

**CONDITIONS ANNEXED TO AND FORMING PART OF
LAND USE PERMIT S13X-003**

PART A: SCOPE

1. This Permit entitles Husky Oil Operations Ltd. to conduct the following supporting operational activities related to Oil and Gas exploration on Exploration Licence 462 and 463, 40 km south-southeast of the Town of Norman Wells:
 - a) Construction and maintenance of winter sites and access;
 - b) Construction and maintenance of all-weather sites and access;
 - c) Construction, maintenance and operation of all-weather quarry sites;
 - d) Camp Operations;
 - e) Fuel Storage;
 - f) Managing waste; and
 - g) Reclamation activities.

Minimum Latitude: N 64°40'

Maximum Latitude: N 65°20'

Minimum Longitude: W 125°45'

Maximum Longitude: W 126°45'

2. The Permit is issued subject to the conditions contained herein with respect to the use of land for the activities identified in Part A, item 1 and the locations identified in Part C, 26 (1) (A), item 1 of this Permit.
3. Compliance with the terms and conditions of this Permit does not affect the Permittee's responsibility for compliance with the requirements of all applicable federal, territorial, Tlicho, Deline, and municipal legislation.
4. The Permittee shall comply with the terms of any plans approved pursuant to the conditions of this Permit and with any amendments to the plans as may be made from time to time pursuant to the conditions of this Permit and as approved by the Board.

PART B: DEFINITIONS

Act - the *Mackenzie Valley Resource Management Act*.

Board - the Sahtu Land and Water Board established under Part 3 of the *Mackenzie Valley Resource Management Act*.

Dogleg – the clearing of a line, trail, or right-of-way that is curved sufficiently so that no part of the clearing beyond the curve is visible when approached from either direction.

Durable Land - land that is able to withstand repeated use, such as gravel or sand with minimal vegetative cover.

Flowing Artesian Well - a well in which water:

- a) Naturally rises above the ground surface or the top of any casing; and

b) Flows naturally, either intermittently or continuously.

Fuel Storage Container - a container for the storage of petroleum or allied petroleum products with a capacity of less than 230 litres.

Fuel Storage Tank - a closed container for the storage of petroleum or allied petroleum products with a capacity of more than 230 litres.

Greywater - all liquid wastes from showers, baths, sinks, kitchens, and domestic washing facilities but not including toilet wastes.

Habitat - the area or type of site where a species or an individual of a species of wildlife naturally occurs or on which it depends, directly or indirectly, to carry out its life processes.

Inspector - an Inspector designated by the Minister under the *Mackenzie Valley Resource Management Act*.

Minister - the Minister of Indian Affairs and Northern Development.

Ordinary High Water Mark - the usual or average level to which a body of water rises at its highest point and remains for sufficient time so as to change the characteristics of the land. In flowing waters (rivers, streams) this refers to the "active channel/bank-full level" which is often the 1:2 year flood flow return level. In inland lakes, wetlands, or marine environments, it refers to those parts of the Watercourse bed and banks that are frequently flooded by water so as to leave a mark on the land and where the natural vegetation changes from predominately aquatic vegetation to terrestrial vegetation (excepting water tolerant species). For reservoirs, this refers to normal high operating levels (full supply level).

Permafrost - ground (soil or rock) that remains at or below 0°C for at least two consecutive years.

Secondary Containment - containment that prevents liquids that leak from Fuel Storage Tanks or containers from reaching outside the containment area and includes double-walled Tanks, piping, liners, and impermeable barriers.

Sewage - all toilet wastes and Greywater.

Sewage Disposal Facilities - Sump(s) and/or Sewage collection tank(s) and/or storage containers designed to hold Sewage.

Spill Contingency Plan - a document, developed in accordance with Aboriginal Affairs and Northern Development Canada's *Guidelines for Spill Contingency Planning* (April 2007), that describes the set of procedures to be implemented to minimize the effects of a spill.

