

October 11, 2013

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

Via email: angela.love@mlwb.com

Attention: Angela Love, Regulatory Officer

Dear Angela,

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

Husky Oil Operations Limited (Husky) has received comments from certain members of the community of Tulita dated September 30, 2013 regarding the subject applications. Husky submits the following information in response to that attached letter.

To be clear, this Site Wide Services application is a consolidation of already approved land use permits and water licences with only minor scope changes. Husky is puzzled by the recommendation that operations be slowed down and that no further permits for conducting operations be issued at this time. In the spring of 2011, after a period of no oil and gas exploration in Tulita District, Husky and the oil industry as a whole were approached by the leadership of Tulita District Land Corporation who wanted to encourage oil and gas exploration activity in their region. To create more certainty and allow operators quicker access to the land, Tulita District distributed model forms of Benefits and Access Agreements. Eleven Exploration Licences in the Tulita District were awarded at the 2011 Land Sale. Representatives of Aboriginal Affairs and Northern Development Canada (“AANDC”) would have consulted with the leadership of Tulita District and obtained their approval before the lands were nominated for the sale. Exploration Licences were awarded based upon the promise to conduct a certain amount of work during the five year first term. Husky was successful in acquiring two exploration licences with a cumulative work commitment of \$376 million. This amount of money must be spent within the first five years of the licences, that is by August 31, 2016, or Husky will be assessed a financial penalty. After being encouraged to return to Tulita District by their leadership, after AANDC having obtained Tulita District’s approval to post the lands and after Husky having invested approximately \$150 million on this project, it is unconscionable to suggest that an application which meets all regulatory requirements be denied.

The Tulita Renewable Resource Council conducted a Traditional Knowledge study on behalf of Husky in the fall of 2011. Other than one historic trap-line trail, no archaeological or heritage sites were identified within the current program area. Husky has conducted environmental studies, including baseline terrestrial wildlife and habitat-type surveys, denning surveys, and fish surveys. Pre-disturbance, archaeological, permafrost and aggregate studies as well as surface

water and groundwater assessments have also been conducted. All studies were conducted according to generally accepted scientific methods. Husky plans to continue to conduct these baseline environmental studies in accordance with those scientific principles.

Husky appreciates the concern about the MW-09 groundwater well being used as a source of water. Our studies indicate that this well is producing clean, potable water from a thick section of sandstones. During a 72-hour flow test, the well produced at a rate of 3,800 barrels of water per day, which was the maximum amount that the on-site pumps could handle. Analysis of the data from the flow tests indicate that the sandstone aquifer is capable of flowing at a much higher sustained rate without any negative impact. While the results indicate that using water from the MW-09 well to supply camp and drilling needs will have very minimal effect on the aquifer, Husky will monitor this well on an on-going basis and is prepared to obtain an alternate water source if required.

To clarify, Husky is not applying for a “new” helicopter landing pad but rather to construct an all-weather pad on the existing clearing at the former monitoring well MW-6.

Husky disagrees that consultations have “not been done properly”. In May and November, 2012 and in April and June, 2013 separate meetings with the elected representatives of each of the three land corporations within Tulita District were held. In addition, public meetings were held in the communities of Norman Wells and Tulita. Husky has also held meetings with the Elders in Tulita and we ensured that a translator was present. Notices of these public meetings were posted well in advance so residents of Tulita could plan to attend. Included in Husky’s applications is evidence of consultations conducted, including copies of the presentations made. In addition, Husky has conducted tours of our program area for community members from Tulita and Norman Wells and in November 2012, together with ConocoPhillips, hosted a hydraulic fracture information workshop in Red Deer, Alberta for community representatives. Members of the communities of Tulita and Norman Wells have also participated in tours of Husky’s Moose Mountain Oil and Gas Producing Facility located west of Calgary, where the oil and gas development successfully co-exists with hunting, trapping and recreational use.

In regards to consultations with the Pellissey and MacCauley families, Husky has taken a number of initiatives including:

- Family member participation in the tours of the Slater River program;
- Met individually with family members;
- Responded in writing to individual family member (letter dated November 28, 2012);
- Individual family members interviewed as part of the TEK study;
- Family member participation in the hydraulic fracturing workshop in Red Deer, Alberta;
- Family member participation in the Moose Mountain Facility tour;
- Individual family member sits as a representative on the EL462/463 Project Committee.

