

**1999 Yukon Eagle Plain  
Call for Bids  
September 1<sup>st</sup> to November 15<sup>th</sup>, 1999**

**Oil and Gas Resources Branch  
Yukon Department of Economic Development  
209 - 212 Main Street  
Whitehorse, Yukon  
Canada  
Y1A 2B1  
Tel: (867) 667-3427 Fax: (867) 393-6262**

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## 1. Call for Bids

The Yukon Minister of Economic Development (Minister) hereby makes a call for the submission of bids in respect of two parcels of land in the Eagle Plain Basin described in Schedule 1.

This Call for Bids is made pursuant to and subject to the Yukon *Oil and Gas Act* and the *Oil and Gas Disposition Regulations*.

The dispositions will grant rights only to lands and resources under the control of the Government of Yukon, and will respect the rights of First Nations under land claims agreements.

Any submission of a bid in response to this Call for Bids shall be made with the understanding that the person(s) submitting the bid accepts and agrees to the terms and conditions in this Call for Bids. Any bid submitted that does not conform to the terms and conditions provided in this Call for Bids will not be considered by the Minister.

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## 2. Submission of Bids

Sealed bids must be delivered, either by registered mail or in person, to the following address prior to **NOON, Pacific Standard Time, on November 15, 1999:**

Oil and Gas Resources Branch  
Yukon Department of Economic Development  
209 – 212 Main Street  
Whitehorse, Yukon  
Y1A 2B1

Each bid submitted in response to this Call must be addressed to the Minister of Economic Development and be in double sealed envelopes bearing no corporate identification. The outer envelope should be clearly marked as follows: "1999 Yukon Eagle Plain Call for Bids". The inner envelope(s) should be clearly marked as follows: "1999 Yukon Eagle Plain Call for Bids: bid for parcel [number]".

Companies submitting more than one bid may place all bids in a single outer envelope.

The Bid Submission Form (Attachment 1) must be completed and accompany each bid.

To be accepted, bids must be accompanied by separate financial instruments in respect of the Work Deposit (clause 8) and the Issuance Fee (clause 5).

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## 3. Bid Selection Criterion - *Oil and Gas Disposition Regulations, section 9*

Selection of the successful bid will be made on the basis of a single criterion, namely, the total amount of money that the bidder proposes to spend doing exploratory work on each parcel within the initial term of the permit (Work Proposal Bid).

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## 4. Minimum Bid

Work proposal bids of less than \$1 million for each parcel will not be considered.

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## 5. Issuance Fee – *Oil and Gas Disposition Regulations, schedule 1*

An issuance fee of \$500 must be submitted with the bid by separate cheque made payable to the Government of Yukon.

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## 6. Term – *Oil and Gas Act, section 31*

The term of a permit issued for parcels located in Eagle Plain will be ten (10) years. This will consist of an initial term of six (6) years and a right of renewal of four (4) years.

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## 7. Work Requirement – *Oil and Gas Act, section 34*

The drilling of one (1) exploratory or delineation well prior to the end of the initial term is a requirement for obtaining a renewal for a second term.

Such a well should reach a depth sufficient to evaluate a prospective horizon as described in the geological prognosis in the application for a Well Licence.

Where a well has been commenced and drilling is being pursued diligently, the initial term shall continue until the well has been completed. The second term shall be reduced accordingly.

Failure to drill a well in the location of the permit by the end of the initial term will result in the termination of the permit.

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## 8. Work Deposit – *Oil and Gas Disposition Regulations, sections 9, 12*

Each bid must be accompanied by a Work Deposit for the specified parcel in the amount of twenty-five per cent (25%) of the bid submitted. Each Work Deposit must relate to a single parcel.

### Form of Payment

The Work Deposit must be submitted in the form of a bank draft, money order or certified cheque made payable to the Government of Yukon, or any other negotiable financial instrument approved in advance by the Division Head. Failure to receive pre-approval may result in disqualification of the bid. The Division Head may be reached at (867) 667-3427. Company cheques are not considered negotiable financial instruments for this purpose.