Toxic - a substance that enters or may enter the environment in a quantity or concentration or under conditions such that it:

- a) Has or may have an immediate or long-term harmful effect on the environment or its biological diversity;
- b) Constitutes or may constitute a danger to the environment on which life depends; or
- c) Constitutes or may constitute a danger in Canada to human life or health.

Waste – any garbage, debris, chemical, or Toxic Material to be used, stored, disposed of, or handled on land, and also as

defined in section 51 of the Act.

Waste Management Plan (WMP) - a document, developed in accordance with the Board's *Guidelines for Developing a Waste Management Plan*, that describes the methods of waste management from waste generation to final disposal.

Watercourse – a natural body of flowing or standing water or an area occupied by water during part of the year, and includes streams, springs, swamps, and gulches, but does not include groundwater.

Watchman - a device used to monitor the fuel level in the storage tank.

PART C: Conditions Applying to All Activities (headings correspond to subsection 26(1) of the Mackenzie Valley Land Use Regulations)

26 (1) (A) - Location and Area

1	The Permittee shall not conduct this land use operation on any lands not designated in Schedule 1 of this Land Use Permit.	Location of Activities
2	The Permittee shall not conduct any part of the land use operation within 300 metres of any privately owned or leased land or structure, unless otherwise authorized in writing by the Sahtu Land and Water Board.	Private Property
3	The Permittee shall locate all camps on durable land or previously cleared areas.	Camp Location
4	The Permittee shall not conduct a quarry operation within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector.	Quarry Setback
5	The Permittee shall not construct parallel lines or roads, unless an existing line or road cannot be used.	Parallel Roads
6	The Permittee shall locate all lines, trails, and right-of-ways to be constructed parallel to any Watercourse a minimum of 100 metres from the Ordinary High Water Mark, except at crossings.	Parallel Watercourse

26 (1) (B) – Time

1	At least 48 hours prior to the commencement of this land-use operation, the Permittee's Field Supervisor shall contact an Inspector at (867) 587-7206.	Contact Inspector
2	At least 48 hours prior to commencement of this land-use operation, the Permittee shall provide the following information, in writing, to the Board and an Inspector: (a) the name(s) of the person(s) in charge of the field operation; (b) alternates; and (c) all methods for contacting the above person(s).	Identify Agent
3	At least ten days prior to the completion of the land-use operation, the Permittee shall advise an Inspector of: (a) the plan for removal or storage of equipment and materials; and (b) when final cleanup and reclamation of the land used will be completed.	Reports Before Removal

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| 4 | The Sahtu Land and Water Board, for the purpose of this operation, designates March 31, as spring break-up. | Spring Break Up |
| 5 | The Permittee shall submit a progress report to an Inspector every seven days during this land use operation. | Progress Report |

26 (1) (C) - Type and Size of Equipment

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| 1 | The Permittee shall not use any equipment except of a similar type, size, and number listed in the accepted application. | Only Approved Equipment |
| 2 | The Permittee shall use portable ramps during loading or unloading of ships or barges. | Portable Ramps |
| 3 | <p>The Permittee shall maintain the following fire-fighting equipment at the site:</p> <p>(a) four backpack bags complete with hand pumps;</p> <p>(b) a minimum of two pieces of each of the following equipment: pulaskis, axes, and shovels; and</p> <p>(c) a water dropping bucket located by the helicopter-pad at the camp site.</p> | Fire Fighting Equipment |
| 4 | The Permittee shall equip bulldozer blades used in this land use operation with "mushroom" type shoes or a similar type of device, which shall be extended 10 centimetres below the cutting edge of the blade for the removal of snow or vegetation. | Bulldozer Blades and Shoes |

26 (1) (D) - Methods and Techniques

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| 1 | The Permittee shall dogleg lines, trails and rights-of-way that approach watercourses or public roads on recommendation of the Board. | Dogleg Approaches |
| 2 | Prior to the movement of any vehicle that exerts pressure on the ground in excess of 35 kPa, the Permittee shall scout proposed lines and routes to select the best location for crossing streams and avoiding terrain obstacles. | Detours and Crossings |
| 3 | The Permittee shall construct and maintain the overland portion of winter roads with a minimum of 10 centimetres of packed snow and/or ice at all times during this land-use operation. | Winter Roads |
| 4 | The Permittee shall not erect camps or store material other than that required for immediate use on the ice surface of a watercourse. | Storage on Ice |

