



WorleyParsons Komex

resources & energy

Table 4

Water Quality Analytical Results: Indicators, Ions, Physical, Organic, and Nitrogen

CLIENT: Shell Canada Limited
PROJECT NO.: C52350300
PROJECT NAME: Abandonment and Restoration Plan, Camp Farewell, NT

| Monitoring Station | Date (d-m-y) | PHYSICAL | | | INDICATORS | | | CATIONS, ANIONS & ION BALANCE | | | | | | | | | | NITROGEN PARAMETERS | | | | | |
|--|-----------------|---------------|--------------------|---|--|--|----------------------|-------------------------------|--------------------|-----------------------|---------------------|-----------------------|-----------------------|--------------------|-----------------------|---------------------|---------------------|----------------------|-------------|--------------------------------|--------------------------------|---|------|
| | | EC (us/cm) | pH (units) | Tot Hard as CaCO ₃ (mg/L) | Tot Alk as CaCO ₃ (mg/L) | PP Alk. as CaCO ₃ (mg/L) | Chloride:D (mg/L) | Sulphate:D (mg/L) | Iron:D (mg/L) | Manganese:D (mg/L) | Calcium:D (mg/L) | Magnesium:D (mg/L) | Potassium:D (mg/L) | Sodium:D (mg/L) | Bicarbonate (mg/L) | Carbonate (mg/L) | Hydroxide (mg/L) | Fluoride:D (mg/L) | Ion Balance | NO ₃ as N (mg/L) | NO ₂ as N (mg/L) | NO ₂ +NO ₃ as N (mg/L) | |
| | | -- | 6.5 - 9 | -- | -- | -- | -- | -- | 0.3 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 13 | -- | -- |
| CCME Freshwater Aquatic Life, 1999 and updates | | | | | | | | | | | | | | | | | | | | | | | |
| CCME Marine Life, 1999 and updates | | | | | | | | | | | | | | | | | | | | | | | |
| C52350300 - Water - Year 2006 | | | | | | | | | | | | | | | | | | | | | | | |
| WS06-1 | 03-Aug-06 | 295 | 8.7 | 140 | 92 | 3 | 11 | 43 | 0.081 | 0.003 | 34.6 | 13.9 | 0.6 | 9.85 | 104 | 4 | <1 | 0.1 | 1.09 | <0.06 | <0.2 | <0.2 | <0.2 |
| WS06-2 | 03-Aug-06 | 776 | 8.1 | 340 | 353 | <1 | 50 | <1 | 0.628 ¹ | 0.003 | 74.8 | 38.1 | 9.9 | 45.5 | 430 | <1 | <1 | 0.1 | 1.08 | <0.06 | <0.2 | <0.2 | <0.2 |
| P06-1 | 09-Aug-06 | 540 | 7.8 | 310 | 261 | <1 | 16 | 4 | 2.39 ¹ | 1.51 | 74.4 | 30.3 | 5 | 23.3 | 318 | <1 | <1 | 0.2 | 1.29 | <0.06 | <0.2 | <0.2 | <0.2 |
| P06-2 | 09-Aug-06 | 809 | 7.8 | 520 | 441 | <1 | 17 | 2 | 4.54 ¹ | 0.352 | 116 | 54.9 | 3.2 | 19.7 | 538 | <1 | <1 | 0.2 | 1.22 | <0.06 | <0.2 | <0.2 | <0.2 |
| P06-3 | 09-Aug-06 | 2,560 | 8.1 | 450 | 669 | <1 | 395 | 26 | 4.71 ¹ | 0.824 | 115 | 38.6 | 358 | 164 | 816 | <1 | <1 | 0.1 | 1.01 | <0.06 | <0.2 | <0.2 | <0.2 |
| P06-6 | 09-Aug-06 | 1,210 | 7.8 | 730 | 707 | <1 | 18 | 2 | 0.314 ¹ | 2.01 | 175 | 71.5 | 2.1 | 19.1 | 862 | <1 | <1 | 0.1 | 1.06 | <0.06 | <0.2 | <0.2 | <0.2 |
| Duplicate | 09-Aug-06 | 241 | 8.1 | 720 | 78 | <1 | 16 | 2 | 0.09 | 1.82 | 171 | 72.1 | 1.4 | 18.5 | 95 | <1 | <1 | 0.1 | 7.46 | <0.06 | <0.2 | <0.2 | <0.2 |
| P06-7 | 09-Aug-06 | 945 | 7.8 | 550 | 520 | <1 | 17 | 6 | 9.34 ¹ | 1.29 | 130 | 55.9 | 3.6 | 25.5 | 634 | <1 | <1 | 0.2 | 1.15 | <0.06 | <0.2 | <0.2 | <0.2 |
| Trip Blank | 09-Aug-06 | 1 | 5.8 ^{1,2} | <0.5 | <1 | <1 | <1 | <1 | <0.006 | <0.001 | <0.05 | <0.05 | <0.2 | <0.05 | <1 | <1 | <1 | <0.1 | -- | <0.06 | <0.2 | <0.2 | <0.2 |

NOTES:

1. --- in guideline row(s) denotes no criteria for that parameter.
2. --- in detail data row(s) denotes parameter not analyzed.
3. Superscript ¹ denotes values exceeding CCME Freshwater Aquatic Life, 1999 and updates
4. Superscript ² denotes values exceeding CCME Marine Life, 99
4. CCME Aquatic Life (Marine or Freshwater) refers to CCME Canadian Environmental Quality Guidelines, 1999 and updates.



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Table 5

Water Quality Analytical Results: Dissolved Hydrocarbon

CLIENT: Shell Canada Limited

PROJECT NO.: C52360300

PROJECT NAME: Abandonment and Restoration Plan, Camp Farewell, NT

| | | BTEX | | | SELECT HYDROCARBONS | | |
|--|--------------|----------------|---------------------|----------------------|----------------------|--|---|
| Monitoring Station | Date (d-m-y) | Benzene (mg/L) | Toluene (mg/L) | Ethylbenzene (mg/L) | Xylenes-total (mg/L) | PHC F ₁ (C ₆ -C ₁₀) (mg/L) | PHC F ₂ (C ₁₀ -C ₁₆) (mg/L) |
| CCME Freshwater Aquatic Life, 1999 and updates | | | | | | | |
| | | 0.37 | 0.002 | 0.09 | --- | --- | --- |
| CCME Marine Aquatic Life, 1999 and updates | | | | | | | |
| | | 0.11 | 0.215 | 0.025 | --- | --- | --- |
| C52360300 - Water - Year 2006 | | | | | | | |
| WS06-1 | 03-Aug-06 | <0.0005 | <0.0005 | <0.0005 | <0.001 | <0.1 | <0.1 |
| WS06-2 | 03-Aug-06 | <0.0005 | <0.0005 | <0.0005 | <0.001 | <0.1 | <0.1 |
| P06-1 | 09-Aug-06 | <0.0005 | <0.0005 | <0.0005 | <0.001 | <0.1 | <0.1 |
| P06-2 | 09-Aug-06 | <0.0005 | 0.0099 ¹ | <0.0005 | <0.001 | <0.1 | <0.1 |
| P06-3 | 09-Aug-06 | 0.0691 | <0.0005 | 0.045 ² | 0.149 | 0.959 | 1.9 |
| | 14-Sep-06 | 0.0829 | 0.0007 | 0.102 ^{1,2} | 0.195 | 1.12 | 1.7 |
| P06-5 | 14-Sep-06 | <0.0004 | <0.0004 | <0.0004 | <0.008 | <0.1 | Insufficient Sample |
| P06-6 (Duplicate) | 09-Aug-06 | <0.0005 | <0.0005 | <0.0005 | <0.001 | <0.1 | <0.1 |
| | 09-Aug-06 | <0.0005 | <0.0005 | <0.0005 | <0.001 | <0.1 | <0.1 |
| P06-7 | 09-Aug-06 | <0.0005 | <0.0005 | <0.0005 | 0.008 | <0.1 | 0.4 |
| Trip Blank | 09-Aug-06 | <0.0005 | <0.0005 | <0.0005 | <0.001 | <0.1 | <0.1 |

NOTES:

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2. Superscript ¹ denotes values exceeding CCME Freshwater Aquatic Life
3. Superscript ² denotes values exceeding CCME Marine Aquatic Life
4. CCME Aquatic Life (Marine or Freshwater) refers to CCME Canadian Environmental Quality Guidelines, 1999 and updates.



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Table 6a

Water Quality Analytical Results: Dissolved Metals

CLIENT: Shell Canada
PROJECT NO.: C52360300
PROJECT NAME: Abandonment and Restoration Plan, Camp Farewell, NT

