October 8, 2019

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

Attention: Chris Salewich

File Number: S13X-003
Type of Operation: MISC.
Location: Winter Access, All Season Road, Camp Area, Security Staging Area, Barge Staging Area, River Crossing Staging Area, Quarry M, and Quarry B.

Dear Chris Salewich,

An inspection of the above noted operation was conducted on September 30, 2019, by Resource Management Officer II Jonathan Gillingham.

Enclosed is a copy of the Environmental Inspection Report. Please refer to the noted conditions and the general comments section of this report. Your attention to this matter is appreciated.

If you have any questions, please contact me at 867-587-7205.

Sincerely,

Jonathan Gillingham
Resource Management Officer II
Department of Lands
Sahtu Region

CC: Sahtu Land and Water Board
   Trevor Bremner – Manager of Resource Management, Sahtu Region
**ENVIRONMENTAL INSPECTION REPORT**

**Permittee:** Husky Oil Operations Limited  
**Permit Expiry Date:** October 22, 2020

**Land Use Permit No.:** S13X-003  
**Previous Inspection:** September 11, 2019

**Quarrying Permit No.:** 2013QP0005  
**Inspection Date:** September 30, 2019

**Contractor:** HRN Contracting  
**Subcontractor:** N/A

**Location(s) Inspected:** Winter Access, All Season Road, Camp Area, Security Staging Area, Barge Staging Area, River Crossing Staging Area, Quarry M, and Quarry B.

**Current Stage of Operation:** Remediation/Monitoring

**Program Modifications Approved:** None

<table>
<thead>
<tr>
<th>Operating Condition</th>
<th>Winter Access</th>
<th>All Season Road</th>
<th>Camp</th>
<th>All Staging Areas</th>
<th>Quarries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location as Permitted</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Time as Permitted</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Equipment as Approved (Type &amp; Size)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Methods &amp; Techniques</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Facilities</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Erosion (Control or Prevention)</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Chemicals</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Wildlife and Fisheries Habitat (Protection)</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Wastes</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Historical / Archaeological Sites</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Ecological Resources</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Fuel Storage</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Brush Disposal</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Restoration of Lands</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Permits</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Matters not Inconsistent</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Sections 8 to 12 / 14 to 16 M.V.L.U.R.</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
</tbody>
</table>

**Winter Access:**

Winter Access roads throughout the project area are in good shape. This is due to the permitted requirement of a minimal 10 cm of packed snow and/or ice at all times (26(1)(D)3). Figure 4 shows a portion of the winter access from the Security Staging Area; this represents the condition of the Winter Access Roads throughout the entire project. Inspector is very pleased to see this as it was a short winter road season for the whole of the Sahtu in general. The Husky Winter Access Roads do not contain rutting or goughing into the soil or any loss of vegetative cover.
ENVIRONMENTAL INSPECTION REPORT

All Season Road:

Over the Spring, Summer, and Fall operating season, Husky has conducted general maintenance on their All Season Road. There were few spots where beavers have become a nuisance to maintaining the road. Due to beaver activity increasing in areas, Husky has hired local trappers from Tulita to trap and remove problem beavers. This is a part of the benefits and access agreement with local Renewable Resource Councils in the area. Figures 3 and 13 represent the condition of the All Season Road throughout the project. The road is in excellent condition.

Camp:

The camp has been removed along with the fuelings tanks and all other supporting materials. Husky has left a Seacan on the site with other maintenance supporting items (rig mats, spill kits, portapotties, culverts, lumber, and other miscellaneous items).

The camp pad is a component that will also require remediation to close this permit. Discussions about options on how Husky wants to maintain an All Season Road and a Staging Area for their road maintenance equipment can occur. For information regarding the September 6th, 2019 diesel spill (Spill-2019368), please refer to the section below.

Spill – 2019368:

Husky has since removed all buildings located on the camp pad. A Husky representative has taken samples of the effected area. The sampling results have been requested, along with with manifests from the barging company and disposal facility for the collected contaminated materials. The Department of Lands Sahtu Region has collected samples as well from the surface soil inside and outside the spill area. All sampling results (Department of Lands and Husky) will be uploaded to the database soon. Here is a link to the ENR Spills database for this spill: https://www.enr.gov.nt.ca/en/spill/spill-2019368 Any additional information can be found there.