5	Prior to the expiry of this Permit, the Permittee shall replace all excavated material, unless otherwise authorized in writing by an Inspector.	Excavated Material
6	The Permittee shall leave a buffer strip of undisturbed vegetation at least 30 metres in width between cleared areas and roads.	Tree Screen
7	The Permittee shall adhere to the approved Erosion Control and Sedimentation Management Plan and shall annually review the plan and make any necessary revisions to reflect changes in operations or technology, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval.	Erosion Control and Sedimentation Management Plan
8	The Permittee shall adhere to the approved Quarry Development Plan and shall annually review the plan and make any necessary revisions to reflect changes in operations or technology, or as directed by an Inspector. Revisions to the plan shall be submitted to an Inspector for approval.	Quarry Development Plan
9	The Permittee shall not quarry to a depth below that of the water table.	Quarry Depth

26 (1) (E) - Type Location, Capacity, and Operation of All Facilities

1	The Permittee shall ensure that the land use area is kept clean at all times.	Clean Work Area
2	The Permittee shall provide to the Board as-built plans and drawings, stamped by a professional engineer, of all facilities and roads contemplated in the application, within 90 days of their completion.	As Built Drawings

26 (1) (F) - Control or Prevention of Ponding of Water, Flooding, Erosion, Slides , and Subsidence of Land

1	The Permittee shall install and maintain culverts such that scouring does not occur.	Culvert Size
2	The Permittee shall insulate the ground surface beneath all structures associated with this land-use operation to prevent: <ul style="list-style-type: none"> (a) any vegetation present from being removed; (b) the melting of Permafrost; and (c) the ground settling and/or eroding. 	Permafrost Protection
3	The land-use operation shall not cause obstruction to any natural drainage.	Natural Drainage
4	The Permittee shall minimize erosion by installing erosion control structures as the land-use operation progresses.	Progressive Erosion Control

5	The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface.	Prevention of Rutting
6	The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting.	Suspend Overland Travel
7	The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging.	Vehicle Movement Freeze-up
8	The Permittee shall not use any material other than clean water and clean snow in the construction of ice bridges.	Ice Bridge Materials
9	The Permittee shall not use any materials other than clean snow and clean water in the construction of snowfills.	Snowfill Materials
10	Prior to spring break-up or completion of the land-use operation, the Permittee shall clean up and either remove or v-notch all snowfills from stream crossings, unless otherwise authorized in writing by an Inspector.	Remove or V-Notch Snowfills
11	The Permittee shall not cut any stream bank, unless otherwise authorized in writing by an Inspector.	Stream Banks
12	The Permittee shall not ford wet streams.	No Fording of Streams
13	The Permittee shall slope the sides of waste material piles, excavations, and embankments — except in solid rock — to a minimum ratio of 2:1 vertical, unless otherwise authorized in writing by an Inspector.	Excavation and Embankments
14	The Permittee shall not excavate land within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector.	Excavate Near Watercourse

26 (1) (G) - Use, Storage, Handling, and Ultimate Disposal of Any Chemical or Toxic Material

1	At least seven days prior to the use of any chemicals that were not identified in the accepted application, the MSDS sheets must be provided to an Inspector and the Board.	Chemicals
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2 The Permittee shall maintain a record of all spills. For all reportable spills, in accordance with the GNWT *Spill Contingency Planning and Reporting Regulations*, the Permittee shall:

(a) immediately report each spill to the 24-hour Spill Report Line (867) 920-8130;

(b) report each spill to an Inspector within 24 hours; and

(c) submit to the Board and an Inspector, a detailed report on each spill within 30 days.