| Monitoring Station | Date (d-m-y) | DISSOLVED METALS AND TRACE ELEMENTS | | | | | | | | | | | | | | | | | | | SULPHUR (mg/L) |
|--|-----------------|-------------------------------------|-----------------------|---------------------|-------------------|----------------------|--------------------|---------------------|---------------------|------------------------|--------------------|------------------------|---------------------|-----------------------|-----------------|----------------------|----------------------|------------------|-----------------------|--|-------------------|
| | | Barium:D (mg/L) | Beryllium:D (mg/L) | Bismuth:D (mg/L) | Boron:D (mg/L) | Chromium:D (mg/L) | Cobalt:D (mg/L) | Lithium:D (mg/L) | Mercury:D (mg/L) | Molybdenum:D (mg/L) | Nickel:D (mg/L) | Phosphorus:D (mg/L) | Silicon:D (mg/L) | Strontium:D (mg/L) | Tin:D (mg/L) | Titanium:D (mg/L) | Vanadium:D (mg/L) | Zinc:D (mg/L) | Zirconium:D (mg/L) | | |
| CCME Freshwater Aquatic Life, 1999 and updates | | | | | | | | | | | | | | | | | | | | | |
| CCME Marine Life, 1999 and updates | | | | | | | | | | | | | | | | | | | | | |
| C52360300 - Water - Year 2006 | | | | | | | | | | | | | | | | | | | | | |
| WS06-1 | 03-Aug-06 | — | — | — | — | — | — | <0.02 | — | — | — | — | — | — | — | — | — | — | — | | |
| WS06-2 | 03-Aug-06 | — | — | — | — | — | — | <0.02 | — | — | — | — | — | — | — | — | — | 0.03 | — | | |
| P06-1 | 09-Aug-06 | 0.281 | <0.001 | <0.2 | <0.05 | <0.007 | 0.008 | <0.02 | <0.00005 | <0.006 | 0.031 | 0.2 | 3.18 | 0.25 | <0.04 | 0.01 | <0.05 | 0.02 | <0.005 | | |
| P06-2 | 09-Aug-06 | 0.259 | <0.001 | <0.2 | <0.05 | <0.007 | <0.005 | <0.02 | 0.00006 | <0.006 | 0.016 | 0.1 | 2.95 | 0.32 | <0.04 | 0.007 | <0.05 | 0.008 | <0.005 | | |
| P06-3 | 09-Aug-06 | 0.232 | <0.001 | <0.2 | <0.05 | <0.007 | <0.005 | 0.03 | <0.00005 | <0.006 | 0.013 | <0.1 | 5.03 | 0.66 | <0.04 | <0.006 | <0.05 | 0.008 | <0.005 | | |
| P06-6 | 09-Aug-06 | 0.509 | <0.001 | <0.2 | <0.05 | <0.007 | 0.006 | <0.02 | 0.00006 | <0.006 | 0.048 | <0.1 | 2.12 | 0.5 | <0.04 | 0.008 | <0.05 | 0.007 | <0.005 | | |
| Duplicate | 09-Aug-06 | 0.485 | <0.001 | <0.2 | <0.05 | <0.007 | <0.005 | <0.02 | 0.00008 | <0.006 | 0.047 | 0.1 | 1.78 | 0.48 | <0.04 | <0.006 | <0.05 | <0.005 | <0.005 | | |
| P06-7 | 09-Aug-06 | 0.256 | <0.001 | <0.2 | <0.05 | <0.007 | 0.007 | <0.02 | 0.00006 | <0.006 | 0.02 | 0.2 | 4.64 | 0.42 | <0.04 | <0.006 | <0.05 | <0.005 | <0.005 | | |
| Trip Blank | 09-Aug-06 | <0.003 | <0.001 | <0.2 | <0.05 | <0.007 | <0.005 | <0.02 | <0.00005 | <0.006 | <0.008 | <0.1 | <0.05 | <0.01 | <0.04 | <0.006 | <0.05 | <0.005 | <0.005 | | |

- NOTES:**
1. --- in guideline row(s) denotes no criteria for that parameter.
 2. --- in detail data row(s) denotes parameter not analyzed.
 3. Highlighting indicates parameters above applied guideline/criteria
 4. Superscript ¹ denotes values exceeding CCME Freshwater Aquatic Life, 2005 (Canadian Environmental Quality Guidelines for the Protection of Aquatic Life (CCME, 1999 and updates))
 5. Superscript ² denotes values exceeding CCME Marine Life, 99 (Canadian Environmental Quality Guidelines for Marine Aquatic Life (CCME, 1999 and updates))

Nickel:D
0.025 mg/L Hardness(CaCO3) = 0-60 mg/L
0.065 mg/L Hardness(CaCO3) = 60-120 mg/L
0.110 mg/L Hardness(CaCO3) = 120-180 mg/L
0.150 mg/L Hardness(CaCO3) = >180 mg/L



Water Quality Analytical Results: Total Metals

CLIENT: Shell Canada Limited
PROJECT NO.: C5230399
PROJECT NAME: Abandonment and Remediation Plan, Camp Farwell, NT

| Monitoring Station | Date (d-m-y) | TOTAL METALS AND TRACE ELEMENTS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--------------|---------------------------------|-------------------|------------------|-----------------|--------------------|------------------|----------------|----------------------|------------------|-------------------|-----------------|--------------------|------------------|---------------|--------------------|--------------------|------------------|---------------------|-----------------|---------------------|--------------------|-------------------|-----------------|-----------------|--------------------|-------------------|--------------|-------------------|------------------|-------------------|---------------|--------------------|--------|
| | | Aluminum:T (mg/L) | Antimony:T (mg/L) | Arsenic:T (mg/L) | Barium:T (mg/L) | Beryllium:T (mg/L) | Bismuth:T (mg/L) | Boron:T (mg/L) | Cadmium:T (mg/L) | Calcium:T (mg/L) | Chromium:T (mg/L) | Cobalt:T (mg/L) | Copper:T (mg/L) | Iron:T (mg/L) | Lead:T (mg/L) | Magnesium:T (mg/L) | Manganese:T (mg/L) | Mercury:T (mg/L) | Molybdenum:T (mg/L) | Nickel:T (mg/L) | Phosphorus:T (mg/L) | Potassium:T (mg/L) | Selenium:T (mg/L) | Silver:T (mg/L) | Sodium:T (mg/L) | Strontium:T (mg/L) | Tantalum:T (mg/L) | Tin:T (mg/L) | Titanium:T (mg/L) | Uranium:T (mg/L) | Vanadium:T (mg/L) | Zinc:T (mg/L) | Zirconium:T (mg/L) | |
| CCME Freshwater Aquatic Life: 1998 and updates | | 0.1 | — | 0.005 | — | — | — | — | 0.00007 | — | — | — | 0.002 - 0.004 | 0.3 | 0.001 - 0.007 | — | — | — | 0.073 | 0.025 - 0.15 | — | — | — | 0.0001 | — | — | 0.0008 | — | — | — | — | 0.003 | — | |
| CCME Marine Life: 1998 and updates | | — | — | 0.025 | — | — | — | — | 0.00012 | — | 57.5 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| C5230399 - Water - Year 2006 | 03-Aug-06 | 0.042 | <0.001 | <0.005 | 0.091 | <0.001 | <0.2 | <0.05 | 0.00005 ¹ | 34.6 | <0.007 | <0.005 | 0.007 ¹ | 0.197 | <0.001 | 12.8 | 0.012 | <0.00005 | <0.005 | <0.008 | <0.1 | 0.6 | <0.001 | 0.75 | <0.0001 | 10.9 | 0.23 | <0.0008 | <0.04 | <0.006 | <0.001 | <0.05 | <0.005 | <0.005 |
| WS94-1 | 03-Aug-06 | <0.005 | <0.001 | <0.005 | 0.332 | <0.001 | <0.2 | <0.05 | 0.00012 ² | 70.2 | <0.007 | <0.005 | 0.002 | 1.3 ³ | <0.001 | 35.9 | 0.079 | <0.00005 | <0.005 | <0.008 | 0.1 | 10.7 | <0.001 | 0.42 | <0.0001 | 47.2 | 0.27 | <0.0008 | <0.04 | <0.006 | <0.001 | <0.05 | <0.005 | <0.005 |
| WS94-2 | | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |

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3. Superscript ² denotes values exceeding CCME Marine Life, 199 and updates
4. CCME Aquatic Life (Marine or Freshwater) refers to CCME Canadian Environmental Quality Guidelines, 1999 and updates.

Aluminum:T

0.05 mg/L pH 4.5; (Ca²⁺ > 4.0 mg/L: DO < 3.0 mg/L

0.1 mg/L pH 6.5; (Ca²⁺ > 4.0 mg/L: DO < 3.0 mg/L

0.1 mg/L pH 6.5; (Ca²⁺ > 4.0 mg/L: DO < 3.0 mg/L

10 (0.001 mg/L hardness) - 1.2.

