

**Meeting between
Surge Global Energy and
Chief and Council of the Lubicon Lake Indian Nation**

July 31, 2005

NOTES

Representatives of Surge Global Energy and Deep Well Oil and Gas attended a meeting with the Chief and Council of the Lubicon Nation in Little Buffalo today.

Attending on behalf of Surge Global Energy were Surge Chairman and Chief Operating Officer David Perez and John Brown, now Vice-President of Operations at Surge.

Attending on behalf of Deep Well Oil and Gas was Steven Gawne, formerly CEO of Deep Well.

Attending on behalf of Scott Land & Lease, hired by Surge, was Arlene Charles.

Attending on behalf of the Lubicon Nation was Bernard Ominayak, Walter Whitehead, Alphonse Ominayak and Dwight Gladue supported by Kevin Thomas and Fred Lennarson.

Kevin Thomas started the meeting by asking "What do you have to say about the project?" He noted the Lubicons had been trying to get the companies to meet with them for some time.

David Perez said "I pulled Steve Gawne down here." He said "It's appropriate the Deep Well Board is down here." He said, "The Deep Well board owes the Lubicons an apology."

Perez said "Surge has taken over the project." We negotiated a farmout agreement with Deep Well." He said "We applied for a permit from the AEUB [Alberta Energy and Utilities Board] towards the end of June."

Perez said "John Brown can give you the background." He said "John is now working for Surge."

Perez said "I will bring up our mandate." He said "Our intention is absolutely to communicate with the Lubicon about scope, where we're starting, where we're going."

Perez said "Steven Gawne, here, is the former CEO for Deep Well." Perez said "He (Gawne) put together the project for Deep Well." "

Perez said "Steve is a geologist, not a CEO." Perez said "He (Gawne) made mistakes."
Perez said "That's why he (Gawne) is no longer CEO."

Gawne said "There was too much for me to do" He said "There were too few people, too much to do." He said "I thought we were doing everything." He said "I didn't do everything I should have." He said "I made mistakes." (This mea culpa by Gawne was apparently the apology Perez said Gawne owed the Lubicons.)

Brown said "We got off to a ragged start." He said "Surge has looked into it."

Brown said "Surge is taking over." He said "I am Vice President of Operations." He said "David Perez is COO and Chairman of the Board." He said "Fred Kelly is CEO."

Brown said "Fred Kelly couldn't make it." Brown said "He (Kelly) will be kept involved."

"Obviously," Perez said, "we're all aware the land was cleared without permits." He said "There was some conflict between (provincial) Energy and Lands."

Perez said "They (Deep Well) thought they could clear but they couldn't." He said "We got the Mineral Surface Lease but we didn't have the permit in place."

Perez said "Deep Well ran out of money." He said "Basically they're broke."

Perez said "Surge came in." He said "We've made sure we had all the proper insurance and all things are ready to go." He said "We've cleared all the legal issues with Energy a couple of weeks ago."

Perez said "We've applied to the AEUB for a permit." He said "We've applied for one well." He said "That's all we have the budget for, one well."

Perez said "If we like what we see we will drill from 2 to 9 additional wells up to a total of 10." Perez said "We have enough capital for one more." He said "We'll do at least another well, and then up to eight more." He said "That's all we've committed to, ten in total."

"For each well we drill," Perez said, "we earn ten sections." He said "We have to drill a well." He said "We then have rights to the oil from ten sections."

"If the first well produces," Perez said, "we'll drill a second well." He said "We get a 40% interest in the leases."

Perez said "One of the things that would be beneficial is to show you what we're doing." He said "We'll show you the whole project, what we're doing, and who the players are around us."

Perez said "John (Brown) can show you what we're doing." He said "The roads that are already there."

Brown said "We intended to drill in 36 – across the road from the equipment." "If we like what we see," he said, "we will go the southwest section of 31."

Brown said "It's an old site." He said "We'll drill on an existing lease." "If it's successful," he said, "we'll drill a horizontal well from the same site."

Chief Ominayak said "What about the lease that you cleared?"

