the ice. This condition also applies to obtaining camp water from a frozen water body where shallow gas may be a concern.

8. Ice Monitoring

Prior to crossing or working on any body of water, not found to be frozen to bottom, the following procedures are to be followed;

- a) where practicable, electronic profiling should be utilized to determine ice thickness prior to vehicular travel;
- b) the ice is to be profiled utilizing the same care and due diligence that would be displayed drilling shot holes.
- c) ice areas shall not be crossed or worked on until profiling indicates that the ice thickness is satisfactory as per approved company Health Safety and Environmental Manual;
- c) a record of profiles shall be available upon request by the NEB Safety Officer;
- d) equipment and personnel shall not travel beyond or on ice that has not been previously tested and profiled;
- e) if gas is encountered or may be expected in an area, frequency of profiling is to increase so as to identify any areas that may have been eroded due to ice thinning; and
- f) if gas is found to be venting through the ice a NEB Safety Officer must be informed prior to any work being conducted in that area.

9. Final reports are required **within twelve months** following termination of field work, the format and content of which are described in Part V of the *Canada Oil and Gas Geophysical Operations Regulations* (COGGOR). The report is to include:

- One copy of the written report and one electronic copy (pdf-portable document format)
- A reproducible, mylar or suitable digital image (tif format is preferred), and a prefolded paper copy of each seismic line are to be submitted with the final report. The seismic lines

should be suitably processed, migrated and displayed at a vertical scale of ~3.75" per second for 6 second data or ~5" per second for 4 second data with a compatible horizontal scale, with digital images or paper copies of both normal and reverse polarity.

- Digital shot point location data in UKOA, SEG-P1 or any flat ANSI format is to be submitted along with a reproducible, mylar or suitable digital image (tif format is preferred) and 2 prefolded paper copies of all location maps, shot point maps, or 3D bin maps, at a suggested scale of 1:50,000.

CANADA LABOUR CODE

Oil and Gas Occupational Safety and Health Regulations

PART XVI

HAZARDOUS OCCURRENCE INVESTIGATION, RECORDING AND REPORTING

[SOR/94-165, s. 59(F)]

Interpretation

16.1 In this Part,

"disabling injury" means an employment injury or an occupational disease that

(a) prevents an employee from reporting for work or from effectively performing all the duties connected with the employee's regular work on any day subsequent to the day on which the disabling injury occurred, whether or not that subsequent day is a working day for that employee,

(b) results in the loss by an employee of a body member or part thereof or in the complete loss of the usefulness of a body member or part thereof, or

(c) results in the permanent impairment of a body function of an employee;

"minor injury" means an employment injury or an occupational disease for which medical treatment is provided and excludes a disabling injury. (blessure légère) SOR/94-165, s. 60.

Report by Employee

16.2 Where an employee becomes aware of an accident or other occurrence arising in the course of or in connection with his work that has caused injury to him or to any other person, he shall without delay report the accident or other occurrence to his employer, orally or in writing.

Investigation

16.3 (1) Where an employer is aware of an accident, occupational disease or other hazardous occurrence affecting any of his employees in the course of employment, the employer shall, without delay,

(a) take necessary measures to prevent a recurrence of the hazardous occurrence;

(b) appoint a qualified person to carry out an investigation of the hazardous occurrence; and

(c) notify the safety and health committee or the safety and health representative, if either exists, of the hazardous occurrence and of the name of the person appointed to investigate it.

(2) In addition to the investigation referred to in paragraph (1)(b), where the hazardous occurrence referred to in subsection (1) is an accident involving a ship or aircraft or a motor vehicle on a public road, the employer shall investigate the accident by obtaining from the appropriate police or other investigating authority a copy of the report made by that authority in respect of the accident.

(3) As soon as possible after receipt of the report referred to in subsection (2), the employer shall provide a copy thereof to the safety and health committee or the safety and health representative, if either exists. SOR/94-165, s. 61.

