



Telephone: 867-587-7206

Fax: 867-587-2928

February 20, 2019

Husky Oil Operations Limited
Box 6525, Station D
Calgary, AB T2P 3G7

Attention: Chris Salewich

File Number	S13A002
Type of Operation	OIL AND GAS DRILLING - WELLSITE
Location	Well Site H-64

Dear Mr. Salewich,

An inspection of the above noted operation was conducted on February 15, 2019 by Manager, Resource Management Trevor Bremner and Resource Management Officer II Jonathan Gillingham.

Enclosed is a copy of the Environmental Inspection Report. Please refer to the status of each condition in the general comments section of this report. Your attention to this matter is appreciated.

If you have any questions, please contact me at 867-587-7206.

Sincerely,

Original Signed

Trevor Bremner
Manager, Resource Management
Department of Lands
Sahtu Region

CC:

Sahtu Land and Water Board



ENVIRONMENTAL INSPECTION REPORT

Permittee:	Husky Oil Operations Limited	Permit Expiry Date:	July 18, 2018
Land Use Permit No.	S13A002	Previous Inspection:	New
Quarrying Permit No.	NA	Inspection Date:	February 15, 2019
Contractor:	HRN	Subcontractor:	NA
Location(s) Inspected:	Wellsite H-64		
Current Stage of Operation:	Decommissioning of wellsite		
Program Modifications Approved:	None		

Condition of Operation "A" - Acceptable "U" - Unacceptable "N/A" - Not Applicable "N/I" - Not Inspected

Operating Condition	Aspect Inspected				
	H-64				
Location as Permitted	A				
Time as Permitted	A				
Equipment as Approved (Type & Size)	A				
Methods & Techniques	A				
Facilities	A				
Erosion (Control or Prevention)	A				
Chemicals	A				
Wildlife and Fisheries Habitat (Protection)	A				
Wastes	A				
Historical / Archaeological Sites	A				
Ecological Resources	A				
Fuel Storage	A				
Brush Disposal	A				
Restoration of Lands	N/A				
Permits	A				
Matters not Inconsistent	A				
Sections 12 to 19 T.L.U.R.	N/A				
Sections 8 to 12 / 14 to 16 M.V.L.U.R.	A				

H-64:

An inspection of wellsite H-64 was completed February 15th, 2019. The downhole well abandonment operation is in full effect. OROGO completed their inspection of the wellsite on February 7th, 2019. The entire wellsite has been kept clean of debris. Proper waste containers (wildlife-proof) are located on site with appropriate signage as required by the permit.

Water storage on site has been placed in three separate tanks based off of wellsite needs (Figure 1). Water storage tanks have been placed inside a non-permeable liner located inside

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a bermed area. Wellsite fuel storage has the combination of double-walled containment and non-permeable lined berms. Sewage treatment facilities are well maintained with no concerns at this time.

A reportable spill of a KCl (potassium chloride) water mixture (0.200 m3) was reported on February 13th, 2019. An inadequate hose connection caused the discharge. The fluid was contained and then cleaned up immediately with the combination of a vac truck and hand tools. Due to the nature of the substance, the contaminated ice and snow was released back into the drill rig tank to be used as it was intended. The KCl mixture is used as a buffer to mitigate downhole back pressure on the wellsite. There are no adverse effects noted at this time.

Other Comments:

Wellsite N-09 is being prepared for its abandonment. The ice pad on this site is complete along with the tank farms groundwork (bermed areas). Husky plans on commencing this portion of the well abandonment project after completing H-64 abandonment.

This inspection was completed in connection with the inspection on LUP S13X-003. S13X-003 is the LUP which governs access to the wellsites (winter/all-season roads and ice crossing) a camp for workers, and staging areas. Husky is currently completing this abandoning project under the authority of both permits.

The inspectors are pleased with Husky's due diligence throughout this entire project. Husky representatives continue to communicate with the inspectors and go above and beyond their permit requirements.

Thank you for your cooperation.

NA

Representative Signature

Original Signed

Inspector's Signature

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ENVIRONMENTAL INSPECTION REPORT

Inspection Images:

Figure 1

Water storage tanks located at well site H-64



Figure 2

Drill rig support facilities





ENVIRONMENTAL INSPECTION REPORT

Figure 3
Groundwater monitoring well (MW-19B)