Brown said "We'll look after cleaning that up or we will drill a second well from that site, assuming the first well is successful."

Perez said "If the first well is not successful, it's not likely we will drill another."

Chief Ominayak said "You wouldn't be spending all this money if you're not pretty sure about it."

Brown said "Andora drilled down there so we know something."

Chief Ominayak said "They didn't drill. They were supposedly looking for oil."

Brown said "They had some oil sands leases that we have now."

Chief Ominayak asked "If you find something, will you be using steam?"

Brown said "We can't use steam in this area." He said "It wouldn't be safe."

Brown said "Husky puts in water – as much as necessary." He said "We can't use water."

Brown said "Husky shouldn't be doing that." He said "They should be using proper drilling fluid, not water."

Chief Ominayak said "Those two lakes in there, we fish in them." He said "We've tried to keep oil and gas away from them."

Brown said "Andora was trying to drill down through the oil sands just using water as a drilling fluid without any regard for where they were going" He said "They were taking the closest water." He said "They were taking as much as they needed." He said "That's not the right way to do it." He said "There was a lot of waste"

Brown said "Husky tries to get below the Bluesky sands." He said "Their object is to get through that." He said "They don't need to do that." He said "They need proper drilling to prevent losses."

Chief Ominayak said "What's the difference between your proposal and Blackrock?"

Brown said "It has to be pumpable in cold conditions."

Chief Ominayak said "Blackrock is thinking about steam to get at the majority that's left behind."

Brown said "Sometime in the future, in ten or twenty years, maybe they might use steam."

Chief Ominayak said "There's a lot of changing of hands in oil and gas companies." He said "Plans change." "If Blackrock sells out," Chief Ominayak said, "we can't forecast what they'll do." He said "Other companies might use steam."

Chief Ominayak said "What oil companies do impacts what we can do in our area." He said "We've lived off this land and try to preserve what we can." He said "These lakes are critical for our people."

Brown said "We will not use any water from Haig or Sawn Lakes."

Lennarson pointed out "Your literature talks about using thermal recovery techniques including steam."

Perez said "All our plans call for cold pumping." He said "We can't make money using thermal at the current price of oil."

Thomas said "Your literature says you just hired a guy who is an expert in using steam."

Perez said "The whole program for the next two years is cold pumping." He said "The whole reason we did this is that we think we can do it with cold pumping."

Thomas said "Your literature says after you've extracted 8% you have to move to thermal."

Perez said "Thermal doesn't work in today's market."

Thomas said "Thermal might be successful in tomorrow's market."

Perez said "It's not economic." He said "We did a deal to cold pump." He repeated "It's not economic."

Gawne said "I can speak to steam." He said "You cannot inject steam because the Husky wells in the area have no thermal cement." He said "You would have downhole blowouts." He said "You can't make sure that it will stay in the reservoir." He said "You can't put high pressure steam in this area." He said "It wouldn't be safe."

Chief Ominayak asked "Are you planning on using Husky's wells?"

Gawne said "No but if we put steam into a reservoir we can't control where it goes." He said "We would run the risk of blowing Husky wells." He said "We could be sued by Husky."

Thomas asked whether that ruled out SAG-D. He noted that Surge has put out press releases trumpeting the fact that they've hired a thermal expert so clearly they're considering thermal as part of their operations.

Gawne said "The next step would be hot water." He said "I would suggest voidage replacement – a normal water flood"

Gawne said "It doesn't have to be thousands of degrees." He said "It can be 10 degrees." He said "The difference in temperature for a normal thermal flood is 10 degrees."

Lennarson asked where Gawne is proposing to get the water.

He said "The water comes from aquifers underground." He said "The water is brackish."

Lennarson asked the name of the aquifer Surge is planning to draw the water from.

Gawne said "The Peace River group."

Lennarson said he's familiar with the names of some of the aquifers in the area. He said they have names. He asked again the name of the aquifer Surge is planning to draw water from.

Brown said "To call it an aquifer is misleading." He said "It's not potable water."

Gawne said "Its just a general description." He said "It's deep in the earth" He said "It's brackish." He said "It's partly in the Cadotte sandstone." "By definition," he said, "it's called the 'Peace River Group' reservoir."