Hazardous Occurrence Report

[SOR/94-165, s. 62(F)]

16.4 (1) The employer shall report, by the most rapid means of communication available to the employer, the date, time, location and nature of any accident, occupational disease or other hazardous occurrence referred to in section 16.3 to a safety officer and to the safety and health committee or the safety and health representative, if either exists, as soon as possible but not later than 24 hours after becoming aware of the occurrence, where the occurrence resulted in one of the following circumstances:

- (a) the death of an employee;
- (b) a missing person;
- (c) a disabling injury to an employee;
- (d) the implementation of emergency rescue, revival or evacuation procedures;
- (e) a fire or explosion that threatened the safety or health of an employee;
- (f) the free fall of an elevating device that rendered the elevating device unsafe for use by an employee;
- (g) an accidental accumulation, spill or leak of a hazardous substance; or
- (h) the loss of or damage to support craft.

(2) A written report of the accident, occupational disease or other hazardous occurrence referred to in subsection (1) shall be submitted by the employer within 14 days after the occurrence to

- (a) the regional safety officer at the regional office; and
- (b) the safety and health committee or the safety and health representative, if either exists.

(3) The report referred to in subsection (2) shall be in the form set out in Schedule I to this Part and contain the information required by the form. SOR/88-199, s. 19; SOR/94-165, s. 63.

16.5 Where an investigation referred to in subsection 16.3(2) discloses that the accident resulted in a circumstance referred to in subsection 16.4(1), the employer shall, within 14 days after the receipt of the report of the accident made by the police or other investigating authority, submit a copy of the report to the regional safety officer at the regional office.

Minor Injury Record

16.6 (1) Every employer shall keep a record of each minor injury of which he is aware that affected any of his employees in the course of employment.


(2) A record made pursuant to subsection (1) shall contain

(a) the date, time and location of the occurrence that resulted in the minor injury;

(b) the name of the injured or ill employee;

(c) a brief description of the minor injury; and

(d) the causes of the minor injury.

<div><div>SCHEDULE 1 / ANNEXE 1 (subsection 16.4(3) / paragraphe 16.4(3)) HAZARDOUS OCCURRENCE INVESTIGATION REPORT RAPPORT D'ENQUÊTE DE SITUATION COMPORTANT DES RISQUES</div></div>		<div>1. Type of Occurrence / Genre de situation <div><input type="checkbox"/> Explosion<div><input type="checkbox"/> Disabling injury / Blessure invalidante<div><input type="checkbox"/> Other (specify) / Autre (préciser)</div></div><input type="checkbox"/> Loss of consciousness / Perte de conscience<div><input type="checkbox"/> Emergency procedure / Procédure d'urgence</div></div></div>		<div>2. Department file no. / N° de dossier du ministère</div> <div>Regional or district Office / Bureau régional ou de district</div> <div>Employer ID no. / Numéro d'identification de l'employeur</div>	
3. Employer name and mailing address / Nom et adresse postale de l'employeur				Postal code / Code postal	
				Telephone number / Numéro de téléphone	
Site of hazardous occurrence / Lieu de la situation comportant des risques		Date and time of hazardous occurrence / Date et heure de la situation comportant des risques			
		Weather / Conditions météorologiques			
		Supervisor's name / Nom du surveillant			
Witnesses / Témoins		Operator / Exploitant			
Identification of drilling rig, drilling unit, production facility or support craft / Identification de l'appareil de forage, installation de forage, installation de production ou du véhicule de service					
4. Description of what happened / Description des événements					
Brief description and estimated cost of property damage / Description sommaire et coût estimatif des dommages matériels				Operation in progress / Opération en cours	
5. Injured employee's name (if applicable) / Nom de l'employé blessé (s'il y a lieu)				Age / Age	Sex / Sexe
Occupation / Profession				Years of experience in occupation / Nombre d'années d'expérience dans la profession	
Description of injury / Description de la blessure					
Was training in accident prevention given to injured employee in relation to duties performed at the time of the hazardous occurrence? / L'employé blessé a-t-il reçu une formation en prévention des accidents relativement aux fonctions qu'il exerçait au moment de la situation comportant des risques? <div><input type="checkbox"/> Yes / Oui <input type="checkbox"/> No / Non Specify / Préciser</div>					
6. Direct causes of hazardous occurrence / Causes directes de la situation hasardeuse					
7. Corrective measures and date employer will implement / Mesures correctives qui seront appliquées par l'employeur et date d'entrée en vigueur					
Reasons for not taking corrective measures / Raisons pour lesquelles aucune mesure corrective n'a été prise					
Supplementary preventative measures / Mesures supplémentaires de prévention					
8. Name of person investigating / Nom de la personne menant l'enquête			Signature		Date
Title / Titre			Telephone number / Numéro de téléphone		
9. Safety & Health committee's or representative's comments / Observations du comité de sécurité et de santé ou du représentant en matière de sécurité et de santé					
Committee member's or representative's name / Nom du membre du comité ou du représentant			Signature		Date
Title / Titre			Telephone number / Numéro de téléphone		