Copper:T

0.002 mg/L Hardness (CaCO₃) = 0-100 mg/L

0.004 mg/L Hardness (CaCO₃) = 0-100 mg/L

0.004 mg/L Hardness (CaCO₃) = 0-100 mg/L

Lead:T

0.007 mg/L Hardness (CaCO₃) = 0-100 mg/L

0.001 mg/L Hardness (CaCO₃) = 0-100 mg/L

0.001 mg/L Hardness (CaCO₃) = 0-100 mg/L

0.002 mg/L Hardness (CaCO₃) = 0-100 mg/L

Nickel:T

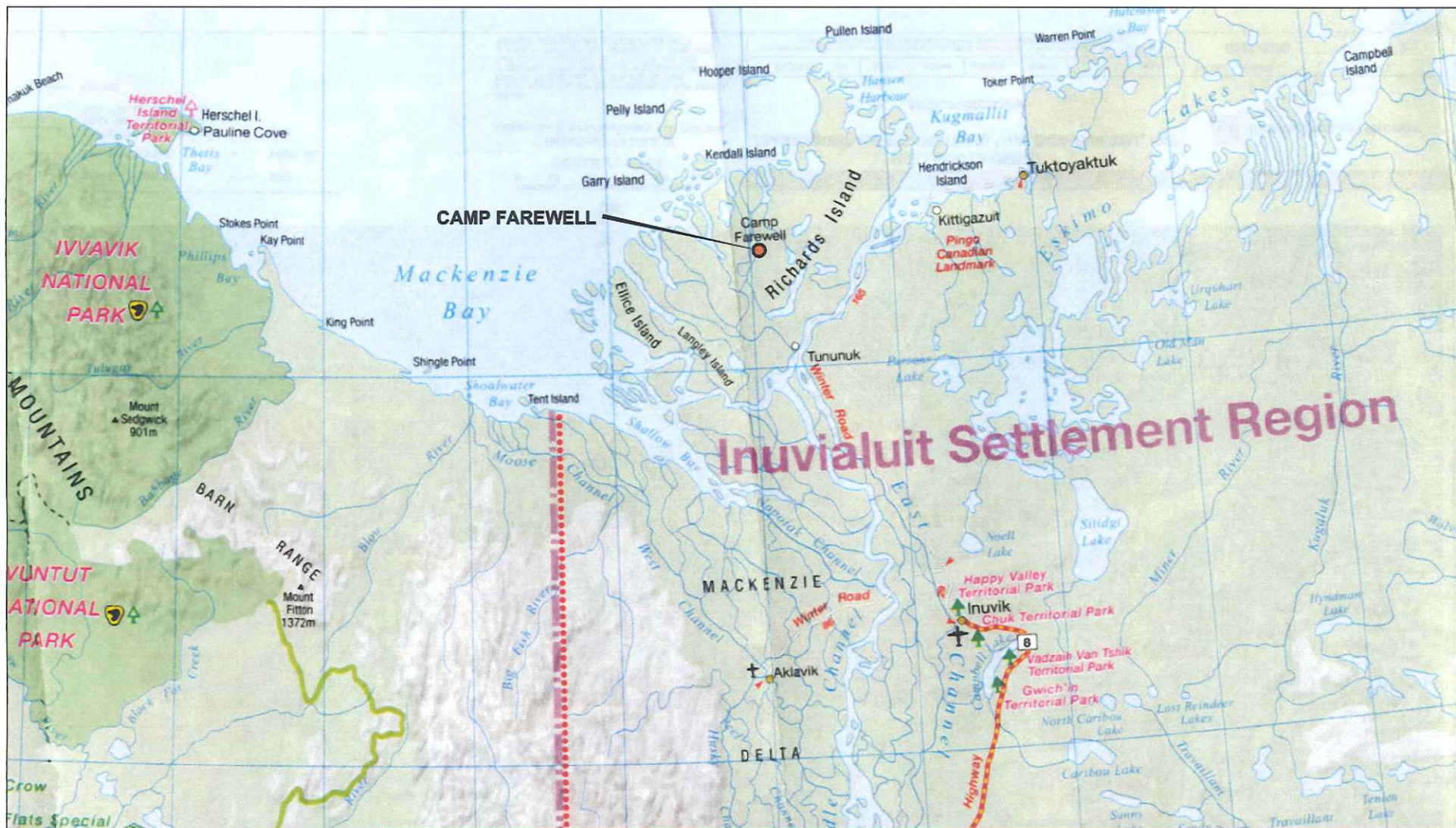
0.005 mg/L Hardness (CaCO₃) = 0-100 mg/L

0.005 mg/L Hardness (CaCO₃) = 0-100 mg/L

0.010 mg/L Hardness (CaCO₃) = 125-180 mg/L

0.100 mg/L Hardness (CaCO₃) = 0-100 mg/L

Figures



**SHELL CANADA LIMITED
ABANDONMENT AND RESTORATION PLAN AT CAMP FAREWELL, NWT**

SITE LOCATION MAP

Environment & Water Resources



WorleyParsons Komex
resources & energy

0 25 50 75 km
SCALE 1 : 1,500,000

| | | | | | | |
|-----------|------|-----|-----------|--------|----------|--------|
| 25-OCT-06 | date | MJC | edited by | OTHERS | drawn by | app by |
|-----------|------|-----|-----------|--------|----------|--------|

PREPARED SOLELY FOR THE USE OF OUR CLIENT AS SPECIFIED IN THE ACCOMPANYING REPORT. NO REPRESENTATION OF ANY KIND IS MADE TO OTHER PARTIES WITH WHICH WORLEYPARSONS KOMEX HAS NOT ENTERED INTO A CONTRACT.

PROJECT NUMBER:
C52360300

FIGURE:
1



LEGEND

- 5.0m INDEX CONTOUR
- 1.0m INDEX CONTOUR
- SITE DIGITIZED FROM FAREWELL STOCK SITE & ACCESS ROAD DATA APRIL 09, 1973
- BUILDING
- ROAD
- GRAVEL PAD
- TANK

0 50 100 150 200 250m
SCALE 1 : 5,000

Projections: UTM ZONE 08
Datum: North American Datum 1983 (NAD83)

SOURCES:
1. SHELL CANADA LTD.; MAP SHOWING ORTHOPHOTO CAMP FAREWELL; WAGWENZE DELTA NT; JUNE 12, 2008; ACAD NO 35014
2. ORTHOPHOTOGRAPHY: PRODUCED BY CHALLENGER GEOMATICS LTD. FROM 1:30,000 PHOTO FLOWN AUGUST 04, 2005 0.5M PIXEL
3. AERIAL PHOTOGRAPH: © 2005, GOVERNMENT OF CANADA WITH PERMISSION FROM INDIAN AND NORTHERN AFFAIRS CANADA

SHELL CANADA LIMITED ABANDONMENT AND RESTORATION PLAN AT CAMP FAREWELL, NWT

AERIAL PHOTOGRAPH

25-OCT-06 cells MJC edited by OTHERS drawn by app by

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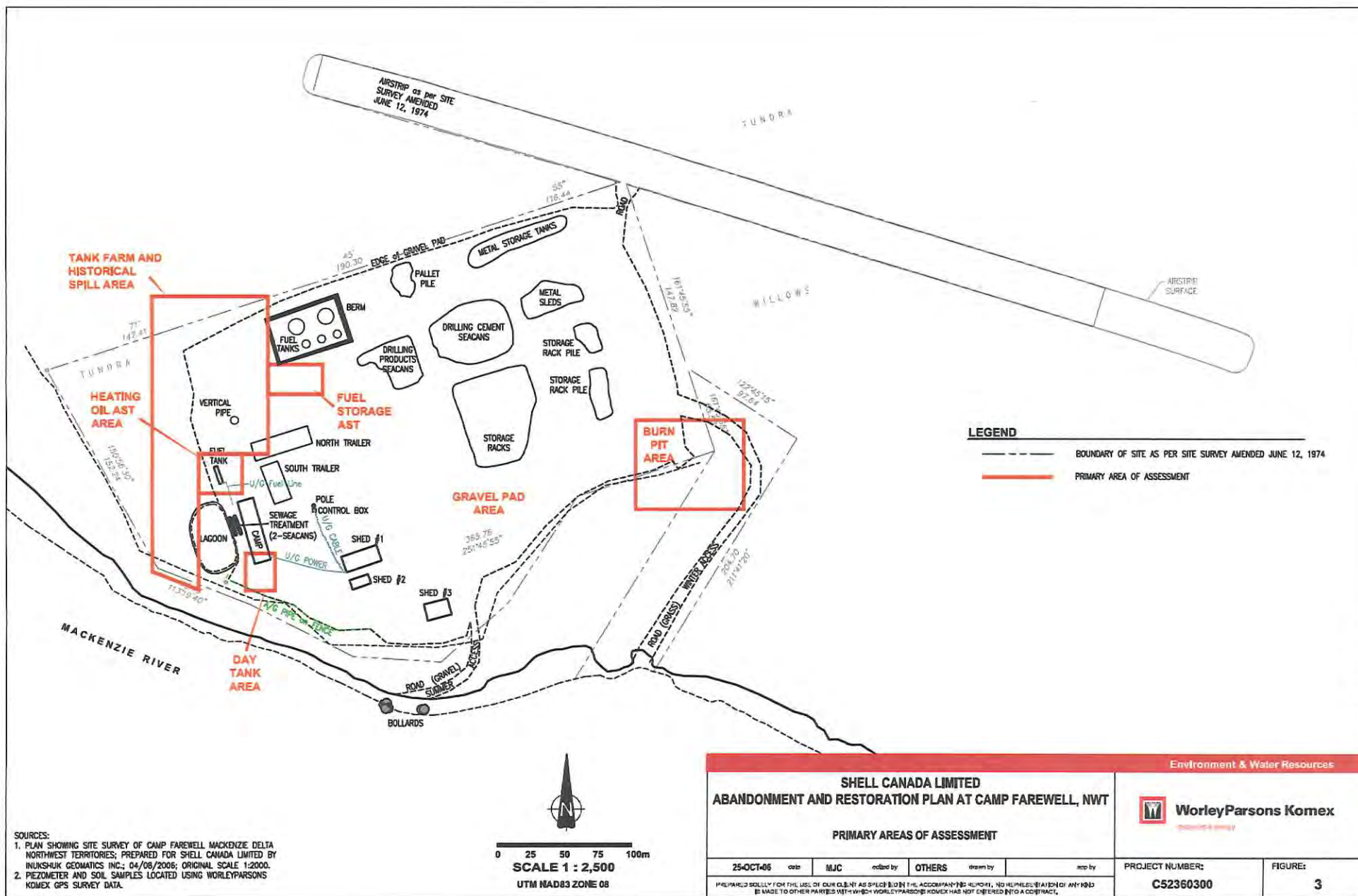
Environment & Water Resources