Report Spills

3 The Permittee shall dispose of all Toxic substances as described in the approved Waste Management Plan.

Waste Chemical Disposal

4 The Permittee shall dispose of all waste petroleum products by removal to an approved disposal facility or by incineration in a device designed for this purpose, as described in the approved Waste Management Plan.

Waste Petroleum Disposal

26 (1) (H) – Wildlife and Fish Habitat

1 The Permittee shall take all reasonable measures to prevent damage to wildlife and fish Habitat during this land-use operation.

Habitat Damage

2 The Permittee shall not feed wildlife.

No Feeding Wildlife

3 The Permittee shall not harass wildlife.

Harassing Wildlife

4 If Caribou, Moose, Grizzly Bear or Muskoxen are spotted within 500 metres of any work/camp site immediate notification shall be made to the environmental monitor and/or the Sahtu Renewable Resources Board.

Notification Large Game

26 (1) (I)- Storage, Handling, and Disposal of Refuse or Sewage

1 The Permittee shall adhere to the approved Waste Management Plan and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval.

Waste Management

2 The Permittee shall keep all garbage and debris in a secure container until disposal.

Garbage Containers

3 The Permittee shall dispose of all garbage, waste, and debris as described in the approved Waste Management Plan, unless otherwise authorized in writing by an Inspector.

Remove Garbage

4 The Permittee shall dispose of all Sewage and Greywater as described in the

Sewage Disposal

approved Waste Management Plan.

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| 5 | The Permittee shall, during the forest fire season (May 1 to September 30) contact the Regional Department of Environment and Natural Resources office in Norman Wells prior to any burning other than daily camp garbage to determine forest fire risk and adhere to any conditions or restrictions that may be in effect at the time. | Burning Restrictions |
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26 (1) (J) - Protection of Historical, Archaeological, and Burial Sites

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| 1 | The Permittee shall not operate any vehicle or equipment within 150 metres of a known or suspected historical or archaeological site or within 500 metres of a known burial ground. | Archaeological Buffer |
| 2 | The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site. | Site Disturbance |
| 3 | The Permittee shall, where a suspected archaeological or historical site, or burial ground is discovered:

(a) immediately suspend operations on the site; and

(b) notify the Board at (867) 598-2413 or an Inspector at (867) 587-2911, and the Prince of Wales Northern Heritage Centre at (867) 920-6182 or 873-7688. | Site Discovery and Notification |

26 (1) (K) Objects and Places of Recreational, Scenic, and Ecological Value

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| 1 | Between May 1 and June 20 of each year all season road use must be limited to small vehicles. | Buffer / No Activity |
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26 (1) (L) - Security Deposit

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| 1 | The Permittee shall provide and maintain with the Minister a security deposit in the amount of <u>\$952,813.13</u> pursuant to Section 26 (1) (L) of the Mackenzie Valley Land Use Regulations. | Security Deposit |
| 2 | All costs to remediate the area under this Permit are the responsibility of the Permittee. | Responsibility for Remediation Costs |

26 (1) (M) - Fuel Storage

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| 1 | The Permittee shall: | Check for Leaks |
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(a) examine all Fuel Storage Tanks and containers for leaks a minimum once per day; and

(b) repair all leaks immediately.

2	The Permittee shall not place any Fuel Storage Containers or Tanks within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector.	Fuel Near Water
3	The Permittee shall ensure that all fuel caches have adequate Secondary Containment.	Fuel Cache Secondary Containment
4	The Permittee shall set up all refueling points with Secondary Containment.	Secondary Containment - Refueling
5	The Permittee shall only use stands approved by an Inspector for supporting Fuel Storage Containers that are in use.	Fuel Container Stands
6	The Permittee shall not allow petroleum products to spread to surrounding lands or Watercourses.	Fuel Containment
7	The Permittee shall locate mobile fuel facilities on land when the facilities are stationary for more than 12 hours.	Fuel on Land
8	The Permittee shall mark all Fuel Storage Containers and Tanks with the Permittee's name.	Mark Containers
9	The Permittee shall mark all stationary fuel caches and fuel storage facilities with flags, posts, or similar devices so that they are at all times plainly visible to local vehicle travel.	Mark Fuel Location
10	Within ten days of the establishment of any fuel cache, the Permittee shall report the location and quantity of the cache in writing to an Inspector and the Board.	Report Fuel Location
11	The Permittee shall seal all outlets of Fuel Storage Containers and store the containers on their sides with the outlets located at 3 and 9 o'clock, except for containers currently in use.	Seal Outlet
12	The Permittee shall adhere to the approved Spill Contingency Plan and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval.	Spill Contingency Plan
13	Prior to commencement of operations, the Permittee shall ensure that spill-response equipment is in place to respond to any potential spills.	Spill Response