WEEKLY PROGRESS REPORT

PROGRAM NAME: _____ PERIOD _____ TO _____

APPROVALS

	NATIONAL ENERGY BOARD	INDIAN & NORTHERN AFFAIRS CANADA	INUVIALUIT LAND ADMINISTRATION 7 (1) (a,b)	NWT WATER BOARD
OPERATION ID#				
EXP. DATE				

COMPANY NAME: _____

SEISMIC CONTRACTOR: _____

AUTHORIZED PROGRAM PARAMETERS

ALTERATION OR MODIFICATION OF THE APPROVED PARAMETERS REQUIRES APPROVAL FROM APPROPRIATE REGULATORY AGENCY

TOTAL # OF 2D Km APPROVED		3D SIZE KM SQ APPROVED		SOURCE TYPE	
TOTAL # OF LINES 2D APPROVED		NUMBER 3D SOURCE LINES		CHARGE SIZE/# VIBS	
RECEIVER WIDTH		3D SOURCE Km		SHOT HOLE DEPTH (m)	
SOURCE WIDTH		NUMBER 3D REC. LINES		CAP LEAD LENGTH (m)	
		3D RECEIVER Km		CAP LEAD LENGTH ABOVE GROUND (m)	

UNDETONATED CHARGES:	
LOCATION: (NAD 27)	
REASON:	

INSPECTIONS: (INAC, NEB, ILA, DFO)	
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OPERATIONAL ISSUES:	

SUMMARY OF INCIDENTS: (eg: fuel spills, vehicles breaking through ice)	

GENERAL COMMENTS:	

LAT. / LONG. STAGING AREAS	

LAT. / LONG. CAMP LOCATIONS	

DATE SUBMITTED TO: NEB dailyreports@neb-one.gc.ca

PARTY MANAGER: _____
FIELD PHONE# _____

FIELD FAX _____
FIELD E-MAIL _____

DURING REPORTING PERIOD

TOTAL Km	PROGRESS
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NUMBER OF

TOTAL KM RECORDED TO DATE	RECORDING COMPLETE
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National Energy
Board



Office national
de l'énergie

NEB Contacts for COGO Act-regulated Work or Activities

INCIDENT PHONE NUMBERS <i>* Hazardous occurrences (under Part XVI of the Canada Oil and Gas Occupational Safety and Health Regulations) and incidents requiring medical evacuation are to be reported to the NEB immediately.</i>		NEB 24-hour Incident Cell: (403) 807-9473 NWT/Nunavut Spill Line Phone: (867) 920-8130 NWT/Nunavut Spill Line Fax: (867) 873-6924 Transportation Safety Board Hotline: (819) 997-7887
NEB Operations Staff	Internet	Telephone Numbers
Rick Turner Operations Specialist Safety & Conservation Officer	rturner@neb-one.gc.ca	Work: (403) 299-3868 Cell: (403) 540-3754 Home: (403) 257-0840
Chris Knoechel Petroleum Engineering Specialist Safety & Conservation Officer	cknoechel@neb-one.gc.ca	Work: (403) 299-3866 Cell: Home: (403) 241-0047
Environment and Spill Reporting	Internet	Telephone Numbers
John Korec Environmental Specialist Conservation Officer	jkorec@neb-one.gc.ca	Work: (403) 292-6614 Cell: (403) 818-2403 Home: (403) 275-6256
Pamela Romanchuk Environmental Specialist Conservation Officer	promanchuk@neb-one.gc.ca	Work: (403) 299-3906 Cell: Home: (403) 253-3128
Susan Measor Environmental Specialist	smeasor@neb-one.gc.ca	Work: (403) 292-4931 Home: (403) 313-0535
Chief Conservation & Safety Officers	Internet	Telephone Numbers
Bharat Dixit Exploration and Production, Team Leader Chief Conservation Officer	bdixit@neb-one.gc.ca	Work: (403) 299-2792 Cell: (403) 617-3887 Home: (403) 239-1093
Alan Murray Professional Leader, Engineering Chief Safety Officer	amurray@neb-one.gc.ca	Work: (403) 299-3903 Cell: (403) 815-6661 Home: (403) 282-5637
NEB OPERATIONS PHONE NUMBERS	Main Office: (403) 292-4800 Operations Fax: (403) 292-5876 Alternate Fax: (403) 292-5875	