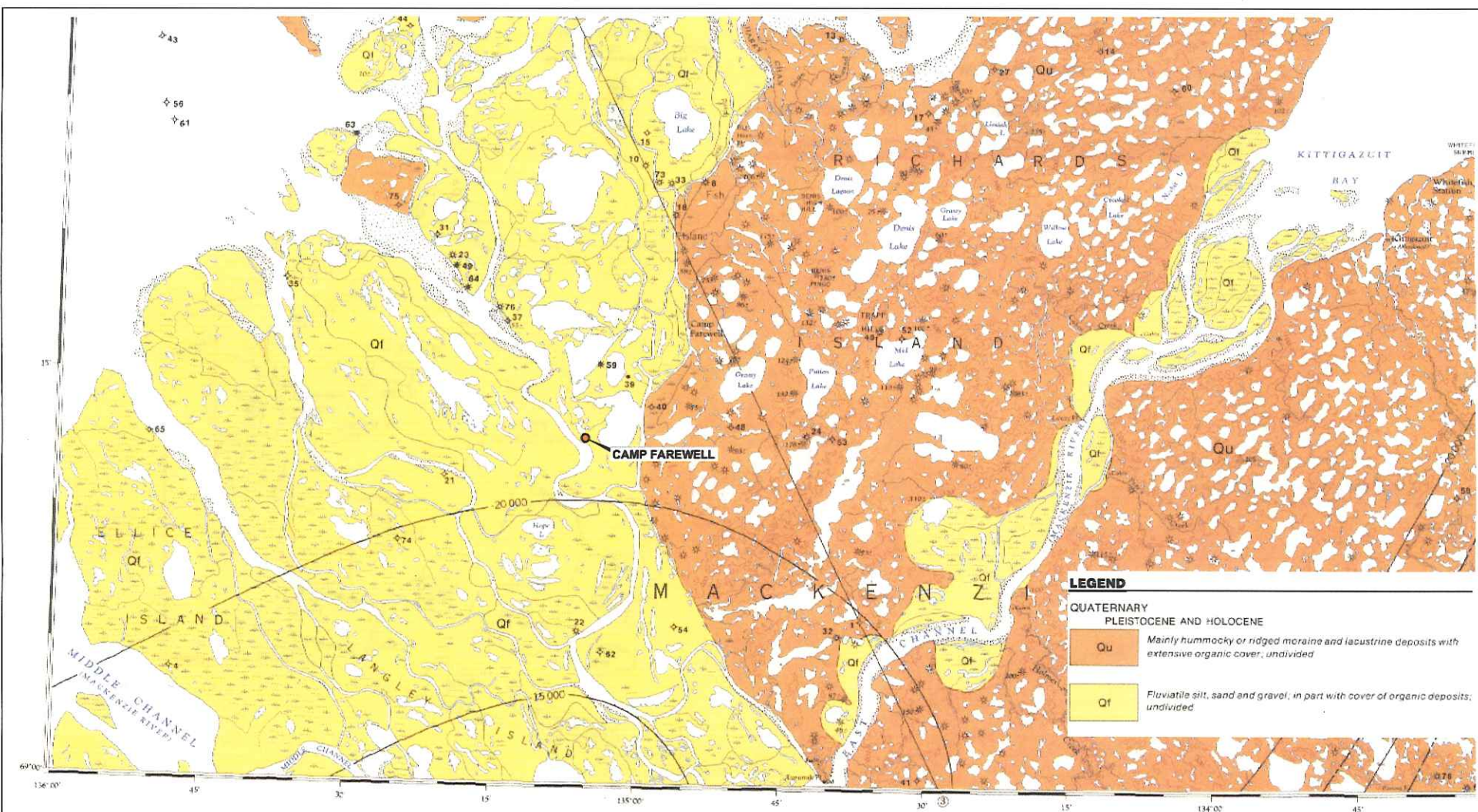


WorleyParsons Komex
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PROJECT NUMBER:
C52360300

FIGURE:
2





SOURCE:
MAP 1515A GEOLOGY/MACKENZIE DELTA; DISTRICT OF MACKENZIE; GEOLOGY BY D.K. NORRIS; 1975

0 5 10 km
SCALE 1 : 250,000
Transverse Mercator Projection

SHELL CANADA LIMITED
ABANDONMENT AND RESTORATION PLAN AT CAMP FAREWELL, NWT

GEOLOGY

25-OCT-06 date MJG edited by OTHERS drawn by app by

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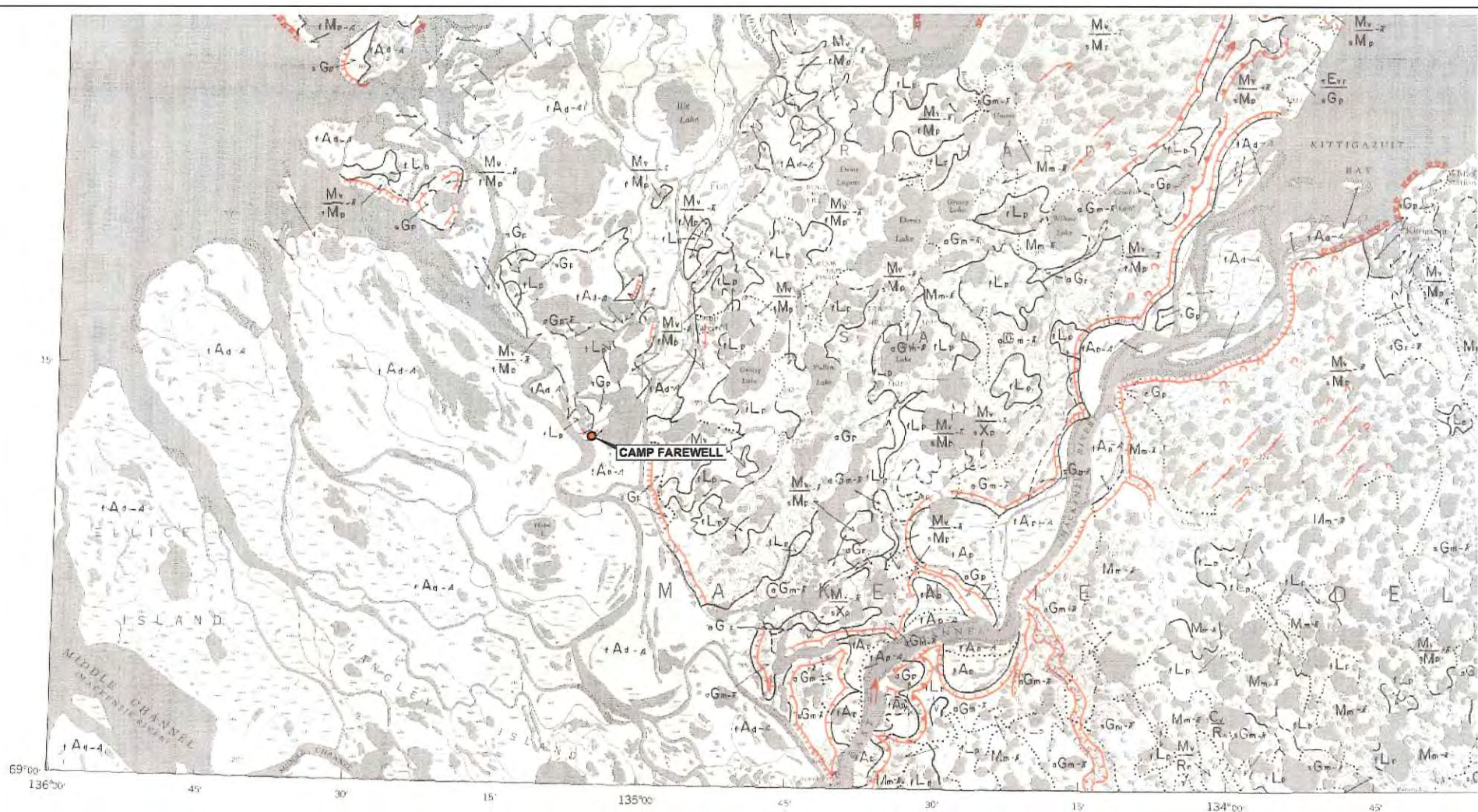
PROJECT NUMBER:
C52360300

FIGURE:
4

Issued By: Calgary CAO

FILE: J:\\$2360300\Geology.dwg

This is a PDF



0 5 10 km

SCALE 1 : 250,000

Transverse Mercator Projection

SOURCE:
MAP 32-1979 SURFICIAL GEOLOGY, MACKENZIE DELTA, DISTRICT OF MACKENZIE, GEOLOGY BY V.M. RAMPTON, 1974

SHELL CANADA LIMITED ABANDONMENT AND RESTORATION PLAN AT CAMP FAREWELL, NWT

SURFICIAL GEOLOGY

25-OCT-06 date MJC edited by OTHERS drawn by apa by
PREPARED SOLELY FOR THE USE OF OUR CLIENT AS SPECIFIED IN THE ACCOMPANYING REPORT. NO REPRESENTATION OF ANY KIND IS MADE TO OTHER PARTIES WITH WHICH WORLEYPARSONS KOMEX HAS NOT ENTERED INTO A CONTRACT.

Environment & Water Resources



WorleyParsons Komex
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PROJECT NUMBER:
C52360300

