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TO: SLWB

DEPT. _____

DATE: Nov 01/2010

FAX: _____

SENDER: Steve Deschene

PAGES: _____


(including cover)

RE: _____

HUSKIN ENV. IWSP. PERS.

Steve Deschene, Pipeline Inspector
Indian and Northern Affairs Canada
P.O. Box 126, Norman Wells, NT X0E 0V0
Direct: (867) 587-2911 Fax: (867)-587-2928
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 **Indian and Northern Affairs Canada** / **Affaires Indiennes et du Nord Canada**
 Telephone: (867) 587-2011
 Fax: (867) 587-2928

North Mackenzie Sub-District
 P.O. Box 126
 Norman Wells, NT X0E 0V0

November 01, 2010

Husky Energy
 707 8th Ave. S.W.
 Box 6525, Station D
 Calgary, AB T2P 3G7

Dear Mr. Richardson

Re: Land Use Permits and Water Licences:

- S02A-004 – S02L1-003 (Wellsite B-44 and Little Smith Staging Area (KP160))
- S04A-006 – S04L1-006 (Wellsite L-71)
- S05T-006 – S05L3-003 (Keele River Staging Area)
- S05A-007 – S05L1-004 (Wellsites K-44 and D-57)
- S07T-014 – S07L3-003 (Birch Island Staging Area)
- S07A-015 – S07L1-004 (Wellsites B20 and I-52)

On September 20, 2010, Resource Management Officer, (Stephen Deschene) conducted an inspection of your operations under the above mentioned Land Use Permits. Enclosed is a copy of the Environmental Inspection Reports. I am pleased to report that the remediation work discussed earlier this year and agreed upon in a letter dated June 22, 2010 has been completed.

On a slightly different note, concerns have been raised as a result of sampling at your L-71, B-44 and K-44 well centers. Results have been returned in excess of CCME Guidelines. Please contact this office at your earliest convenience to discuss remediation options.


S05T-006 has been successfully remediated and file closure is recommended upon expiry of the permit. The corresponding Water License can also be closed upon expiry and at the discretion of the Sahtu Land and Water Board.

S07T-014 has been successfully remediated and file closure is recommended upon expiry of the permit. As with the aforementioned Water License, closure is recommended but at the discretion of the board.

S07A-015 and S07L1-004 will be monitored for one year to ensure remediation is successful.

Thank you for your time and effort in remediating these sites and I look forward to hearing from you.

Yours truly


 Steve Deschene
 Resource Management Officer III

cc: Inuvik District Files
 Sahtu Land and Water Board
 I.N.A.C. – Water Resources



Inspection Date : September 20, 2010

ENVIRONMENTAL INSPECTION REPORT

Permittee:		Husky Energy - Box 6525, Station D, Calgary AB, T2P 3G7	
Land Use Permit No.	S05T-006	Permit Expiry Date:	Previous Inspection:
Quarrying Permit No.		September 02, 2010	October 18, 2005
Contractor:		Subcontractor:	
Location(s) Inspected:		Keele River Staging Area	
Current Stage of Operation:		Remediation Completed.	
Program Modifications Approved:		Nil	

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

Operating Condition	Aspect Inspected			
	Staging			
Location as Permitted	A			
Time as Permitted	A			
Equipment as Approved (Type & Size)	N/A			
Facilities	A			
Erosion (Control or Prevention)	A			
Chemicals	A			
Wildlife and Fisheries Habitat (Protection)	A			
Wastes	A			
Historical / Archaeological Sites	A			
Fuel Storage	A			
Brush Disposal	A			
Restoration of Lands	A			
Permits	N/A			
Matters not Inconsistent	A			
Sections 8 to 12 / 14 to 16 M.V.I. U.R.	A			

Explanatory Remarks -

Staging: Rig mats, fuel tanks and liner have been removed. A small spill of gilsonite has also been cleaned up and shipped south for disposal. Concrete blocks buried. Remediation completed to the satisfaction of this inspector. All conditions acceptable, recommend file closure.

Not Available
Representative Signature

St J
Inspector's Signature

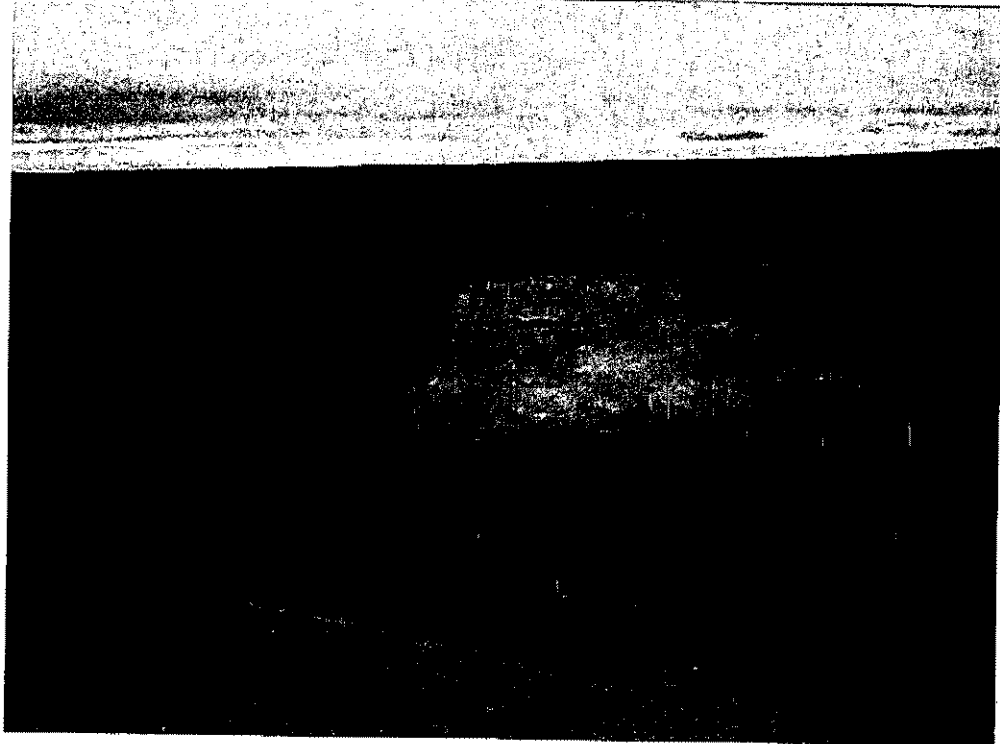
ENVIRONMENTAL INSPECTION REPORT Pg. 3
(Continued)

Date:	September 20, 2010	Permit #:	S05T-006
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Inspection Images:

Figure 1

Black stain centre of photo is ash left from burning wood debris.



St [Signature]