Canada

NT-NU SPILL REPORT

OIL, GASOLINE, CHEMICALS AND OTHER HAZARDOUS MATERIALS

NT-NU 24-HOUR SPILL REPORT LINE

TEL: (867) 920-8130

FAX: (867) 873-6924

EMAIL: spills@gov.nt.ca

REPORT LINE USE ONLY

A	REPORT DATE: MONTH – DAY – YEAR		REPORT TIME		<input type="checkbox"/> ORIGINAL SPILL REPORT, OR <input type="checkbox"/> UPDATE # _____ TO THE ORIGINAL SPILL REPORT	REPORT NUMBER _____
	OCCURRENCE DATE: MONTH – DAY – YEAR		OCCURRENCE TIME			
C	LAND USE PERMIT NUMBER (IF APPLICABLE)			WATER LICENCE NUMBER (IF APPLICABLE)		
D	GEOGRAPHIC PLACE NAME OR DISTANCE AND DIRECTION FROM NAMED LOCATION				REGION <input type="checkbox"/> NWT <input type="checkbox"/> NUNAVUT <input type="checkbox"/> ADJACENT JURISDICTION OR OCEAN	
E	LATITUDE DEGREES MINUTES SECONDS			LONGITUDE DEGREES MINUTES SECONDS		
F	RESPONSIBLE PARTY OR VESSEL NAME		RESPONSIBLE PARTY ADDRESS OR OFFICE LOCATION			
G	ANY CONTRACTOR INVOLVED		CONTRACTOR ADDRESS OR OFFICE LOCATION			
H	PRODUCT SPILLED		QUANTITY IN LITRES, KILOGRAMS OR CUBIC METRES		U.N. NUMBER	
	SECOND PRODUCT SPILLED (IF APPLICABLE)		QUANTITY IN LITRES, KILOGRAMS OR CUBIC METRES		U.N. NUMBER	
I	SPILL SOURCE		SPILL CAUSE		AREA OF CONTAMINATION IN SQUARE METRES	
J	FACTORS AFFECTING SPILL OR RECOVERY		DESCRIBE ANY ASSISTANCE REQUIRED		HAZARDS TO PERSONS, PROPERTY OR EQUIPMENT	
K	ADDITIONAL INFORMATION, COMMENTS, ACTIONS PROPOSED OR TAKEN TO CONTAIN, RECOVER OR DISPOSE OF SPILLED PRODUCT AND CONTAMINATED MATERIALS					
L	REPORTED TO SPILL LINE BY	POSITION	EMPLOYER	LOCATION CALLING FROM	TELEPHONE	
M	ANY ALTERNATE CONTACT	POSITION	EMPLOYER	ALTERNATE CONTACT LOCATION	ALTERNATE TELEPHONE	
REPORT LINE USE ONLY						
N	RECEIVED AT SPILL LINE BY	POSITION STATION OPERATOR	EMPLOYER	LOCATION CALLED YELLOWKNIFE, NT	REPORT LINE NUMBER (867) 920-8130	
LEAD AGENCY <input type="checkbox"/> EC <input type="checkbox"/> CCG <input type="checkbox"/> GNWT <input type="checkbox"/> GN <input type="checkbox"/> ILA <input type="checkbox"/> INAC <input type="checkbox"/> NEB <input type="checkbox"/> TC			SIGNIFICANCE <input type="checkbox"/> MINOR <input type="checkbox"/> MAJOR <input type="checkbox"/> UNKNOWN		FILE STATUS <input type="checkbox"/> OPEN <input type="checkbox"/> CLOSED	
AGENCY		CONTACT NAME	CONTACT TIME	REMARKS		
LEAD AGENCY						
FIRST SUPPORT AGENCY						
SECOND SUPPORT AGENCY						
THIRD SUPPORT AGENCY						