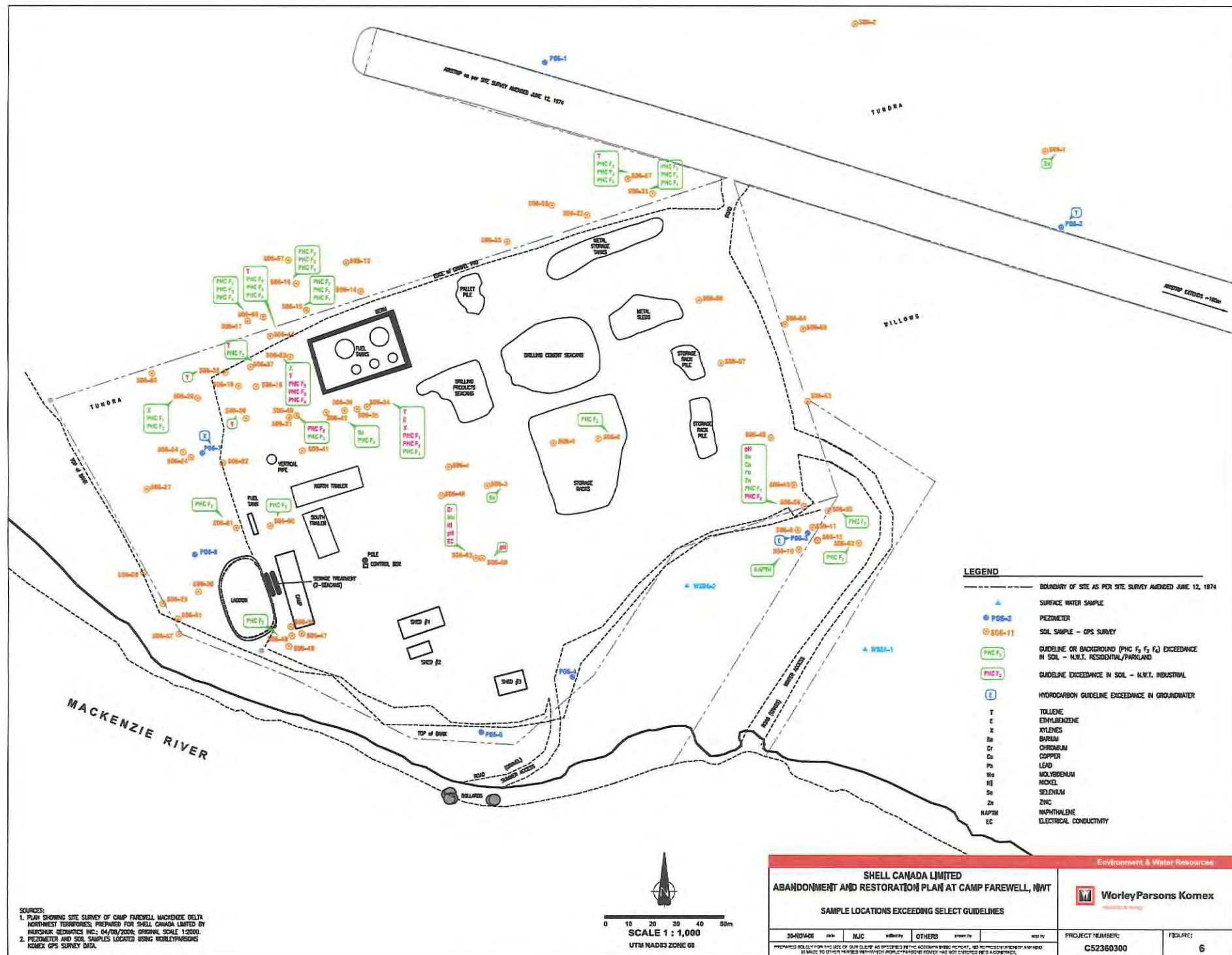
FIGURE:
5A

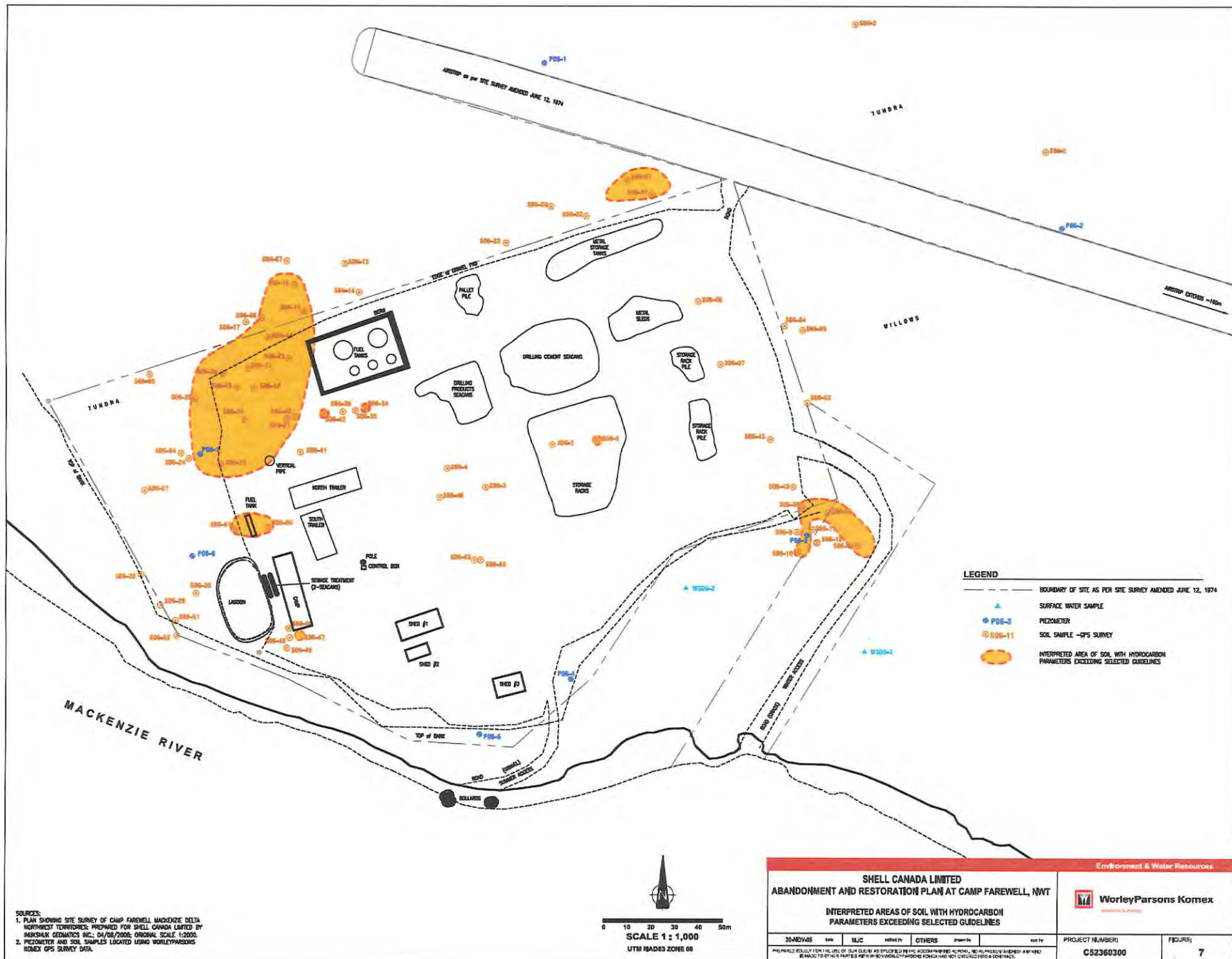
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FILE: \\232360300\Geology.dwg

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Photographs



PHOTO 1: Camp Farewell and local topography

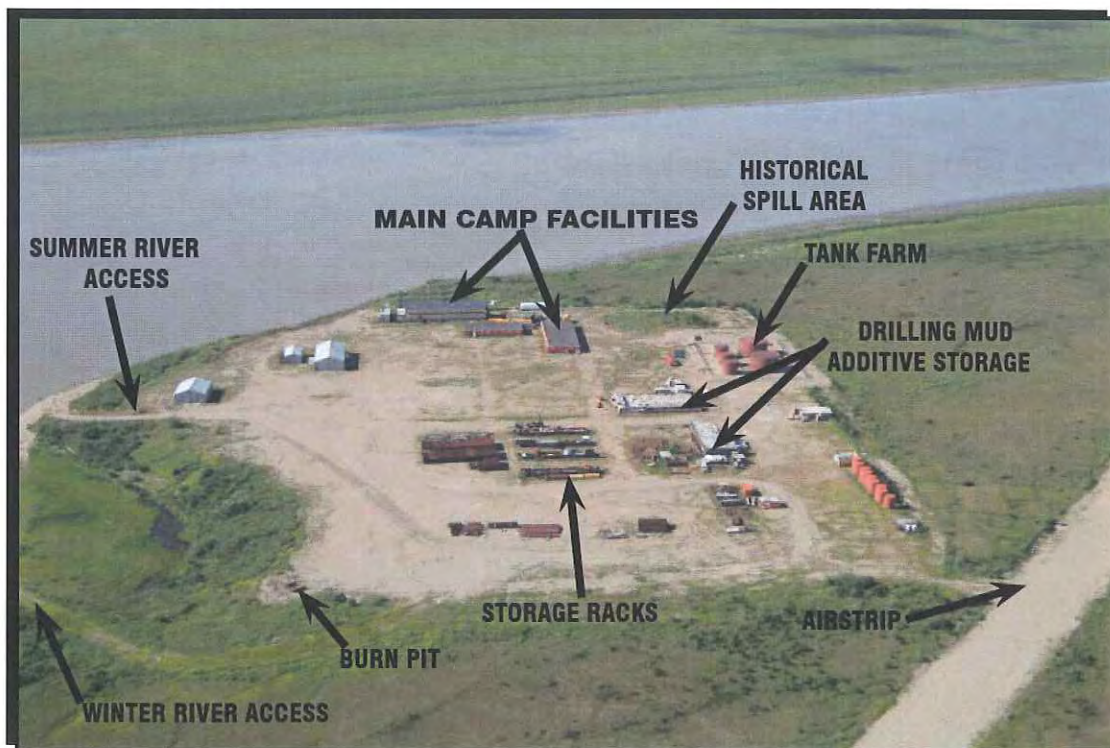


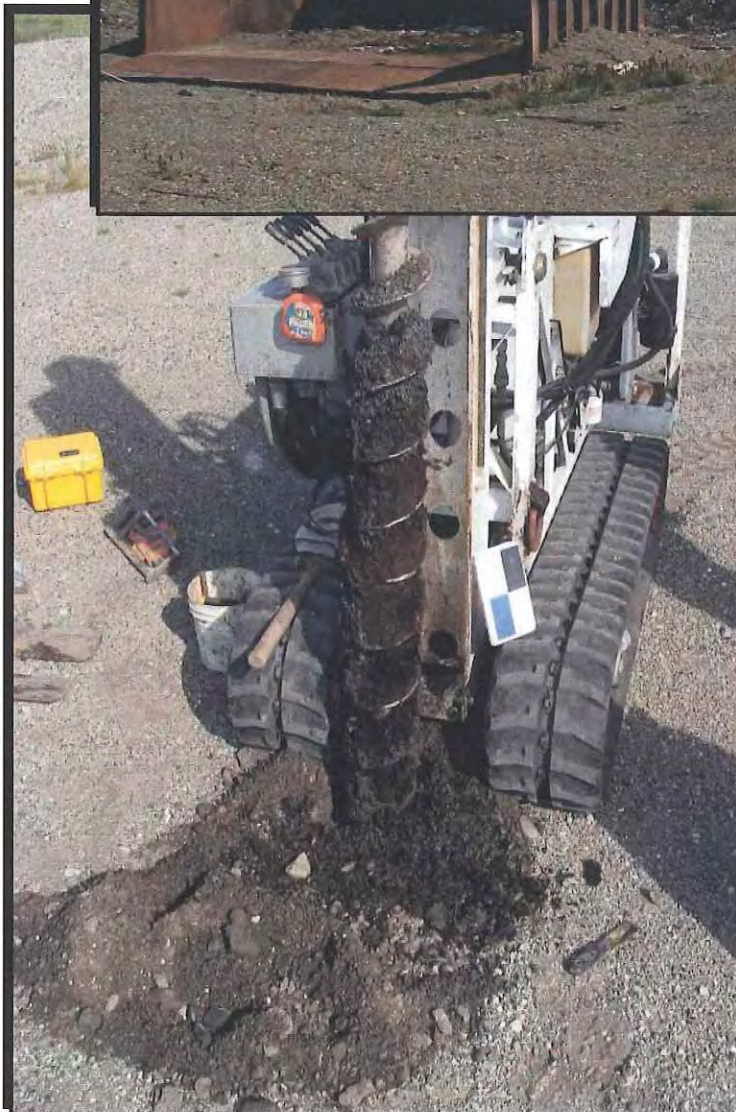
PHOTO 2: Camp Farewell with key operational areas