Bank drafts, money orders and certified cheques of successful bidders will be deposited while those of unsuccessful bidders will be returned. Work Deposits of successful bidders may be replaced, at their convenience, by letters of credit, promissory notes

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accompanied by bank letters of guarantee, or other negotiable financial instruments satisfactory to the Minister.

Parties submitting a joint bid may submit separate guarantees representing their proportionate share of the required Work Deposit. The bidder's designated representative will be responsible for collecting and submitting all partner guarantees with the bid.

As expenditures are incurred during the initial term, Work Deposits are refundable at the rates established in the attached Schedule of Allowable Expenditures (Attachment 2). Since Work Deposits represent 25% of the total amount bid for a parcel, refunds are likewise prorated on the basis of 25% of allowable expenditures incurred.

Any Work Deposit balance remaining at the end of the initial term will be forfeited. Expenditures incurred in the second term of a permit will not be credited against the Work Deposit.

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## **9. Rentals** - *Oil and Gas Disposition Regulations, section 29*

There are no rentals payable during the initial term of a permit.

In the second term, rentals will be payable at \$5.00/hectare.

Rentals will be payable annually, in advance, and are to be submitted by electronic funds transfer, cheque payable to the Government of Yukon or any other negotiable financial instrument in a form satisfactory to the Minister.

When a permit continues in force beyond the second term due to the drilling of a well deemed to be pursued diligently in accordance with Section 35 of the *Yukon Oil and Gas Act*, rentals will be payable at the rates applicable during the second term. Such rentals will be payable monthly, in advance, at the rate of one twelfth (1/12) of the annual rates.

Failure to pay rentals will result in the early termination of the permit.

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## **10. Allowable Expenditures** – *Oil and Gas Disposition Regulations, sections 9, 12*

Attachment 2 contains the schedule of allowable expenditures to be used in determining refunds of Work Deposits.

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## **11. Acceptance/Rejection of Bids** – *Oil and Gas Act, section 18*

For the purpose of issuing a permit, the Minister will choose the highest bid in terms of the single bidding criterion (Work Proposal Bid). The Minister is not bound to select any bid submitted.

Bids will be accepted only in relation to an entire parcel.

Bidding results will be made available as soon as possible following the closing of the call.

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## 12. Related Requirements

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

### 1. Conditions Relating to the Environment

Operators wishing to carry out activities will be required to comply with all Yukon requirements, and federal environmental requirements stemming from the *Canadian Environmental Assessment Act*, and other applicable legislation.

Potential bidders are advised that some area(s) may be subject to additional regulatory terms and conditions when applications are submitted for licences under the *Licence Administration Regulations*. These terms and conditions may include measures intended to maintain the habitat of the Porcupine Caribou Herd; protect the integrity of the Peel River watershed; and maintain tourism values and the aesthetic appeal of the landscape. The work season may be restricted to those months when the proposed type of activity will not have significant environmental impact on sensitive fish and mammal habitats, birds or other species and there may be conditions relating to drilling fluids and waste discharges.

The proponent may be required to prepare site specific environmental protection plans 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 and mammal habitats, birds or other species in the region.

### 2. Yukon Benefit Requirements

Operators will be required to conclude benefit agreements and shall adhere to the Yukon benefit requirements outlined in Attachment 3.

### 3. Compensation

Operators will be expected to provide fair and equitable compensation, consistent with applicable territorial policies, to individuals involved in hunting, trapping and fishing in the event of adverse impacts demonstrated to result from project-related activities.

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## 13. Permit

Any permit which may result from this Call for Bids will be issued pursuant to the *Yukon Oil and Gas Act* and the *Oil and Gas Disposition Regulations*.

## Schedule 1: Parcels Available for 1999 Yukon Eagle Plain Call for Bids






Bidders are advised that a small portion of the southwest corner of Parcel 1 has been removed to correspond with the boundary of the Vuntut Gwitchin First Nation R-Block. As a result, section 28 of Grid Area 66-00-137-15 is a partial tract whose boundary is parallel with the rectilinear line forming the east boundary of R-Block R-8A.