Lennarson repeated that he's familiar with some of the aquifers in the area. He said the province has mapped them. He said the provincial maps indicate how deep the aquifers are, where they are located and, in the case of what amount to underground rivers, where they go. He repeated they have names. He asked again for the name of the aquifer Surge is planning to draw water from.

Perez said "We can get you a map. There should be one at the office."

Chief Ominayak said "These are the kinds of discussions we should have had a year ago, two years ago. He said "We have concerns with the project." He said "We'd like more information." "The more we know," he said, "the better." "However," he said, "that won't deter us from our long term concerns and objectives."

Perez said "Here's my commitment to working with you" He said "Before we apply to the AEUB, we'll make you aware." He said "We'll include you in all our plans going forward." He said "There will be no surprises."

Perez said "I hate surprises." He said "I was caught by surprise by this."

Perez said "I'm getting hundreds of letters in the mail." He said "That's not a comfortable thing." He said "I'm greatly distressed by these letters from people."

Perez said "In no way do we want to do anything to that environment or the future of your community." He said "I know there was zero communications between you and Deep Well."

Perez said "I've brought Steven Gawne here to apologize." Perez said "I met him (Gawne) for the first time at the end of January." Perez said "We signed a letter of intent."

Perez said "Steve is a geologist." Perez said "He's no longer CEO of Deep Well because he couldn't communicate properly." Perez said "He's a good individual but he doesn't communicate well"

Perez said "He (Gawne) owes you an apology." He said "I guarantee that if we get correspondence we will respond, we will consult."

"Under the Surge umbrella," Perez said, "we'll reply to correspondence." He said "We know we cannot use steam." He said "It's impossible to use SAG-D." He said "We may heat the reservoir by ten or twenty degrees and flood the reservoir but steam can't be used." He said "We would need blowout protection."

Perez said "We will address this issue within a week." He said "We have a very simple program." He said "We will lay it out for you."

Perez said "We will address issues on a timely basis – weeks, not months." He said "We are not going to do anything without consulting."

Perez said "We won't do anything unless you understand what we're doing." He said "I came out here to talk to you specifically."

Perez said "I didn't spend 8 hours in a car to look at dirt." He said "I came out to talk to you."

Perez said "I am going to be in touch going forward." "If there's a problem," he said, "I'm responsible."

Perez said "You need to know that I'm going to be responsible for this going forward." He said "I'll take full responsibility." He said "I'm not going to pass the buck."

Perez said "I've hired Scott Land as a contractor to make sure that everything is done to the letter of the law."

Thomas pointed out that there was a question of jurisdiction here. He said there is a question of whose law applies. He said there is an internationally recognized jurisdictional dispute.

Thomas said that the companies need to deal with the Lubicons so they're not de facto taking sides in that jurisdictional dispute. He said that they need to not only inform the Lubicons what they're doing but get Lubicon consent before proceeding.

Fred Lennarson said "To put Kevin's comments into a historic context, we have a situation here where the province claims jurisdiction over lands and resources received from the federal government by virtue of a land transfer agreement in 1930." Lennarson said "The feds claimed to have received rights to the land and resources through negotiating a treaty with it's original aboriginal owners in 1899." "However," Lennarson said, "the Lubicons are the original aboriginal owners of this area; no treaty has never been negotiated with them and they've never ceded their rights to their traditional Territory in any historically or legally recognized way."

While the federal government is not prepared to publicly acknowledge that it transferred rights to lands and resources it did not properly hold, Lennarson said, and the province is not prepared to publicly acknowledge that there is a significant portion of northern Alberta not properly under provincial jurisdiction, both levels of Canadian government do publicly acknowledge that the Lubicons have land rights that have not properly be dealt with. Lennarson said in acknowledgement of Lubicon land rights there have been on-again off-again land negotiations between the Lubicons and both levels of Canadian government going back to at least 1984. In addition, Lennarson said, referring back to Thomas's comment about international recognition of the jurisdictional dispute, the World Council of Churches has charged the Alberta government and the oil companies with actions which could have genocidal consequences for the Lubicon people, and the Human Rights Committee of the United Nations has found Canada to be in violation of the International Covenant on Civil and Political Rights over treatment of the Lubicon people.