▲ PHOTO 3: Panorama view of Tank Farm and Historical Spill Area (View South to North)



▲ PHOTO 4: Burn Pit Area with location of S06-56



◀ PHOTO 5: 0.5-1.35m soil profile at S06-23. Note sheen at gravel fill interval and buried organic horizon

Appendices

Appendix I Water Licence – N7L1-1762 Renewal

NORTHWEST TERRITORIES WATER BOARD

Pursuant to the *Northwest Territories Waters Act* and Regulations the Northwest Territories Water Board, hereinafter referred to as the Board, hereby grants to

SHELL CANADA LIMITED

(Licensee)

400 - 4 Avenue S W.
P.O. Box 100, Station M
CALGARY, ALBERTA T2P 0J4

of

(Mailing Address)

hereinafter called the Licensee, the right to alter, divert or otherwise use water subject to the restrictions and conditions contained in the *Northwest Territories Waters Act* and Regulations made thereunder and subject to and in accordance with the conditions specified in this Licence.

Licence Number

N7L1-1762 RENEWAL

Licence Type

"B"

Water Management Area

NORTHWEST TERRITORIES 07

Location

"Camp Farewell"
Latitude 69°12'30" North
Longitude 135°06'04" West
MACKENZIE RIVER DELTA, N.W.T.

Purpose

TO USE WATER AND DISPOSE OF
WASTE FOR MUNICIPAL
UNDERTAKINGS AND ASSOCIATED
USES

Description

OIL AND GAS EXPLORATION

Quantity of Water Not to be Exceeded

150 CUBIC METRES DAILY

Effective Date of Licence

NOVEMBER 1, 2005

Expiry Date of Licence

OCTOBER 31, 2010

This Licence issued and recorded at Yellowknife includes and is subject to the annexed conditions.

NORTHWEST TERRITORIES WATER BOARD

Witness

Chairman

PART A: SCOPE AND DEFINITIONS**1. Scope**

- a) This Licence entitles Shell Canada Limited to use Water and dispose of Waste for municipal undertakings associated with oil and gas exploration and development in the Mackenzie Delta at Farewell Camp and Stockpile Site (Camp Farewell) located at Latitude 69°12'30" North, and Longitude 135°06'04" West, Northwest Territories;
- b) This Licence is issued subject to the conditions contained herein with respect to the taking of Water and the depositing of Waste of any type in any Waters or in any place under any conditions where such Waste or any other Waste that results from the deposits of such Waste may enter any Waters. Whenever new Regulations are made or existing Regulations are amended by the Governor in Council under the *Northwest Territories Waters Act*, or other statutes imposing more stringent conditions relating to the quantity or type of Waste that may be so deposited or under which any such Waste may be so deposited this Licence shall be deemed, upon promulgation of such Regulations, to be automatically amended to conform with such Regulations; and
- c) Compliance with the terms and conditions of this Licence does not absolve the Licensee from responsibility for compliance with the requirements of all applicable Federal, Territorial and Municipal legislation.

2. Definitions

In this Licence: **N7L1-1762**

"Act" means the *Northwest Territories Waters Act*;

"Analyst" means an Analyst designated by the Minister under Section 35(1) of the *Northwest Territories Waters Act*;

"Average Concentration For Faecal Coliform" means the geometric mean of any four consecutive analytical results submitted to the Board in accordance with the sampling and analysis requirements specified in the "Surveillance Network Program";

"Board" means the Northwest Territories Water Board established under Section 10 of the *Northwest Territories Waters Act*;

"Freeboard" means the vertical distance between water line and crest on a dam or dyke's upstream slope;

"Geotechnical Engineer" means a professional engineer registered with the Association of Professional Engineers, Geologists, and Geophysicists of the Northwest Territories and whose experience is the design and construction of earthworks in a permafrost environment;

"Greywater" means all liquid Wastes from showers, baths, sinks, kitchens and domestic washing facilities, but does not include toilet Wastes;

"Inspector" means an Inspector designated by the Minister under Section 35(1) of the *Northwest Territories Waters Act*;

"Licensee" means the holder of this Licence;

"Maximum Average Concentration" means the running average of any four (4) consecutive analytical results, or if less than four analytical results collected, and submitted to the Inspector in accordance with the sampling and analysis requirements specified in the "Surveillance Network Program";

"Minister" means the Minister of Indian Affairs and Northern Development;

"Modification" means an alteration to a physical work that introduces a new structure or eliminates an existing structure and does not alter the purpose or function of the work, but does include an expansion;

"Permeability" means the capacity to transmit water through a medium;

"Sewage" means all toilet Waste and greywater;

"Toilet Wastes" mean all human excreta and associated products, but does not include greywater;

"Regulations" mean Regulations proclaimed pursuant to Section 33 of the *Northwest Territories Waters Act*;

"Sewage Treatment Facilities" comprises the area and engineered structures designed to contain sewage as identified in the Project Description and also includes a Sump constructed of impervious material and/or with an impervious liner;

"Sump" means an excavation for the purpose of catching or storing Water and/or Waste;

"Waste" means Waste as defined by Section 2 of the *Northwest Territories Waters Act*; and

"Waters" mean Waters as defined by Section 2 of the *Northwest Territories Waters Act*.

PART B: GENERAL CONDITIONS

1. The Licensee shall file an Annual Report with the Board not later than March 31st of the year following the calendar year reported which shall contain the following information:
 - a) the total quantity in cubic metres of fresh Water obtained from all sources;
 - b) the total quantities in cubic metres of each and all Waste discharged;
 - c) the location and direction of flow of all Waste discharged to the Water;
 - d) the results of sampling carried out under the Surveillance Network Program;
 - e) a summary of any modifications carried out on the Water supply and Sewage Treatment Facilities, including all associated structures;
 - f) a list of spills and unauthorized discharges;
 - g) details on the restoration of any sumps;
 - h) any revisions to the approved Contingency Plan; and,
 - i) any other details on Water use or Waste disposal requested by the Board within forty-five (45) days before the annual report is due.
2. The Licensee shall comply with the "Surveillance Network Program" annexed to this Licence, and any amendment to the said "Surveillance Network Program" as may be made from time to time, pursuant to the conditions of this Licence.
3. The "Surveillance Network Program" and compliance dates specified in the Licence may be modified at the discretion of the Board.

4. The Licensee shall, within thirty (30) days of the issuance of the Licence, post the necessary signs to identify the stations of the "Surveillance Network Program". All postings shall be located and maintained to the satisfaction of an Inspector.
5. Meters, devices or other such methods used for measuring the volumes of Water used and Waste discharged shall be installed, operated and maintained by the Licensee to the satisfaction of an Inspector.
6. All monitoring data shall be submitted in printed form and electronically in spreadsheet format on a diskette or other electronic forms acceptable to the Board.
7. All reports shall be submitted to the Board in printed format accompanied by an electronic copy in a common word processing format on diskette or other electronic forms acceptable to the Board.
8. Within thirty (30) days of issuance of this Licence, pursuant to Section 17(1) of the Act and Section 12 of the Regulations, the Licensee shall have posted and shall maintain a security deposit of Two Million (\$2,000,000.00) Dollars in a form suitable to the Minister.
9. The Licensee shall ensure a copy of this Licence is maintained at the site of operation at all times.

PART C: CONDITIONS APPLYING TO WATER USE

1. The Licensee shall obtain Water from the Middle Channel of the Mackenzie River in winter or the unnamed lake north of the camp in summer as described in the project description, or as otherwise approved by an Inspector.
2. For lakes used as a Water source, a representative dissolved oxygen/temperature profile must be obtained prior to the initial Water withdrawal and prior to demobilization of the project for the year.

3. The Licensee is not permitted to remove more than five (5%) percent of the available under ice Water volume per lake as calculated using a maximum expected ice thickness of two (2) meters during a single winter season.
4. The daily quantity of Water used for all purposes shall not exceed 150 cubic metres.
5. The Water intake hose used on the Water pumps shall be equipped with a screen with a mesh size sufficient to ensure no entrainment of fish (2.54 mm).

PART D: CONDITIONS APPLYING TO WASTE DISPOSAL

1. The Licensee shall within thirty (30) days of the issuance of this Licence, submit to the Board for approval an updated Operation and Maintenance Plan for the Sewage and Solid Waste Treatment Facilities. This Plan shall include but not necessarily be limited to details on the design, operational capacity, management and maintenance, and disposal of sludges.
2. All Sewage shall be directed to the onsite Sewage Treatment Facilities as approved by an Inspector.
3. The Sewage Treatment Facilities shall be maintained and operated in such a manner as to prevent structural failure to the satisfaction of the Inspector.
4. All Waste discharged from the onsite Sewage Treatment Facilities shall be directed to the channel of the Mackenzie River at a location approved by an Inspector.
5. There shall be no discharge of floating solids, garbage, grease, free oil or foam.

