October 24, 2016

Suncor Energy Inc.
Suncor Energy Centre West Tower
Calgary, NT T2P 3E3

Attention: Bill Mosley

File Number S14A-006
Type of Operation INDUSTRIAL CONSTRUCTION
Location M-47, Staging Area, O-35

Dear Mr. Mosley,

An inspection of the above noted operation was conducted on September 09, 2016 by Manager, Resource Management Katherine Ades and Resource Management Officer II Trevor Bremner.

Enclosed is a copy of the Environmental Inspection Report. Most of the wellsites have vegetation growing back, but in some areas it is sparse. Also, around the well center on Well M-47, there are signs of ungulates rutting in the soil which needs to be addressed. Your attention to this matter is appreciated.

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

Sincerely,

Katherine Ades
Manager, Resource Management
Department of Lands
Sahtu Region

CC:
Bonnie Bergsma – Regulatory Specialist, Sahtu Land and Water Board
ENVIRONMENTAL INSPECTION REPORT

Permittee: Suncor Energy Inc.  
Permit Expiry Date: November 16, 2019

Land Use Permit No.: S14A-006  
Previous Inspection: June 23, 2016

Quarrying Permit No.: N/A  
Inspection Date: September 09, 2016

Contractor: N/A  
Subcontractor: N/a

Location(s) Inspected: M-47, Staging Area, O-35

Current Stage of Operation: Restoration

Program Modifications Approved: None

Condition of Operation "A" - Acceptable  "U" - Unacceptable  "N/A" - Not Applicable  "N/I" - Not Inspected

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<td>M-47 Well Pad</td>
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<td>Equipment as Approved (Type &amp; Size)</td>
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<tr>
<td>Methods &amp; Techniques</td>
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<td>Facilities</td>
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<td>Erosion (Control or Prevention)</td>
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<td>Ecological Resources</td>
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Explanatory Remarks -

Wellsite O-35 has vegetation growing back well on the outer rim of the site, but on the inner section there is a notable rectangle where vegetation is growing back slower. There are also pools of water around the well center in this rectangle.

Vegetation on Wellsite M-47 is fairly consistent overall; there is a mix of grasses and shrubs that predominantly cover the ground. In one corner is the wet marsh area which provides a good habitat for wildlife. The well center has ungulate rutting on both sides of it (Figure 4). The one side has a ~1ft deep hole with pooling water approximately 1m x 2m in size while the other side is bare ground. The latter, bare ground was noted in the last inspection report dated June 23, 2016, but the first portion of rutting is new since that inspection. This indicates that there may be notable levels of salt in the ground. Please provide the Department of Lands a copy of your most recent sampling results from this Wellsite. Additional remediation work may be required here to reduce ungulate rutting and assist in vegetation growth.

The cleared staging area next to Wellsite M-47 has a band of trees growing along one side of the site paralleling the access. The corner of the site closer to M-47 has more bare ground.
Figure 1
Aerial view of Wellsite O-35. Center of site has pooling water and less vegetation growth than outer edge.

Figure 2
Aerial view of both wellsite M-47 (bottom) and the cleared staging area beside it (top).
Figure 3
Aerial view of wellsite M-47.

Figure 4
Close-up of well center on M-47. Ungulate rutting noted on the left side of the cap and bare ground from additional rutting on the right side.
Figure 5
Aerial view of staging area beside Wellsite M-47.