

November 20, 2014

Sahtu Land and Water Board

PO Box 1
Fort Good Hope, NT
X0E 0H0

Attention: Larry Wallace, Chair

Dear Mr. Wallace:

Re: Suncor Energy Inc. – Re-suspension of Tweed Lake M-47 Well Site – Land Use Permit S14A-006 and Water Licence S14L1-004 Issuance Terms and Conditions

Suncor Energy Inc.'s (Suncor) application to complete maintenance activities on the Tweed Lake M-47 well (the Program) was approved by the Sahtu Land and Water Board (SLWB or the Board) on November 17, 2014 under Land Use Permit (LUP) S14A-006 and Water Licence (WL) S14L1-004.

Suncor has reviewed the Terms and Conditions of the SLWB authorizations and is taking this opportunity to provide comment and seek further clarification on the following items.

1. Water Licence S14L1-004, Quantity of Water Not to Be Exceeded

The SLWB has set a quantity of water not to be exceeded of 299 cubic metres (m³) per day.

Suncor understands that including a maximum annual water withdrawal amount for oil and gas exploration operations is consistent practice for the SLWB. And, as identified in the WL application, Suncor requires a maximum annual water withdrawal of 15,000m³ over a three to four week period. The majority of the water use, 13,800m³, is required to construct the winter access route within the first two to three weeks of the Program.

Water requirements for winter road construction and maintenance will vary with air temperature, snow pack, permafrost, slope, etc. Suncor has reviewed the limit that has been set, and finds that 299 m³ of water per day will be insufficient to complete the road in the two to three week timeframe. It may also prohibit Suncor from maintaining the winter road at the prescribed level under LUP Condition 11 Winter Roads.

We must emphasize that the Tweed Lake M-47 well, which requires the proposed well maintenance activities, is an oil and gas exploration well. It is Suncor's belief that Schedule D, Item 1(a), Column III of the *Waters Regulations* applies to the proposed Program and that Suncor could withdraw 100m³ or more per day, with no daily limit on the allowable direct water use. Accordingly, Suncor respectfully requests the SLWB consider the clarification provided and amend the quantity of water not to be exceeded to 15,000m³ per year.

2. **Historical and Archaeological Setbacks**

Water Licence S14L1-004, Part B: General Conditions, Condition 6

The Licensee shall not operate any machinery within (500) metres of any known historical or archaeological site or burial ground.

Land Use Permit S14A-006, 26(1)(j) Protection of Historical, Archaeological, and Burial Sites, Condition 27

The Permittee shall not operate any vehicle or equipment within 500 metres of a known or suspected historical or archaeological site or burial ground.

Suncor identified in its SLWB application, Environmental Protection Plan (EPP) Table 4-1: SLUP Conformity Requirements and Section 6.1 Sahtu Heritage Places, that one archaeological site was identified through consultation with the Prince of Wales Northern Heritage Centre (PWNHC), within the Colville Lake municipal boundary. Since the SLUP is not in effect within community boundaries, Suncor was not required to apply to the Sahtu Land Use Planning Board for an exception to the SLUP for the 100m buffer. In the EPP, Suncor committed to a setback of 100m from archaeological sites within community boundaries, to use existing cleared areas, and to prevent additional clearing of land. In addition, the PWNHC confirmed, through consultation prior to the application submission, that a 100m buffer will be adequate for the protection of this site (C.Thomas, personal communication, September 24, 2014).

Part B, Condition 5 of WL states that *the Licensee shall ensure that all Project activities are confined to locations as described in the Water Licence application*. Condition 5 of the LUP states that *the Permittee shall not conduct this land-use operation on any lands not designated in the complete application*.

Based on these two Conditions, Suncor interprets the archaeological site buffer identified in Condition 6 of the WL and Condition 27 of the LUP as referring to lands contemplated within the application outside of the Colville Lake municipal boundary. Please confirm this interpretation.

Suncor requests that the SLWB provide clarification on the above identified authorization components. Please contact the undersigned by email at jkerkhoven@suncor.com or by phone at (403) 296-6345.

Sincerely,
Suncor Energy Inc.

A handwritten signature in blue ink, appearing to read 'JK', is positioned above the typed name.

John Kerkhoven
Sr. Advisor, Stakeholder and Aboriginal Relations

Cc Crystal Thomas Crystal.R.Thomas@mwhglobal.com