Under these circumstances, Lennarson continued, with Alberta government jurisdiction contested and under negotiation, an agreement was made in 1986 with the AEUB's predecessor organization, the ERCB (Energy and Resources Conservation Board), that projects proposed in the Lubicon Territory would be vetted with the Lubicon people, and that Lubicon agreement not to oppose such projects be obtained prior to the ERCB

processing an application regarding those projects. Lennarson said the purpose of that agreement was to facilitate peaceful co-existence by seeking to avoid confrontation on the ground over vital Lubicon interests, such as sacred burial grounds, while the overriding issue of jurisdiction was hopefully being resolved politically through negotiation of treaty between the Lubicon people and the government of Canada.

In 1995, Lennarson said, in the context of a hearing on an application to build a sour gas processing plant which officials of the proponent company Unocal had falsely told the Lubicons was merely an innocuous expansion of an existing oil battery station – and under political pressure from Unocal to approve this sour gas processing plant despite the fact that Unocal had both lied about the nature of the project and breached the 1986 agreement – the ERCB first misrepresented the provisions of the 1986 agreement and then reneged on it altogether.

Fortunately for the pre-requisites of peaceful co-existence, Lennarson said, most of the companies with interests in the Lubicon Territory have continued to observe the procedures established by the 1986 agreement. He said he would recommend the same procedure to Surge if Surge wants to pursue a project in the middle of this contested area.

Perez asked Lennarson “Are you litigating this?”

Lennarson said “No but the Lubicon case has been in and out of the Canadian courts since 1974.”

“The point is,” Lennarson said, “it’s a misapprehension and misrepresentation of the legal and historical facts to come in here and say that you have rights because you’ve complied with provincial law and obtained provincial permits.” It is the Lubicon position that the province has no more jurisdiction over unceded Lubicon lands than it does over Florida.

Perez said “I can appreciate your comments.” He said “They’re helpful.” He said “I didn’t realize it went back that far.”

Perez asked how close the Lubicons were to a settlement.

Chief Ominayak said “We haven’t had any discussions with the federal government since the last federal election.” “Whether we’re going to start negotiations again,” he said, “I don’t know.” He said “The last federal negotiator didn’t have a mandate to negotiate outstanding issues.” He said “I’ve written to the Minister asking him to appoint a negotiator with a mandate to negotiate outstanding issues.”

Thomas said the responsible thing to do in that situation is to stay out until it’s resolved. At very least, he said, the company has to obtain Lubicon consent.

Brown asked "Is it acceptable to say that we'll come to you with the same level of detail that the government requires?" He said "We'll give you a detailed level of disclosure, show you our planning." He asked "Can we say at minimum we'll do the same here?"

Chief Ominayak said "We've had some experience with companies." He said "There are already changes between the initial companies and Surge."

"If we had prior information," Chief Ominayak said, "it may alleviate some of our concerns." "That's not to say," Chief Ominayak said, "on a long term basis the assurances you give us today will hold." He said "Down the road things change." He said "There are always changes."

Brown said "What we can commit to is that this commitment will get passed on to our successors."

Chief Ominayak said "We have some battles over the years but we have been able to work within certain parameters with most of the companies." He said "The environment is our main concern." He said "A lot of our water is no longer potable."

"When you say you won't use steam," Chief Ominayak continued, "does the hot water you do use get into the water table?" He said "There are fish in those lakes, and there are creeks going through where your project is" He asked "Has your company looked at that?"

Brown said "We can say that in a week we'll show you where the water will come from." He said "Renaissance and Husky looked at the water here." He said "That's not to mistake water from the aquifer." He said "There's no doubt that there's adequate subsurface water." He said "It's not potable water." He said "We can show you how we would use it."

Chief Ominayak said "We understand there are going to be impacts." He said "We welcome any additional information you can give us that the impacts are going to be limited." He asked "Is it possible to limit the impacts on the wildlife?"

