



June 28, 2012

**Aboriginal Affairs and Northern Development**

North Mackenzie District

P.O. Box 2100

Inuvik, NT X0E 0T0

**Attention: Don Arey, Resource Management Officer II**

**Re: Reclamation Program at Tree River C-36 and Thunder River N-73**

This letter is to update Aboriginal Affairs and Northern Development on the current status of the Chinook Energy Inc. (Chinook) reclamation program for the above referenced sites.

Chinook over the past 3 years has been assessing these sites, developing a reclamation program and working towards site restoration at the following two locations:

- Tree River C-36 wellsite (UWI: 300C366720131450) located at 67°15'09.0" N, 131°51'39.4" W.
- Thunder River N-73 remote sump for wellsite (UWI:300/N73673013115/00) located at 67°23'51.5"N, 131°28'88.4"W.

In the spring of 2012 Chinook had its consultants provide a reclamation cost estimate in order to budget / plan / proceed with the site work this year. The plan initially called for the restoration work to take place in August 2012. However upon review of the provided project cost in conjunction with the current fiscal environment (low gas prices, slumping crude oil prices), Chinook has had to revise numerous capital expenditure budgets. As such, it was not feasible for Chinook to proceed with this project in 2012.

Chinook remains committed to completing the reclamation work on these sites and will continue to work both internally and with our consultants towards having this work completed in the near future.

**Chinook Energy Inc.**

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Should you have questions or require additional information please feel free to contact the undersigned (Ph: 403-290-4901, Email: [darrent@chinookenergyinc.com](mailto:darrent@chinookenergyinc.com)).

Sincerely,  
**CHINOOK ENERGY INC.**

A handwritten signature in black ink, appearing to read "Darren Tomecek". The signature is stylized and cursive.

Darren Tomecek, P.Geol.  
Manager, Environment & Regulatory Compliance

CC: Helga Harlander, Gwich'in Land and Water Board  
Tim Halpen, COO, Chinook Energy Inc.  
Ryan White, VP Drilling, Chinook Energy Inc.