6. All Sewage effluent discharged by the Licensee from the Sewage Treatment Facilities at "Surveillance Network Program" Station Number 1762-1 shall meet the following effluent quality requirements:

| Sample Parameter | Maximum Average Concentration |
|--|-------------------------------|
| Biological Oxygen Demand (BOD ₅) | 70.0 mg/L |
| Total Suspended Solids (TSS) | 70.0 mg/L |
| Faecal Coliforms | 10E4 CFU/dL |
| Oil and Grease | 5.0 mg/L |
| Total Residual Chlorine (TRC) | 0.1 mg/L |

The Waste discharged shall have a pH between 6 and 9.

7. Introduction of Water to Waste for the purpose of achieving effluent quality requirements in Part D, Item 5 is prohibited.
8. The Licensee shall dispose of all solid Wastes in a manner acceptable to the Inspector.
9. A freeboard limit of 1.0 metre shall be maintained at all times in the Sump, part of the Sewage Treatment Facilities, or as recommended by a Geotechnical Engineer and or as approved by the Board.
10. The Licensee may commence decanting upon receipt of an Inspector's approval.
11. All analyses shall be conducted in accordance with methods prescribed in the current edition of "Standard Methods for the Examination of Water and Wastewater" or by such other methods as may be approved by an Analyst.

PART E: CONDITIONS APPLYING TO MODIFICATIONS

1. The Licensee may, without written approval from the Board, carry out Modifications to the planned undertakings provided that such Modifications are consistent with the terms of this Licence and the following requirements are met:
 - a) the Licensee has notified an Inspector in writing of such proposed Modifications at least five (5) days prior to beginning the Modifications;
 - b) such Modifications do not place the Licensee in contravention of either this Licence or the Act;
 - c) an Inspector has not, during the five (5) days following notification of the proposed Modifications, informed the Licensee that review of the proposal will require more than five (5) days; and
 - d) an Inspector has not rejected the proposed Modifications.
2. Modifications for which all of the conditions referred to in Part E, Item 1 have not been met may be carried out only with written approval from an Inspector.
3. The Licensee shall provide to the Board as-built plans and drawings of the Modifications referred to in this Licence within ninety (90) days of completion of the Modifications.

PART F: CONDITIONS APPLYING TO CONTINGENCY PLANNING

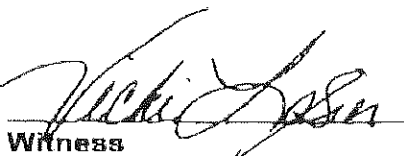
1. The Licensee shall submit to the Board for approval within thirty (30) days of the issuance of this Licence an updated Emergency Response & Spill Contingency Plan.
2. The Licensee will maintain a copy of the approved Emergency Response & Spill Contingency Plan onsite in a readily available location, to the satisfaction of an Inspector.

3. The Licensee shall ensure that petroleum products, hazardous material and other Wastes associated with the project do not enter any Waters.
4. The Licensee shall ensure that all containment berms are constructed of an impermeable material, to the satisfaction of an Inspector.
5. The Licensee shall ensure that fuel stored in each tank within the tank farm be no greater than 85% of the tank's capacity to allow for expansion and avoid overflows.
6. If, during the period of this Licence, an unauthorized discharge of Waste occurs, or if such a discharge is foreseeable, the Licensee shall:
 - a) report the incident immediately via the 24 Hour Spill Reporting Line (867) 920-8130; and
 - b) submit to an Inspector a detailed report on each occurrence not later than thirty (30) days after initially reporting the event.

PART G: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION

1. The Licensee shall submit to the Board for approval within one (1) year of issuance of this Licence, an updated Interim Abandonment and Restoration Plan including a complete Phase II Environmental Assessment of Camp Farewell. This assessment will include the full delineation of contamination (soil and Water) associated with Camp Farewell operations, located both on and off the gravel base pad. The Licensee shall implement this Plan as and when approved by the Board.
2. The Licensee shall review the Interim Abandonment and Restoration Plan every two (2) years and shall modify the Plan as necessary to reflect changes in operations and technology. All proposed modifications to the Plan shall be submitted to the Board for approval.

NORTHWEST TERRITORIES WATER BOARD


Witness


Chairman

NORTHWEST TERRITORIES WATER BOARD

LICENSEE: Shell Canada Limited

LICENCE NUMBER: N7L1-1762

EFFECTIVE DATE OF LICENCE: November 1, 2005

**EFFECTIVE DATE OF
SURVEILLANCE NETWORK PROGRAM:** November 1, 2005

SURVEILLANCE NETWORK PROGRAM

A. Location of Sampling Stations

| <u>Station Number</u> | <u>Description</u> |
|-----------------------|--|
| 1762-1 | Treated Sewage at the Point of Discharge |

B. Sampling and Analysis Requirements

1. Water at Station Number 1762-1, shall be sampled every two weeks, and analyzed for the following parameters:

BOD₅
Oil and Grease
Ammonia
Phosphorus

Method 4500

Total Suspended Solids
Faecal Coliforms
pH - Method 4500
Total Residual Chlorine

Method 4500 - Cl

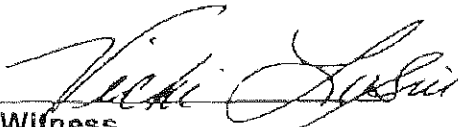
2. More frequent sample collection maybe required at the request of an Inspector.

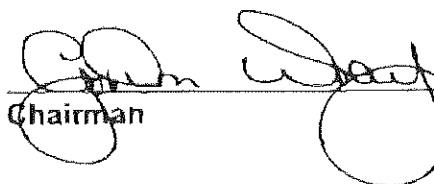
3. All sampling, sample preservation, and analyses shall be conducted in accordance with methods prescribed in the current edition of "Standard Methods for the Examination of Water and Wastewater", or by such other methods approved by an Analyst.
4. All analyses shall be performed in a laboratory approved by an Analyst.
5. The Licensee shall, by December 31st, 2005, submit to an Analyst for approval a Quality Assurance/Quality Control Plan.
6. The Plan referred to in Part B, Item 5 shall be implemented as approved by an Analyst.

C. Reports

1. The Licensee shall, within thirty (30) days following the month being reported, submit to the Board all data and information required by the "Surveillance Network Program" including the results of the approved Quality Assurance Plan.

NORTHWEST TERRITORIES WATER BOARD


Witness


Chairman

Appendix II Lease 107 C/4-2-10 and 107 C/4-1-7

Schedule "A"



Indian and Northern Affairs Canada
Affaires Indiennes et du Nord Canada

DUPLICATE

EX-105
Dac 31/2008

SF: 2726-02

Replacement of
Lease No.: 107 C/4-2-9
Lease No.: 107 C/4-2-10
File No.: 107 C/4-2

THIS LEASE made this 26th day of April, 1999

BETWEEN

Her Majesty the Queen in right of Canada, hereinafter called "Her Majesty"

OF THE FIRST PART

AND

SHELL CANADA LIMITED, a body corporate, incorporated under the Laws of Canada, having a registered office in the City of Calgary, in the Province of Alberta,

hereinafter called "the lessee"

OF THE SECOND PART

WITNESSETH that in consideration of the rents, covenants and agreements herein reserved and contained on the part of the lessee to be paid, observed and performed, and subject to the Territorial Lands Act and the Territorial Lands Regulations, Her Majesty demises and leases unto the lessee all that certain parcel or tract of land situate, lying and being composed of all those parcels of land designated as "A", "B" and "C", at Farewell, located at approximately on 69°12'30" North Latitude and 115°06'04" West Longitude, in Quid 107 C/4, in the Northwest Territories, as shown outlined in red on the sketch plan annexed hereto and forming part of this description,

hereinafter called "the land", SUBJECT TO the following reservations:

Initial 

Canada

DUPLICATE

Lease No.: 107 C/4-2-10

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- (a) all mines and minerals whether solid, liquid or gaseous which may be found to exist within, upon, or under the land together with the full powers to work the same and for that purpose to enter upon, use and occupy the land or so much thereof and to such an extent as may be necessary for the effectual working and extracting of the said minerals;
- (b) the rights of the recorded holders of mineral claims and any other claims or permits affecting the land;
- (c) all timber that may be on the land;
- (d) the right to enter upon, work and remove any rock outcrop required for public purposes;
- (e) such right or rights of way and of entry as may be required under regulations in force in connection with the construction, maintenance and use of works for the conveyance of water for use in mining operations; and
- (f) the right to enter upon the land for the purpose of installing and maintaining any public utility.

THE PARTIES COVENANT AND AGREE AS FOLLOWS:

DEFINITIONS:

1. In this lease:

- (a) "Minister" means the Minister of Indian Affairs and Northern Development and any person authorized by him in writing to act on his behalf;
- (b) "facilities" means all physical structures or appurtenances placed in or upon the land;
- (c) "construction" means all manner of disturbance of the natural state of the surface of the land, including the sub-surface and sub-strata;
- (d) "Surveyor General" means the Surveyor General as defined in the Canada Lands Surveys Act;
- (e) "body of water" means any lake, river, stream, swamp, marsh, channel, gully, coulee or draw that continuously or intermittently contains water;

TERM:

2. The term of this lease shall be for a period of Ten (10) years commencing on the 1st day of January, A.D. 1999 and terminating on the 31st day of December A.D. 2008.

RENT AND TAXES:

3. Subject to Clause 4, the lessee shall pay to the lessor yearly and every year in advance the rental of Three hundred and sixty (\$360.00) dollars. *Proviso -> J. G. Chalmers*

Initial

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Lease No.: 107 C/4-2-10

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4. The Minister may, not less than three (3) months before the expiration of the first five (5) year period of the said term, notify the lessee in writing of an amended rental payment for the following five (5) year period, the said amended rental to be based upon the fair appraised value of the land at the time of such notification, but without taking into account the value of any improvements placed thereon by and at the expense of the lessee.
5. The lessee shall during the term of this lease, pay all taxes, rates and assessments charged upon the land or upon the lessee in respect thereof.