14	All equipment that may be parked for two hours or more, should have a haz-mat/drip tray under it or be sufficiently diapered. (Leaky equipment should be repaired immediately.)	Drip Trays
15	The Permittee shall clean up all leaks, spills, and contaminated material.	Clean Up Spills
16	The Permittee shall maintain a watchman at the site at all times when fuel is stored on site.	Watchman
17	The Permittee shall not use bladders for storing or transporting petroleum products.	Bladder Prohibited
18	The Permittee shall make ready with necessary equipment to deploy a boom in an effective manner at all times when fuel is moved or transferred from a barge or on a barge.	Use Of Boom
26 (1) (N) - Methods and Techniques for Debris and Brush Disposal		
1	The Permittee shall progressively dispose of all brush and trees and shall complete all brush disposal; all disposal shall be completed prior to the expiry date of this Permit.	Brush Disposal Time
2	The Permittee shall not clear areas larger than identified in the accepted application.	Minimize Area Cleared
3	The Permittee shall scout for salvageable trees before clearing. All trees greater than or equal to 13 centimetres in diameter are considered salvageable. Salvaged trees shall be neatly piled at locations specified in writing by the Inspector.	Salvage Timber
4	The Permittee shall ensure all leaning or damaged trees are cut and salvaged or laid flat on the ground.	Leaning and Damaged Trees
26 (1) (O) - Restoration of the Lands		
1	All areas affected by construction or removal activities shall be stabilized and landscaped to their pre-construction profiles, unless otherwise authorized in writing by an Inspector.	Pre-construction Profile
2	The Permittee shall store overburden and use it to recontour the site after operations are complete, unless otherwise authorized in writing by an Inspector.	Save and Place Organic Soil
3	Prior to the expiry date of this Permit, the Permittee shall complete all cleanup and restoration of the lands used.	Final Cleanup and Restoration

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| 4 | Prior to the expiry date of this Permit, the Permittee shall initiate active revegetation of disturbed areas. | Active Revegetation |
| 5 | The Permittee shall carry out progressive reclamation of disturbed areas as soon as it is practical to do so. | Progressive Restoration |
| 6 | The Permittee shall restore any trails impacted by the land-use operation by removing fallen trees and any other obstructions from the trails. | Trails Restoration |

26 (1) (P) - Display of Permits and Permit Numbers

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| 1 | The Permittee shall keep a copy of this Permit on hand at all times during this land-use operation. | Copy of Permit |
| 2 | The Permittee shall display a copy of this Permit in a conspicuous place in each campsite established to carry out this land use operation. | Display Permit |

26 (1) (Q) - Biological and Physical Protection of the Land

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| 1 | The Permittee shall adhere to the approved Engagement Plan and shall annually review the plan and make any necessary revisions to reflect changes in operations or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval. | Engagement Plan |
| 2 | The Permittee shall adhere to all comments and procedures stated in the Land Use Permit application unless otherwise stated in the Terms and Conditions of this Land Use Permit or authorized by the Board. | Other Commitments |
| 3 | The Permittee shall, while conducting the operation, make every effort to avoid covering or destroying traps or snares that may be found in the area. | Traps Protection |
| 4 | The Permittee shall post signs along the access routes to warn local harvesters of heavy vehicle traffic. | Signs |
| 5 | The Permittee shall notify the affected communities of imminent increased traffic prior to start up of the land use operation. | Notify Communities |