All Staging Areas:

Staging areas include: Security Staging, River Crossing Staging, and the Barge Landing Staging; all of these areas are in general, good condition. As seen in Figure 5, the Security Staging Area is lush with vegetation. It is noted the coarse woody debris located on the north side of the Staging Area was to be spreadout amongst the area but, due to adverse weather conditions and time constraints, this did not occur. The River Crossing Staging Area (Figure 4) seems to have an abundant vegetative cover. Nevertheless, there are some bare areas. This area will be monitored to determine if it requires any more remediation.

The Barge Landing Staging Area (Figure 3) has an abundance of vegetative cover around the gravel pad. There is a large number of rigmats left on site to support any future work that might occur in this area. Furthermore, there is an abundance of previously quarried materials stockpiled to support any further road maintenance in the future. Inspector has no concerns with this area at this time.

Quarries:

Both Quarries on site are currently undergoing remediation (M and B). Quarry M has been recounted to stabilize the area (Figures 1, 2, 6, and 7). The stabilization and straw matting
of the quarry is to mitigate any sedimentation and erosion. The area has been seeded with the approved seed mix. Drainage channels have been enlarged, check dams, and riprap was installed to prevent erosion by slowing the flow of drainage and surface runoff.

Quarry B has also been recountoured (Figures 8 – 13) to prevent erosion from surface runoff. Straw matting has been added to the embankments to mitigate erosion and foster vegetation regrowth. This area has also been seeded with the approved seed mixture.

**General Comments:**

Overall, The inspector is very pleased with all the remediation efforts Husky has implemented over the past year. The Inspector will monitor these sites over the next few years to ensure all sites are remediated adequately to meet or exceed all permitted conditions. The Inspector encourages Husky to continue their great work and would like to thank Husky for always keeping Inspectors informed and following permitted conditions efficiently. Great work, it has been a pleasure to work with all your staff who have come into the Sahtu Region.
Inspection Images:

**Figure 1**
Aerial of Quarry M.

**Figure 2**
Aerial of Quarry M.
Figure 3
Aerial of Barge Landing Staging Area.

South West Elevation

49°NE (T) 65°5'56"N, 126°16'2"W ±24m ▲ 93m
Figure 4

Aerial of Staging Area for ice crossing.
Figure 5
Aerial of security Staging Area.
Figure 6
Aerial of Quarry M.
Figure 7
Aerial of Quarry M.
Aerial of Quarry B, note the mistake in labeling Quarry M.
Figure 9
Aerial of Quarry B.

West Elevation

106°E (T)  65°0'22"N, 126°27'5"W ±16m ▲ 279m

S13A-002
GNWT-Dept. of Lands
30 Sep 2019, 14:53:43
Figure 10

Aerial of Quarry B.

South Elevation

357°N (T)  65°0'32"N, 126°26'48"W ±8m  ▲ 267m
Figure 11
Aerial of Quarry B.
Figure 12
Aerial of Quarry B.

North Elevation

167°S (T) 65°0'28"N, 126°27'30"W ±8m ▲ 247m
Figure 13
Aerial of Quarry B access and all season road.

East Elevation

\(274^\circ W\) (T) \(65^\circ 0'29"N, 126^\circ 26'47"W \pm 12m\) ▲ 235m

Quarry B
30 Sep 2019, 14:55:04
Figure 14
Aerial of Camp pad.

**East Elevation**

- 274°W (T)
- 65°0'22"N, 126°26'24"W ±16m ▲ 219m

S13X-003
GNWT-Dept. of Lands
30 Sep 2019, 14:56:24
Figure 15
Aerial of the camp pad.
Figure 16
Aerial view of the remediated helipad on the camp pad.
Figure 17
Aerial view of Camp pad.
Figure 18

Burn area on the camp pad.
Figure 19
Burn area on the camp pad.

Figure 20
Camp pad, burn area.
Figure 21
Storage of materials left on site for maintenance.

Figure 22
Camp pad.