June 24, 2016

Suncor Energy Inc.
P.O. Box 2844
150-6 Ave S.W.
Calgary, NT  T2P 3E3

Attention:  John Kerkhoven

File Number            S14A-006
Type of Operation      INDUSTRIAL CONSTRUCTION

Dear Mr. Kerkhoven,

An inspection of the above noted operation was conducted on June 23, 2016 by Manager, Resource Management Katherine Ades.

Enclosed is a copy of the Environmental Inspection Report. All of your sites have vegetation growing back to varying degrees, are clean of trash and have only minor ungulate rutting/exposed ground. Site O-35 could not be inspected on the ground due to the presence of a muskox. Thank you for maintaining your sites.

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

Sincerely,

_________Original Signed __________
Katherine Ades
Manager, Resource Management
Department of Lands
Sahtu Region

CC:
Bakhtiyor Mukhammadiev – Regulatory Specialist, SLWB
Resource Management Officers – Sahtu Region
**ENVIRONMENTAL INSPECTION REPORT**

<table>
<thead>
<tr>
<th>Permittee:</th>
<th>Suncor Energy Inc.</th>
<th>Permit Expiry Date:</th>
<th>November 16, 2019</th>
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<tr>
<td>Land Use Permit No.</td>
<td>S14A-006</td>
<td>Previous Inspection:</td>
<td>June 19, 2015</td>
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<td>Quarrying Permit No.</td>
<td>N/A</td>
<td>Inspection Date:</td>
<td>June 23, 2016</td>
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<td>Contractor:</td>
<td>N/A</td>
<td>Subcontractor:</td>
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<td>Current Stage of Operation:</td>
<td>Monitoring and Remediation</td>
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<td>Program Modifications Approved:</td>
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**Condition of Operation "A" - Acceptable "U" - Unacceptable "N/A" - Not Applicable "N/I" - Not Inspected**

<table>
<thead>
<tr>
<th>Operating Condition</th>
<th>Aspects Inspected</th>
<th>M-47 Well Pad</th>
<th>Winter Access Road</th>
<th>A-67</th>
<th>O-35</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment as Approved (Type &amp; Size)</td>
<td>A</td>
<td>A</td>
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<tr>
<td>Methods &amp; Techniques</td>
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<td>Historical / Archaeological Sites</td>
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<td>Restoration of Lands</td>
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**Explanatory Remarks - O-35 Well Site:**

Well site O-35 is coming back well; the outer ring of the site has a large number of trees up to 5ft tall growing along with grasses and shrubs. In the inner circle there are a few small trees (1-3 feet tall) along with shrubs and grasses. The site is very rocky and the center of the site has a collapsed sump which appears stable at this time. There was pooling water on the one side where vegetation was not growing back. On the other side of the sump there were sparse grasses and shrubs coming up. No signs of ungulate rutting were noted anywhere.
onsite but scat and fur signs indicated they visit the site along with geese. At this time there are no concerns, but the site will continue to be monitored.

A-67 Site:
At the time of inspection a Muskox was on well site A-67 drinking from a pool of water so we could not land to do a ground inspection. From the air this site has a mix of growth; some trees on the edges, shrubs and grasses as well as bare sections of ground.

Winter Access Road:
The winter access road is in good shape with vegetation (grasses and shrubs) coming back well. There are signs of quads driving on it from the nearby community. At this time the access road poses no concerns.

M-47 Well Site:
Wellsite M-47 is growing back well; the site has grasses and flowering shrubs on it. There are a couple of patches of bare soil that appear to have had minor rutting from ungulates. The soil around the well center is bare at the time of inspection and shows signs of ungulate rutting. Overall the site is in good condition and should continue to be monitored for vegetation growth and ungulate rutting.

General Comments:
There was an area on and off the winter access road that shows signs of sink holes possibly due to karst formations in the area. This is not due to project and does not require work.

_______________________    _________
Representative Signature       Original Signed

Inspector’s Signature
Inspection Images:

Figure 1
Aerial view of the winter access road. There are quad tracks on it, but for the most part it is growing back well.

Figure 2
Aerial view of well site M-47. There is a marsh area in the bottom corner that has wild birds in it.
Figure 3
Ground view of the well center at M-47. To the left there is an area where ungulates have rutted at the ground.

Figure 4
Ground view of the other side of the well center at M-47; part of the wood platform has broken off. Not a concern at this time.
ENVIROMENTAL INSPECTION REPORT

Figure 5
Close up of the rutting occurring by well center M-47 due to ungulates.

Figure 6
Vegetation growing back on M-47 consists of grasses and shrubs.
Figure 7
Cleared staging area next to well site M-47. Vegetation is coming back (grasses and shrubs) in spots. no rutting apparent from the air.

Figure 8
Aerial view of well site O-35; trees are growing back on the outer section of the site, but on the inner area a sump has collapsed which has partial vegetation growth and pooling water.
Figure 9
Ground view of site O-35 showing the well center.

Figure 10
Collapsed sump on well site O-35 has part vegetation growth on the side and pooling water with no vegetation growth. Site is very rocky.
Figure 11
Ground view of the vegetation growing on site O-35.

Figure 12
Aerial view of site A-67; a muskox was present drinking from a pool of water so we could not land.
Figure 13

Off the access road there was a spot where the ground had collapsed in a couple spots; believed to be due to karst formations in the ground resulting in minor sink holes.