



North Mackenzie District
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November 20, 2013

EnCana Corporation
2900, 421-7th Avenue SW
Calgary, AB T2P 2S5

Attn: Robert Thompson

**RE: Land Use Permit S99A-015
G-18 Remote Sump**

Dear Robert,

An inspection of the above noted operation was conducted on August 06, 2013 by the undersigned.

Enclosed is a copy of the Environmental Inspection Report. Please refer to the unacceptable and noted conditions in the general comments section of this report. Do to formatting problems I apologize for the disorder of the photos.

It appears that the sump may be failing as indicated by stressed and dying vegetation and wallowing by ungulates. As this remote sump contains sodium chloride it is not unreasonable to believe that this is the underlying factor of present conditions. According to our records, a total of 60 cubic meters of salt saturated mud was deposited in the sump.

No samples were taken at the time of inspection which necessitates further study to ascertain if in fact sodium chloride is the factor involved in attracting wildlife and killing vegetation.

It is of great importance that you contact this office so that we may discuss these findings.

Please feel free to contact me at (867) 587-2911 at your earliest convenience.

Sincerely,

Steve Deschene
Resource Management Officer III

Cc: Inuvik District Files
Sahtu Land and Water Board
National Energy Board



ENVIRONMENTAL INSPECTION REPORT

Permittee:	EnCana Corporation	Permit Expiry Date:	December 15, 2004
Land Use Permit No.	S99A-015	Previous Inspection:	July 06, 2006
Quarrying Permit No.		Inspection Date:	August 06, 2013
Contractor:		Subcontractor:	
Location(s) Inspected:	G-18 Remote Sump		
Current Stage of Operation:	Abandoned Wellsite		
Program Modifications Approved:	None		

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

Operating Condition	Aspect Inspected				
	Sump				
Location as Permitted	A				
Time as Permitted	A				
Equipment as Approved (Type & Size)	A				
Methods & Techniques	A				
Facilities	A				
Erosion (Control or Prevention)	A				
Chemicals	U (Condition 7.6)				
Wildlife and Fisheries Habitat (Protection)	A				
Wastes	A				
Historical / Archaeological Sites	A				
Fuel Storage	N/A				
Brush Disposal	A				
Restoration of Lands	A				
Permits	N/A				
Sections 12 to 19 T.L.U.R.	U				

Explanatory Remarks -

It was noted during the inspection that the remote sump is exhibiting signs of failure. This sump contains (according to our records) approximately 60 cubic meters of drilling waste saturated with sodium chloride. It is surmised that this substance has migrated to surface and is now actively moving downslope. This is indicated by the dead vegetation and the wallow areas by moose and other ungulates. The sump cap is 3 meters or more in height (usually 2 meters) and the weight may be squeezing the wastes to surface although I must point out this is a theory as no samples were taken at the time of inspection. This situation needs to be discussed so that we can put into place a plan for assesment.

I will be contacting you in the near future.

Not Available

Representative Signature

Inspector's Signature



ENVIRONMENTAL INSPECTION REPORT

Inspection Images:

Figure 1

Aerial view of the remote sump looking south. Two areas of disturbance on the west and south sides of the sump. Some ponded water at the toe on the NE corner.



Figure 2

At the west toe the vegetation exhibits signs of stress.



Figure 3

As with the previous photo, stressed and dying vegetation.



Figure 4

Depicting the two areas of disturbance (wallowing) by ungulates. You may note that the area is otherwise well vegetated.



Figure 5

Ponded area on the NE toe of the sump. The sheen is natural. Well established vegetation in this area.



Figure 6

Also well established vegetation on the sump cap as exhibited by white spruce.





ENVIRONMENTAL INSPECTION REPORT

Figure 7

Looking east at affected area. It appears the wallowing area has an active face.



Figure 8

This area has been disturbed by wildlife but the vegetation in the immediate vicinity seems healthy otherwise.



Figure 9

Hoof marks in the active face.



Figure 10

Dead white spruce south of sump.

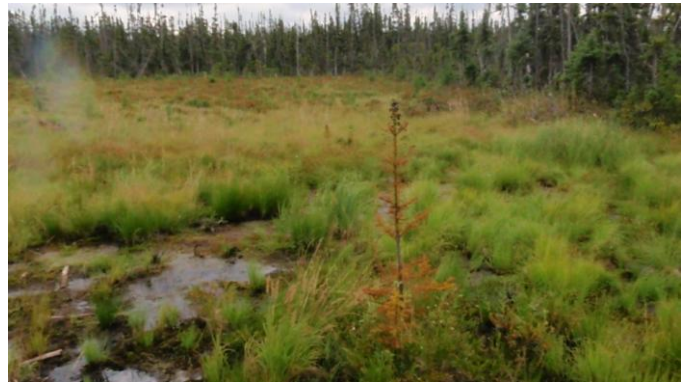


Figure 11

Located approx. 10 meters from the area in question we can start to see stressed and dying vegetation as depicted with these dying white spruce.

