

October 22, 2013

Sahtu Land and Water Board
Box 1
Fort Good Hope, NT
X0E 0H0

Via email: ian.brown@slwb.com

Attention: Ian Brown, Regulatory Specialist

Dear Ian,

Re: Husky Oil Operations Limited Land Use Permit S13X-003 and Water Licence S13L1-006 Applications – Letter of Comment from the Sahtu Land and Water Board

Husky Oil Operations Limited (Husky) has received comments from the Sahtu Land and Water Board (SLWB) dated September 13, 2013 regarding the subject applications. Husky submits the following information in response to the letter. The numbered items provided by the SLWB are listed below with their respective responses.

Question 1

Provide the location of referenced documents in the application.

Response to Question 1

No response required at this time as confirmed by Ian Brown (SLWB).

Question 2

Clearly layout all permitted and applied for water sources in a table that shows: water source, licenced volume, estimated additional volume, total new estimated annual volume, time of year the water source will be used, how much water will be allocated to each water use activity (i.e. camp operations and road maintenance) and the DFO limit for each water source.

Response to Question 2

Please see table on following page:

Water Source	Licensed Annual Volume (m ³) [under WL S11L3-002]	Estimated Additional Volume (m ³)	Total New Estimated Annual Volume (m ³)	Time of Year Source Will be Used	Activity for Water Use	Allowable DFO Volume (m ³) for Winter Withdrawal	Available Water in Summer (based on bathymetry)
WS1	4,200	-	4,200	All year	Camp operations, access road construction/maintenance	Unlimited	229,535
WS2	11,200	-	11,200	Winter only (November-March)	Winter access road construction/maintenance	Unlimited	437,203
WS3	1,052	-	1,052	Winter only (November-March)		1,052	1,180,975
WS4	6,048	-	6,048	Winter only (November-March)		6,048	994,315
WS5	contingent	-	-	Winter only (November-March)		2,821	1,307,758
WS6	4,900	-	4,900	Winter only (November-March)		9,820	279,478
WS7 (Mackenzie River)	32,535	15,550	Approx. 48,085*	All year	Camp operations, access road construction/maintenance	Unlimited	Unlimited
MW-09A and MW-09B	Not currently licenced	10,000	Approx. 10,000*	All year	Camp operations, access road construction/maintenance	This source is exempt from the DFO protocol. Husky will limit withdrawal to 600m ³ /d**	N/A
Vermillion Creek	Not currently licenced	2,000	2,000	Winter only (November-March)	Winter access road construction/maintenance	N/A	N/A
Total	59,935	27,550	87,485	-		-	-

* Husky is requesting a total annual volume of 58,085m³ from a combination of the Mackenzie River and MW09A/MW-09B.

Yield calculations indicated that 600m³/day can be withdrawn from MW-09A with no significant effect on the aquifer (see Groundwater Investigation Report in **Appendix 1-E of the Site Wide Services EPP).

Question 3

Update proposed water volumes for the Mackenzie River and MW-09A to represent each individual source.

Response to Question 3

See table above.

Question 4

As described in Section 4.3.2 “Well Installation,” Husky plans on storing produced water from MW-09A in a holding tank. What will be the capacity of this tank?

Response to Question 4

Husky cannot confirm the tank size at this time because contracts have not yet been awarded for this item. However, it is likely that Husky would use a 63,000L (400bbl) upright tank.

Question 5

Will water be used to maintain the all season road during winter operations?

Response to Question 5

Husky will not require water to maintain the all-weather road this winter. However, water will be required on the winter portion of the access (from the GNWT winter road to the east side of the Mackenzie River and from the west side of the River to the all-weather road).

Question 6

The proposed 25 m communications tower will require an assessment by Transport Canada. Contact kim.davis@tc.gc.ca about their “*Aeronautical Assessment form for Obstruction Marking and Lighting.*”

Response to Question 6

Acknowledged. The communication tower will be installed and operated by Northwestel; however Husky will remind Northwestel of this obligation.

Question 7

The SLWB would like to remind Husky to follow up with all commitments made during community engagement sessions.

Response to Question 7

Acknowledged. Husky is committed to addressing commitments made during community engagement sessions.

Question 8

The Waste Management Plan (WMP) must be expanded to include all wastes for all previously permitted supporting operations and all site wide services and must stand alone from the WMPs of Permits and Licences being consolidated. As per previous conversations, the SLWB understands that no wastes will be generated via additional activities applied for within this consolidation application. The SLWB requests that Husky make all the aforementioned clear within the Camp Operations and Project Support WMP.

Response to Question 8

In our Site Wide Services Waste Management Plan, Husky is dealing with wastes generated through our main camp activities (domestic waste streams). This application is related to access and people management, and is in no way associated with the industrial waste generated by Drilling and Completions Operations.

Question 9

Location of waste storage sites need to be clearly described in the application or shown on a map.

Response to Question 9

Three sites have been selected for the temporary storage and operations of waste management and they include the Staging area, Base camp, and the O-41 storage area. Specific locations at these sites cannot be mapped at this time because the locations are subject to change based on each site's activity. However, Husky will submit updated site sketches prior to the installation of the waste management facilities.

Question 10

The SLWB would like to remind Husky that the Norman Wells Waste Facility is not an approved receiving source.

Response to Question 10

Acknowledged.

We hope the SLWB finds these responses satisfactory. Please contact the undersigned if you have any questions or require further clarification.

Sincerely,

HUSKY OIL OPERATIONS LIMITED

A handwritten signature in black ink, appearing to read "K. Hansen", written over a horizontal line.

Kenneth F. Hansen, P. Geol.
Project Manager - Slater River, NWT

Cc: Angela Love – Mackenzie Valley Land and Water Board