Witness

SAHTU Land and Water Board



Larry Wallace (Chairman)

Schedule 1

The following sites are permitted existing and future development:

Sites	Location	Footprint (ha)
Base Camp	64.969806° N 126.545638° W	6.10
Base Camp Extension	65.006345° N 126.432722° W	6.10
Airstrip	65.00551° N 126.23448° W	9.12
All Weather Heli-Pad Construction at MW-06 Wellsite	65.009329° N 126.433909° W	0.25
All-Weather Storage Site at O-41	65.0147440° N 126.389650° W	2.60
All-Weather Barge Landing and Staging Site	65.098235° N 126.265055° W	2.40
MW-09A All-Weather Groundwater Well Pad Construction	64.984687° N 126.517009° W	0.25
Security Shack	65.113703° N 126.182743° W	1.00
Heli-Pad East Mackenzie	65.092199° N 126.213205° W	0.32
Heli-Pad West Mackenzie	65.075396° N 126.261924° W	0.32
Fuel Storage at Construction Camp	65.091105° N 126.215510° W	1.00
Quarry A	65.081875° N 126.257469° W	15.19
Quarry B	65.009298° N 126.453732° W	13.95
Quarry C	65.002278° N 126.404300° W	18.00
Quarry D	65.980257° N 126.365502° W	2.66
Quarry E	65.980451° N 126.348986° W	9.12
Quarry G	65.958445° N 126.288394° W	31.18
Quarry J	65.933988° N 126.241982° W	5.10
Quarry M	65.998421° N 126.485017° W	19.00

The following accesses are permitted existing and future development:

Name	Length (km)	Width (m)	Footprint (ha)	Start Point	End Point	Type	Location Description
A-B	3.53	8	2.82	65.113703° N 126.182743° W	65.092199° N 126.213205° W	Winter	MVWR to Mackenzie River
B-C	1.35	8	1.08	65.092199° N 126.213205° W	65.085437° N 126.243890° W	Winter	Ice Bridge
C-D	0.26	8	0.21	65.085437° N 126.243890° W	65.084683° N 126.248044° W	Winter	Mackenzie River to Intersection
V1-I	19.52	28	54.70	65.098235° N 126.265055° W	64.982056° N 126.524138° W	All-Weather	All-Weather Road. River Staging Area to N-09.
E-O-41	1.18	20	2.36	65.00518° N 126.23262° W	65.0147440° N 126.389650° W	All-Weather	Access to O-41 and the all-weather airstrip
G-G1	1.22	8	0.98	65.00353° N 126.29548° W	65.008051° N 126.490602° W	Winter	Access to WS-02
G - G-70	1.25	20	2.50	64.59285° N 126.27133° W	64.891222° N 126.453638° W	Winter	Access to G-70 Well Site.
F-F9	23.14	28	64.79	65.00295° N 126.2605° W	64.891305° N 126.190805° W	All-Weather	All-Weather Road Junctions to H-64
F2-F3	.29	10	0.29	65.000689° N 126.414263° W	65.002278° N 126.404300° W	All-Weather	Access to Quarry C
F4-54	.47	10	0.47	64.976424° N 126.356607° W	65.980451° N 126.348986° W	All-Weather	Access to Quarry E
F7-F8	.11	10	0.11	64.931756° N 126.242794° W	65.933988° N 126.241982° W	All-Weather	Access to Quarry J
I-P	25.68	8	20.54	64.982062° N 126.524149° W	64.874513° N 126.146503° W	Winter	N-09 to WS-06. Winter Road.
J-L	.38	8	0.31	64.5755° N 126.32071° W	64.965184° N 126.535734° W	Winter	Access to WS-03
N-N1	3.51	8	2.81	64.51093° N 126.1634° W	64.852759° N 126.275778° W	Winter	Access to WS-05
N-F9	2.64	8	2.11	64.52283° N 126.08487° W	64.891305° N 126.190805° W	Winter	N to H-64 Well Site