Husky has already deferred all field operations, with the exception of completing the all-weather road and facilities and the on-going environmental baseline studies, until the summer of 2014. To our knowledge, no other operator in Tulita District has submitted an application to conduct field operations at that time, so Husky may very well be the only company with field operations in Tulita District next summer. We expect that this will greatly reduce the noise and disturbance impacted upon Tulita.

Husky believes that it enjoys broad support within the community of Tulita. We are proud of our record of community involvement and in using local businesses in our operations. We appreciate the concerns voiced in the September 30, 2013 letter and hope that this response helps to ease those concerns.

Sincerely,

HUSKY OIL OPERATIONS LIMITED

A handwritten signature in black ink, appearing to read 'K. Hansen', written over a large, stylized circular flourish.

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

Attachment

Cc: Mackenzie Valley Environmental Impact Review Board
National Energy Board
Tulita District Land Corporation
Tulita District Benefits Corporation
MLA - Sahtu Region
Ian Brown – Sahtu Land and Water Board

September 30, 2013

- Sahtu Land and Water Board
- Mackenzie Valley Environmental Impact Review Board
- National Energy Board

We are community members from Tulita who are concerned that there is too much oil and gas exploration, including fracking, happening in our region and affecting our community. While we know that oil and gas activities bring some benefits to our community, it is happening too much, too fast.

The oil companies are operating on the traditional land of the Dene people of Tulita, including the Shúhtagot'ıne (Mountain Dene people). There are families with cabins in the area where Husky and ConocoPhillips are operating who have not been properly consulted, including the Pellissey and McCauley families. No one is really talking to them, even though they are very much impacted by the oil and gas activities. People have tried to go hunting in the area where the oil and gas leases are, and found that there was too much noise from choppers which scared away all the animals.

Consultation has not been done properly by any of the oil and gas companies. They should send their representatives door-to-door to talk with each community Elders individually, especially with the land users a company with a translator. This would allow people to ask questions and express their concerns, especially if they are too shy to speak up in a public meeting. Tulita is not a very big community and there are not that many houses.

We know that there is an application by Husky currently sitting in front of the Sahtu Land and Water Board, proposing to expand Husky's all-weather facilities and to switch the groundwater monitoring well to a source of water for Husky's operations. Before we saw this application we were not aware that Husky wanted to build a new helicopter landing pad or an all-weather staging site at the barge landing. The all-weather road has had a big impact already on the land and the animals, such as the moose. Husky showed us their maps about their studies of caribou and fish in the area, but we do not think that those studies and maps are accurate. More studies should be done on the fish lakes with the family who had the most impact on them.

We are concerned about the groundwater well being used as a source of water, especially if it is used for future fracking operations. Not enough research has been done to find out whether Husky will be taking too much water out of the ground.

There is already a lot of helicopter traffic in the Sahtu and a lot of truck traffic on the winter road in and out of Tulita, which creates a lot of noise and disturbance, and all of the accidents

and collisions make it dangerous for local people trying to travel in and out of our own community.

We are concerned about how oil and gas operations affects the whole landscape and the animals, the water and the land – what will be left for the hunters and trappers living today, and what will be left for future generations?

It would be better for the community of Tulita if not as many oil and gas companies were allowed to operate all at once, or if the operations could be slowed down. We need to think about what is best for future generations and not rush ahead, so we can first get all the information we need to do things right. Therefore, with these concerns Husky Energy should undertake further studies to reflect the impact in our region. Until these studies are complete NO further permits should be issue at this time

Thank you for responding to our concerns.

Signed:

David Etchinnell Shotaqatun - wotun. Bone
Gordon Yakelega Lawrence Menacho
Michael Etchinnell Ben Wrigley
Dean Oetia
Richard Hennie
Ethe Bernande
Andrea Bernande
Shily Bernande
Therese Clement
Therese Clement
Melissa's R...
Sofden Peter
Boniface Ayah
Cecile Ayah
Justin C...
Sally D...
Charlotte Menacho
Jackie Menacho
Tulita letis