QUAD	GRID AREA	SECTIONS
<b><u>PARCEL 1</u></b>		
116H/14	66-00-137-00	78,79,80
116H/14	66-00-137-15	8,9,10,18,19,20,28*,29,30,40,50
116I/3	66-10-137-00	41-44,51-54,61-65,71-76
116I/3	66-10-137-15	1-6,11-18,21-29,31-65,68-70,73,74,75,79,80
116I/4	66-10-137-30	3,4,5,6,15,16,28,29,39,40,49,50,59,60,69,70
116I/4	66-20-137-30	1-3,11-13,21-23,31-33,41-43,51-53,61-63
116I/3	66-20-137-15	41,51,52,53,61,62,63,71,72,73
<b><i>PARCEL 1 NUMBER OF SECTIONS: 146</i></b>		
<b><u>PARCEL 2</u></b>		
116H/15	66-00-136-45	50,59,60,69,70,79,80
116I/2	66-10-136-30	32-34,42-45,51-56,61-67,71-78
116I/2	66-10-136-45	1-9,11,12,16-22,25-32,35-42,45-80
116I/2	66-20-136-45	21,31,32,41,42,51,52,61,62,71
116I/3	66-10-137-00	1-10,12-19,22-29,32-39,45-48,55-58,66,67
116I/3	66-20-137-00	1
<b><i>PARCEL 2 NUMBER OF SECTIONS: 159</i></b>		

\* partial tract - see map on next page

**SCHEDULE 1:  
1999 YUKON EAGLE PLAIN  
CALL FOR BIDS MAP**

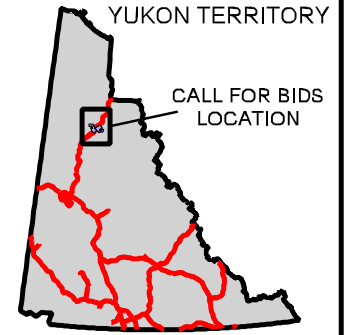
**LEGEND:**

-  Call for Bids Parcel
-  Oil & Gas Disposition
-  Vuntut Gwitchin First Nation R-Block
-  Tr'ondek Hwech'in First Nation R-Block
-  Access Route