Brown said "There is no doubt that traffic disrupts wildlife." He said "It takes us longer to do a study of the wildlife, and the traffic through the area, and how our project might affect migratory routes."

Chief Ominayak said "If you drill this well, and it's not successful, you may not have the money to continue." "But, he said, "it's different if it's a full blown project."

Perez said "To be honest, I hope it will be profitable." "If it ever does become a project," he said, "we'll work with you and tell you what we're doing." "If it's a cold project," he said, "it should make money." "If it's thermal," he said, we may not be able to make money."

"Prior to that," Perez said, "we'll sit down with you and show you our plans." "If it's long term," he said, "we'll have time to do a study on the impacts on wildlife." "Right now," he said, "all we can do is watch." He said "We can show you whatever studies we do."

Perez said "Because of the 75 wells drilled by Husky we know we can't do SAG-D."

Perez said "Surge is a small company." He said "I have to inform our Board of issues involved in whether (the Deep Well project) is going to be a success."

Perez said "I knew about the Lubicon issue before I signed the agreement." He said "It was disclosed to us"

"Basically," Perez said, "we've got four large shareholders." He said "We're a Bulletin Board company." He said "This is important to us." He said "You have our commitment that if this does become a project, ten wells on the high end, that we'll work with you on it."

Lennarson said "Let's think about this situation analytically. "What we're talking about now," he said, "is the possibility of an ad hoc arrangement in the midst of regulatory uncertainty" He said "Our discussions are occurring in the bigger context of an unresolved jurisdictional dispute."

Lennarson said "The federal negotiator says that he doesn't have a mandate to negotiate outstanding issues." "So, he said, "the Lubicons tell the federal negotiator to 'go get a mandate'.

"Now," Lennarson said, "the Lubicons get a letter from the Minister saying that the government is talking about revising government policy for resolving land rights disputes with the Assembly of First Nations, and that Lubicon land negotiations can either proceed without the federal negotiator having a mandate in key areas or can wait until negotiations with the Assembly of First Nations are completed." He said the government predicts that negotiations with the Assembly of First Nations will take at least a year and most informed observers think such a timetable is wildly optimistic.

What has to happen, Lennarson said, is that the federal government has got to appoint a negotiator to negotiate outstanding Lubicon settlement issues in good time and in good faith. Until that happens, he said, and Lubicon land rights are settled, everything anybody wants to try and do in the area will have to be negotiated on an ad hoc basis.

What has to happen, Lennarson said, is that the situation has to be regularized both legally and procedurally. He said we can make short term, ad hoc arrangements, but in the longer term there has got to be a settlement of this jurisdictional dispute so everybody knows whom they've got to deal with about what.

"Until that happens," Lennarson said, "we're stuck with a situation which some companies, inaccurately in my view since they chose to go into an area where jurisdiction is contested, characterize as being like the meat in the sandwich between the Lubicons and Canadian government." "In response," he said, "some companies have told the feds and the province that they have to get this settled so that everyone's rights are clear – that this situation is bad not only for the Lubicons but for business."

Brown said "We, as Surge, can absolutely offer that support." "Until that's resolved," he said, "we'll do some level of diligence with the Lubicon." He said "We'll treat you just like the provincial government." "If in the end it's your land," he said, "then we'll already be dealing with you anyway."

Thomas said "You need to get agreement from the Lubicon not to oppose your projects before you go to the AEUB for their licenses."

Perez and Brown agreed to obtain Lubicon agreement not to oppose a project before applying to the AEUB.

Brown said "I'm suggesting an even stronger position." He said "It's a duplication of the process." He said "We come to you with the same information for your approval first, then go to the province."

Thomas said "So you agree that you need Lubicon consent before you proceed." He said "That's consistent with respect for Lubicon jurisdiction." He said "It keeps you from taking sides."

Brown asked "Are you the Lubicons comfortable with being treated the same as the province?"

Lennarson said giving the Lubicons the same information required by the province won't necessarily solve all of the problems. He pointed out that the Lubicons don't necessarily have the same concerns as the province. He said the main Lubicon concern is the environment and the province doesn't necessarily share that concern.

