



Sahtu Land and Water Board
P.O. Box 1
Fort Good Hope, NT
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June 6, 2013

Mr. Ken Hansen
Slater River Project Manager, NWT
Husky Oil Operations Ltd.
707 8th Avenue S.W.
Box 6525, Station D
Calgary, Alberta
T2P 3G7

Our File: S13L1-005, S13A-001
Your File:

Dear Mr. Hansen:

Re: Land Use Permit S13A-001 and Water Licence S12L1-005
2013 Slater River Drilling Project
Deemed Not Complete

After careful review of the subject applications received in the Sahtu Land and Water Board (SLWB) office on May 28, 2013, the applications have been **Deemed Not Complete**. Additional information as outlined below will be required to complete the application.

Hydraulic Fracture Fluids List

In the Waste Management Plan, Table 6 outlines a list of chemicals and Table 8 lists the completions materials to be stored at each of the wellsite locations with no MSDS provided for them. As per Board direction from the June 14-15, 2012 Board meeting, Proponents must identify ALL potential frac fluids being proposed and to provide all associated MSDS.

Further Clarification Required (not subject to application completeness):

The following issues or items need clarification.

- Please confirm the coordinates of the well sites as they differ from the Water Licence Application to the Introductory Letter to the Waste Management Plan.
- As a contingency, a second hydraulic fracturing of O-41 and G-70 is stated to occur in the upper section of the Canol Formation with a contingency for a third fracture if necessary. Please provide the depths of these proposed fractures.
- For the proposed installation of up to three shallow groundwater monitoring wells per site:
 - The installation of groundwater monitoring wells is already authorized under S12X-006. As such, this proposal would be an extension to the existing program and an amendment should be applied for under the S12X-006 Land Use Permit. Please withdraw this proposal from the current application.

- In the Environmental Protection Plan, it states that:
‘For the O-41 and G-70 operations, Husky will not exceed the existing camp capacity of 190-persons authorized under WL S11L3-002.’
Although Water Licence S11L3-002 does authorize the use of water for camp operations, it is Land Use Permit S12F-007 that authorizes the use of land. As stated in the Environmental Protection Plan of the S12F-007 Land Use Permit:
‘With the installation of a 100-person camp, all other camp operations will no longer be required, and will be discontinued.’
As the Base Camp is now constructed and as Husky has previously stated that this Base Camp will only be constructed to accommodate 100-persons, until an amendment has been submitted to the SLWB for an increase in capacity, the maximum allowable persons onsite is 100. Please confirm that Husky will not exceed this limit until an amendment has been submitted and authorized by the SLWB.
- For mitigations of wildlife, Husky has stated operations will be limited between the dates of May 1 and June 20 of each year, where possible, to avoid important seasonal activities of resident wildlife and migratory bird species. As the ‘rut’ season for caribou occurs in the fall, please provide further details on what mitigation measures Husky will have in place.
- In the Anticipated Equipment List, under Fluid Storage and Fluids, it states that 120 tonnes of sand will be required. As stated in the Environmental Protection Plan, each hydraulic fracture requires 40 tonnes. If each well has a contingency for up to three fractures, would Husky not require 240,000 tonnes of sand to be onsite?

If you should have any questions or concerns, please contact the Sahtu Land and Water Board office at (867) 598-2413.

Respectfully,
Sahtu Land & Water Board



Angela Love
Regulatory Specialist

Copy to: Jenica von Kuster – Husky Oil Operations Ltd.