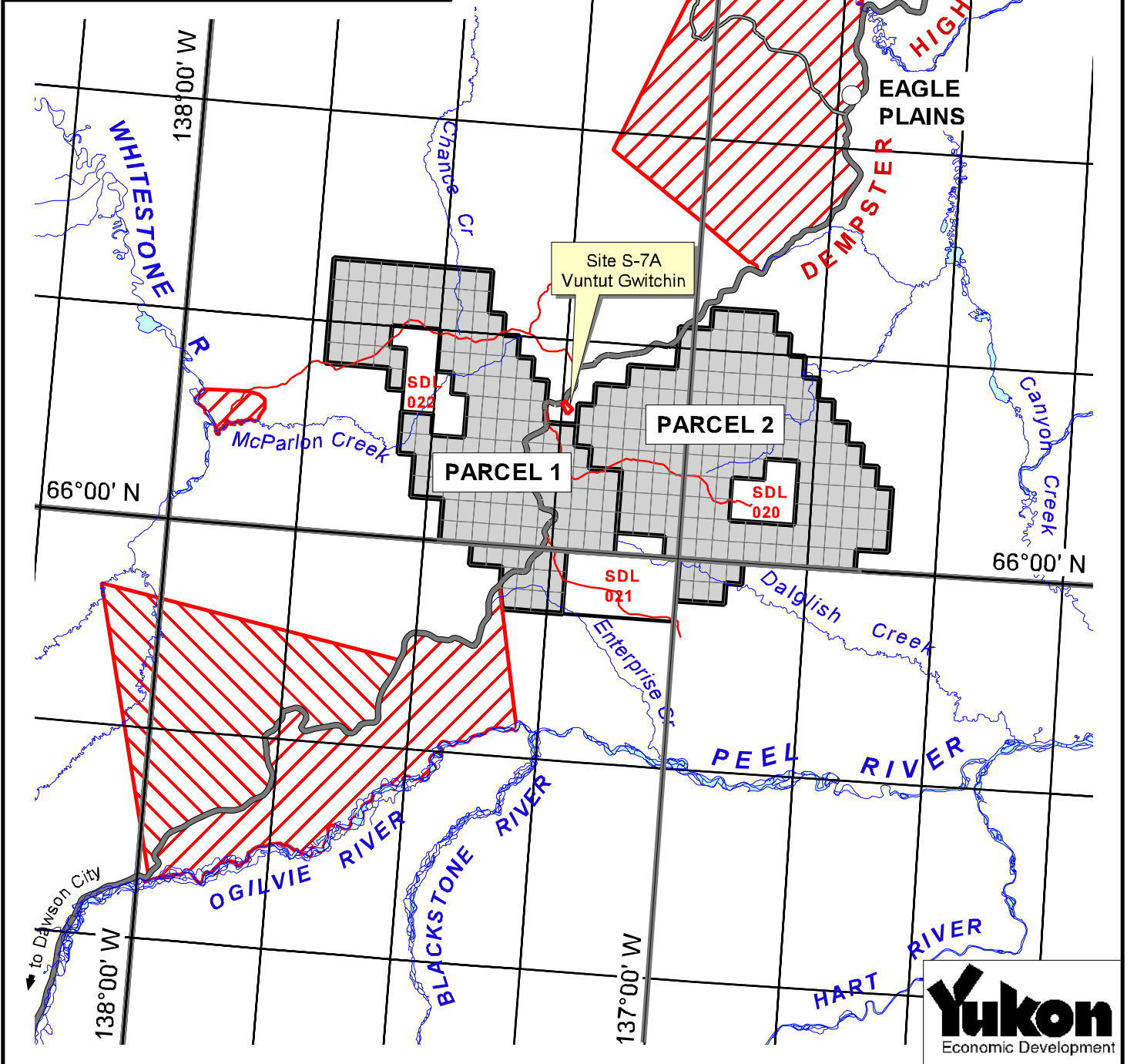
5 0 5 10 15 km



Scale = 1:500,000



Scale = 1:25,000,000



FOR ILLUSTRATIVE PURPOSES ONLY

**BID SUBMISSION FORM**

**For Branch Use Only**

**DATE RECEIVED:**

\_\_\_\_/\_\_\_\_/\_\_\_\_  
y m d

**CALL FOR BIDS:**

**BID LOCATION:**

\_\_\_\_\_

**CLOSING DATE:** \_\_\_\_/\_\_\_\_/\_\_\_\_  
y m d

**LAND SALE #:**

\_\_\_\_\_

**TRACT #:**

\_\_\_\_\_

**BID #:**

\_\_\_\_\_

**CLIENT INFORMATION:**

COMPANY  
REPRESENTATIVE:

\_\_\_\_\_

COMPANY:

\_\_\_\_\_

Address:

\_\_\_\_\_

City,Province/Terr.

\_\_\_\_\_

Postal Code:

\_\_\_\_\_

Telephone:

( ) \_\_\_\_\_

Fax:

( ) \_\_\_\_\_

Email:

\_\_\_\_\_

**CLIENT ID #:**

\_\_\_\_\_

**BID DETAILS:**

**AMOUNT OF WORK PROPOSAL SUBMITTED:**

(Minimum amount of \$1,000,000)

\$ \_\_\_\_\_

**WORK DEPOSIT SUBMITTED:**

(25% of the Work Proposal Bid)

\$ \_\_\_\_\_

**FORM OF DEPOSIT:**

- Certified Cheque       Bank Draft  
 Money Order             Other pre-approved form

**If this bid is not accepted, the work deposit should be returned to:**

COMPANY:

\_\_\_\_\_

Address:

\_\_\_\_\_

City,Province/Terr.