"We can show you more studies, in more detail than the province," Brown said. He said "We can do that."

Perez said "Not only we can, we will." He said "That's our commitment."

Brown said "The land claim situation can and will be addressed by us."

Perez said "I understand lands have been set aside."

Lennarson said the location of reserve lands has been agreed but there will be no settlement of Lubicon land rights until there is an overall settlement agreement. He said the settlement will provide for establishment of a reserve and certain rights and benefits

in exchange for the Lubicons ceding rights in their bigger traditional Territory. Until there is a settlement of Lubicon land rights, he said, the proposed reserve is just part of the unceded Lubicon Territory. He repeated that there has to be an overall settlement of Lubicon land for the jurisdictional situation to be regularized.

Chief Ominayak said "We've talked to a lot of companies." He said "They don't have a problem with this because it's just a change of landlord for them."

Perez said "Yeah, you just write the royalty cheque to a different party." He said "That's all we care about."

Chief Ominayak said "We've worked out replacement leases with some companies."

Lennarson said there have been some difficulties getting the government to accept the terms of replacement leases negotiated between the companies and the Lubicons. He said it's another problem where the Lubicons and the companies have a common objective. If the Lubicons and the companies can agree to terms, he said, the government should not be able to veto the terms of a post settlement replacement lease.

Thomas said "Development has been prohibited on the proposed reserve lands and in the one-mile buffer zone around them." He said "You (Surge) have one section in that buffer zone."

Perez said "That's good colour. Thank you."

Chief Ominayak asked Perez what he proposed from here.

Perez said "We will provide (the Lubicons with) project details next week." "As soon as you're comfortable," he said, "we can proceed."

Perez said "The Review Board is meeting this week." "If we can inform them that you're okay with it," he said, "we'll start in a few weeks." He said "We're willing to work with the Lubicon people to get working."

Brown said "Before asking you not to object, we can detail in a general way the use of hot water." He said "We can show you the general parameters of that." "If you have thermal of any kind," he said, "we know it cannot be surface water."

Perez said "There won't be any thermal for junior companies like ours for at least three or four years."

Lennarson said "We can document that the Lubicon people occupied this area since at least 1750 and likely much earlier." He said "They plan to live here forever." "So," he said, "three or four years isn't a very long term from the Lubicon perspective."

Perez said "My point is that we have plenty of time to sit down and talk" He said "Ed Howard can come to talk and show you what would happen if there was a thermal project."

Perez said "We can bring in experts to tell you what we're proposing to do and why." He said "We will run it past you first." "If you're satisfied," he said, "we go to the province."

Perez said "It will take a week for that." He said "We'll run it by you first, and only if you're satisfied will we get ahead." "If we're going to do a second or third well," he said, "we'll let you know right away." "If I have to drive down here myself" he said, "we'll do it."

Thomas asked about the Genoil upgrader Surge is proposing to build.

Perez said "We're going to give Genoil 100,000 barrels to see if we can get to stuff that be piped." He said "Trucking is not an option." "If it works," he said, "we will consult with you before proceeding."

Perez said "That's two or three years from now." He said "It's a mini-upgrader." "To give you an idea of size," he said, "it's like a couple of tractor trailers." He said "It only costs about \$100 to \$120 million." He said "It's a small piece." He said "It can handle up to 10,000 barrels a day."

Lennarson asked what the Genoil process takes out and what it leaves behind.

Brown said "It adds hydrogen to the heavy oil."

Lennarson asked where Genoil gets the hydrogen.

Brown said "You can get hydrogen from water." He said "Heavy oil is a long chain molecule." "Adding hydrogen," he said, "makes it short." "In the end," he said, "the only by-product is oxygen." He said "Oxygen is not a bad thing." (The unanswered question is what are the by-products of separating the hydrogen from the oxygen given that the process will require some kind of energy.)

Perez said "Genoil will have a complete report on it by January." He said "We will share that with you." He said "We wouldn't do anything if it's not green" He said "The whole purpose of using Genoil is that it's a clean process."