\_\_\_\_\_

Postal Code:

\_\_\_\_\_

- Registered mail     Courier collect     other: \_\_\_\_\_

**If this bid is successful, please issue permit to:**

\_\_\_\_\_. \_\_\_\_%  
\_\_\_\_\_. \_\_\_\_%  
\_\_\_\_\_. \_\_\_\_%  
\_\_\_\_\_. \_\_\_\_%

**ACCEPTED?**

\_\_\_\_\_

**SIGNED:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**DATE:** \_\_\_\_/\_\_\_\_/\_\_\_\_  
y m d



## Attachment 2: Schedule of Allowable Expenditures

(note: claims may be subject to post audit)

### Data Acquisition

Reflection Seismic, including all costs relating to field acquisition, processing and interpretation:

2D surveys	\$15,000 per km
3D surveys	\$35,000 per sq. km
Participation surveys and group shoots as they relate specifically to evaluation of the permit.	At cost to the permittee, not to exceed the above rates, and subject to pre-approval.
Other geophysical and geological programs or portion thereof, as they relate specifically to evaluation of the permit, such as gravity, aeromagnetic, helicopter portable seismic surveys and geological field studies.	On a case by case basis requiring pre-approval.

### Data Purchase

Purchase of gravity, digiseis, and magnetic surveys.	On a case by case basis requiring pre-approval.
Purchase of seismic for re-interpretation.	\$750 per km
Purchase of seismic for re-processing and re-interpretation.	\$1,500 per km

### Studies

Geological, geochemical, paleontological and field environmental studies.	On a case by case basis requiring pre-approval.
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### Drilling

Drilling operations while actively on location. (This allowable expenditure includes all costs related to mobilization, demobilization, regional office and supervision, support vehicles, helicopters, etc.)	\$100,000 per day
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## Attachment 3: Yukon Benefit Requirements

Companies engaged in exploration activity in Yukon are expected to follow the requirements outlined below.

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### Benefits, Employment and Training

Section 68 of the Yukon *Oil and Gas Act* states that no oil and gas activity shall be carried out under the authority of a licence unless there is in effect a benefits agreement. The following summarizes the main requirements of section 68 of the Act:

- Normally, the agreement is to be tripartite, between the licensee, the Minister on behalf of the Government, and the Yukon First Nation on whose settlement lands or traditional territory the activity will be carried out. However, the following should be noted:
  - (a) If the activity is to be carried out exclusively on Category A Settlement Lands, a benefits agreement executed by the licensee and the First Nation will be deemed to be a benefits agreement under the Act.
  - (b) If the activity is to be carried out exclusively on Category B Settlement Lands, a benefits agreement executed by the licensee and the Minister will be deemed to be a benefits agreement under the Act if there has been full and fair consideration of the views presented by First Nations. If there is no agreement between the First Nation and the Minister, an arbitrator will hear and settle the matter.
  - (c) On other traditional lands, a benefits agreement executed by the licensee and the Minister will be deemed to be a benefits agreement under the Act.
- The agreement is to contain undertakings by the licensee to provide to First Nations, local community residents, and other Yukoners opportunities for employment and training, and opportunities to supply goods and services to the licensee and contractors.
- The benefits are to be commensurate with the nature, scale, duration and cost of the work. Where work related to the oil and gas activity is not anticipated to entail costs in excess of \$1,000,000 (one million dollars) in any 12-month period a benefits agreement is not required.
- The agreement may cover activities to be carried out under several licences.
- The requirement for an agreement may be waived under some circumstances.

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### Consultation

A company will be expected to provide appropriate information concerning its exploration programs to concerned individuals, groups and communities in Yukon. Exchanging relevant information in a timely fashion will enable the company to assess the potential local economic and employment opportunities.

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### Reporting

As determined by the Division Head, a company will be required to report on its progress in achieving the benefit requirements.