Perez said "I wouldn't want trucks up there." He said "Some type of mini-upgrader allows us to use pipelines."

Lennarson said he knows from previous experience with other companies that trucking the oil isn't economically viable. He said the companies always try to get pipelines built as soon as possible so they don't have to incur the expense of trucking the oil.

Perez acknowledged that trucking the oil is not economically viable.

Gawne said "It means jobs up here."

Chief Ominayak asked if Surge had talked to Keyera about their trucking terminal.

Brown said "not yet." He said Keyera isn't really interested in talking until there's some production.

Perez said "Our stock fell from \$4 to \$1 since we announced our deal with Deep Well." He said "The drop in price was caused not only by the Lubicons but by bad weather, mistakes made by others and blown deadlines."

Perez said "Surge has now had its deadlines extended another 60 days." "If we can make peace at Peace River," he said, "respect your rights, satisfy your requirements, we would like to move forward with the AEUB next week." He said "We appreciate you considering this."

Perez said "My goal is to communicate every month." He said "No surprises on either side." He said "I hate surprises."

Lennarson said the Lubicons hate surprises too like somebody bringing in heavy equipment and starting to clear-cut a large area without any consultation or discussion whatsoever.

Perez continued "We want to work as your partner, respect your rights, and treat you as any government or business partner." He said "My goal is to communicate properly." He said "We can have a monthly conference call with Fred Kelly, myself, John Brown, before there are any press releases." He repeated "I hate surprises." He said "Tell me if it's good or bad."

Chief Ominayak asked if Surge has had any discussions with Husky. He said "Andora was mentioned." He asked "Will they get involved?"

Brown said "We're not sure what they want to do." He said "They tell us they drilled two wells, but we only see record of one well."

Chief Ominayak said "We did the front end on that. We've done a couple of leases for them."

Perez said "We just signed a road use agreement with Husky last week." He said "We paid them." He said "There had been no dialogue before that." He said "Deep Well used their road without talking to them." He said "The Lubicons are not the only ones upset by Deep Well."

Chief Ominayak said "I've been listening to your comments about economic opportunities."

Perez said "I understand you have logging equipment and CATs." He said "You have the ability to help us." He said "Let us know how you want to be involved." He said "We can share the project." He said "We prefer to deal with the Lubicons." "If you have the ability," he said, "we'll work with you."

Chief Ominayak said "Work is minor compared to the overall questions" He said "The benefits are always for the companies." "At very least," he said, "we can see if there are any economic opportunities for our people." He said "Our people should at least receive some benefit if we're talking about others extracting valuable resources from our traditional area."

Chief Ominayak said "we need to consult with the Elders." He said "We don't have any of our Elders here today." He said "We're going to talk to them, and then make a decision." "If there are further questions," he said, "we can do that by phone."

Chief Ominayak said "Any additional information on use of water would be helpful." He said "Any maps would be very helpful." He said "Our people are really concerned with what happens to the lakes."

Perez said "I've brought some maps, I've brought the surveys. He said "We need to clean up the site immediately." He said "We're going to drill where the rigs are located."

Walter Whitehead asked about the CATs that were there. He asked if they were moving out.

Brown said "They will, but they haven't yet."

Perez said "We've just contracted to do a single well." He said "Deep Well moved in staff without a contract." He said "They only moved in half a rig."

"Once we get a permit," Perez said, "it will take a week to move in equipment." He said "It (drilling the well) will take 2 to 3 weeks if the weather is good."

Perez said "We just contracted with the drillers two weeks ago. He said "It will take us a week to set up, and another to start spudding." He said "It depends on the weather."

Thomas said one of the concerns the Lubicons have that is different than the AEUB is cumulative impacts. He said they would expect information on that. For example, he said, if there is going to be more traffic in the area overall.

Brown said he would provide that. He discussed the economics of trucking in the area and why they don't want to do it.

Chief Ominayak said "Thanks for the information." "In most situations, he said, "we try to reach an understanding where it's possible for you to meet your objectives, while being careful that there's something left behind after you go": He said "That's what we're trying to do."