USE:

6. The lessee shall use the land for SINGING AREA, FUEL STORAGE, EQUIPMENT AND MATERIAL STORAGE AND BASE CAMP purposes only.

SUBLETTING OR ASSIGNMENTS:

7. The lessee shall not sublet the land or assign or transfer this lease or any portion thereof without the consent of the Minister in writing, which consent shall not be unreasonably withheld. Such consent shall not be required in the event of the lessee mortgaging or pledging the rights and privileges granted herein to secure the payment of any bonds or other indebtedness of the lessee, or to any assignment made to or by any securing holder as a result of default by the lessee under any mortgage or pledge; however, copies of any such instruments must be forwarded to the Minister.

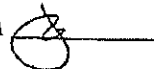
BREACH:

8. Where any portion of the rental herein reserved is unpaid for more than thirty (30) days after it becomes due, whether formally demanded or not, the Minister may by notice in writing terminate this lease and on the day following the mailing of such notice, this lease is cancelled.
9. Where the lessee breaches or fails to perform or observe any of the covenants, terms, conditions or agreements herein contained, other than the covenant to pay rent, the Minister may so advise the lessee by written notice and if the lessee fails to remedy the breach or non-performance within a reasonable time thereafter or within the time granted in the said notice, the Minister may, by notice in writing, terminate this lease and on the day following the mailing of such notice, this lease is cancelled.
10. Unless a waiver is given in writing by the Minister, Her Majesty will not be deemed to have waived any breach or non-performance by the lessee of any of the covenants, terms, conditions or agreements herein contained and a waiver affects only the specific breach to which it refers.

TERMINATION:

11. Upon the termination or expiration of this lease, the lessee shall deliver up possession of the land in a condition satisfactory to the Minister.

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Lease No.: 107 C/4-2-10

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12. Termination or expiration of this lease will not prejudice Her Majesty's right to unpaid rental or any other right with respect to a breach or non-performance of any covenant, term, condition or agreement herein contained nor will the lessee be relieved of any obligation contained herein.

RESTORATION:

13. Where the lessee fails to restore the land as required and within the time allowed by the Regulations or by the Minister, the Minister may order the restoration of all or any part of such land and any expenses thus incurred by the Minister shall be recoverable from the lessee as a debt due to Her Majesty.

WASTE DISPOSAL:

14. The lessee shall dispose of all garbage and debris by incinerating all combustible materials and burying all noncombustible materials in a manner and at a site approved by the Minister, or by removal to an approved dumping site.
15. The lessee shall dispose of human waste in a manner satisfactory to the Minister.
16. The lessee shall not discharge or deposit any refuse substances or other waste materials in any body of water, or the banks thereof, which will, in the opinion of the Minister, impair the quality of the waters or the natural environment and any areas designated for waste disposal shall not be located within thirty-one (31) metres of the ordinary high water mark of any body of water, unless otherwise authorized by the Minister.

ENVIRONMENTAL:

17. The lessee shall at all times keep the land in a condition satisfactory to the Minister.
18. The lessee shall not do anything which will cause erosion of the banks of any body of water on or adjacent to the land, and shall provide necessary controls to prevent such erosion.
19. The lessee shall not unduly interfere with the natural drainage pattern of the land, except with the permission of the Minister.

FUEL AND HAZARDOUS CHEMICALS:

20. The lessee shall take all reasonable precautions to prevent the possibility of migration of spilled petroleum fuel over the ground surface or through seepage in the ground by:

- (i) constructing a dyke around any stationary petroleum fuel container where the container has a capacity exceeding four thousand (4,000) litres; and
- (ii) ensuring that the dyke(s) and the area enclosed by the dyke(s) is impervious to petroleum products at all times; and
- (iii) ensuring that the volumetric capacity of the dyked area shall, at all times, be equal to the capacity of the largest petroleum fuel container plus ten (10) percent of the total displacement of all other petroleum fuel containers placed therein; or

such other alternate specifications submitted by the lessee that may be approved, in writing, by the Minister.

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DUPLICATE

Lease No.: 107 C/4-2-10

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21. The lessee shall ensure that fuel storage containers are not located within thirty-one (31) metres of the ordinary high water mark of any body of water unless otherwise authorized by the Minister.
22. The lessee shall mark with flags, posts or similar devices all petroleum fuel storage facilities, including fill and distribution lines, such that they are clearly visible at all times.
23. The lessee shall immediately report all spills of petroleum and hazardous chemicals in accordance with the Government of the Northwest Territories Spill Report and any amendments thereto, or in a manner satisfactory to the Minister.
24. The lessee shall take all reasonable precautions to prevent the migration of petroleum products into bodies of water.
25. The lessee shall, within six (6) months of the execution of this lease deliver to the Minister, for his approval, an Oil Spill Contingency Plan and shall maintain the provisions of the said Plan, and any modifications approved by the Minister, throughout the term of this lease. *prob not* *Sch. must have con plan impl.*
26. *would be starting agreement* The lessee shall handle, store, dispose and keep records of all hazardous and toxic chemicals in a manner satisfactory to the Minister.
27. The fuel storage facilities of the lessee, including all tanks, bladders, hoses, pumps, fuel transfer lines and associated mechanical connections and valves shall be installed and maintained to the satisfaction of the Minister and the lessee agrees to make such reasonable modifications and improvements as are deemed necessary by the Minister.

IMPROVEMENTS:

28. The lessee is responsible for ensuring that all improvements to the land are made within the boundaries of the land.
29. The lessee shall maintain the existing improvements now situated on the land on the effective date of this lease, or any similar improvements which may be constructed, in a manner and condition satisfactory to the Minister.
30. The lessee shall not construct any facilities within thirty-one (31) metres of the ordinary high water mark of any body of water without the written approval of the Minister.

BOUNDARIES/SURVEY:

31. Her Majesty is not responsible for the establishment on the ground of the boundaries of the land.
32. The boundaries of the land are subject to such adjustment and alteration as may be shown to be necessary by survey.

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Lease No.: 107 C/4-2-10

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32. The Minister may, during the term herein granted, by notice in writing, order the lessee to survey the boundaries of the land and the lessee shall, at its own expense, within one (1) year from the date of said notice, make or cause to be made a survey of the land, such survey to be made in accordance with the instructions of the Surveyor General, and upon completion of the survey and the production of survey plans suitable for recording in the Canada Lands Surveys Records and filing in the Land Titles Office for the Northwest Territories Land Registration District, Her Majesty will execute an Indenture in amendment of this lease for the purpose of incorporating herein descriptions of the land based on the said plans.

ACCESS:

33. Her Majesty assumes no responsibility, express or implied, to provide access to the land.
34. It shall be lawful for Her Majesty or any person duly authorized at all reasonable times to enter upon the land for the purpose of examining the condition thereof.
35. The Minister may grant to such persons as he may consider fit, rights-of-way or access across, through, under or over all or any portion of the land for any purpose whatsoever, but such rights-of-way or access will not unreasonably interfere with the rights granted to the lessee hereunder, or with any improvements made by the lessee on the land.

INDemnIFICATION:

36. The lessee will not be entitled to compensation from Her Majesty by reason of the land or any portion thereof being submerged, damaged by erosion, or otherwise affected by flooding.
37. Her Majesty will not be liable for damages caused by vandalism or interference by others with the lessee's facilities and equipment.
38. The lessee shall at all times hereafter indemnify and keep Her Majesty indemnified against all claims, demands, actions or other legal proceedings by whomsoever made or brought against Her Majesty by reason of anything done or omitted to be done by the lessee, his officers, servants, agents or employees arising out of or connected with the granting of this lease.

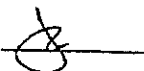
REVIEW:

39. At the request of the lessee, any decision of the Minister will be reviewable by the Trial Division of the Federal Court of Canada; costs of such review are the responsibility of the lessee unless otherwise ordered by the Court.

NOTICES:

40. All written notices respecting the land or the covenants, terms, conditions or agreements contained in this lease shall, unless otherwise stipulated herein, be deemed to have been received by the lessee ten (10) days after the mailing thereof or, if hand delivered, on the day of delivery.

Initial



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Lease No.: 107 C/4-2-10

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41. Any notice affecting this lease which Her Majesty may desire to serve upon the lessee, or any notice which the lessee may desire to serve upon Her Majesty shall, unless otherwise stipulated herein, be sufficiently served if posted by registered mail to the last known address of the opposite party as follows:

To Her Majesty: Director of Operations
Northwest Territories Region
Northern Affairs Program
Department of Indian Affairs and Northern
Development
P.O. Box 1500
Yellowknife, N.W.T.
X1A 2R3

To the Lessee: Shell Canada Limited
P.O. Box 100
Calgary, AB
T2P 2H5

Either party may change its address for service during the term of this lease by notifying the other party in writing.

42. No notice of breach or default given herein by Her Majesty shall be valid or of any effect unless it is also given to any mortgagee of the lessee, in respect of the leased lands, of which Her Majesty shall have received written notice.

GENERAL:

43. The lessee shall abide by the said Act and Regulations.
44. This lease endures to the benefit of and is binding upon Her Majesty, Her Heirs and Successors and the lessee, its successors and assigns.
45. No implied covenant or implied liability on the part of Her Majesty is created by the use of the words "demises and leases" herein.
46. If an archaeological site is discovered within the land, the lessee shall immediately advise the Minister in writing of such a discovery and shall take all reasonable precautions necessary to prevent any further disturbance or destruction of such site.

Initial



DUPLICATE

Lease No.: 107 C/4-2-10

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IN WITNESS WHEREOF The Director of Operations, Northwest Territories Region, Northern Affairs Program, Department of Indian Affairs and Northern Development, has hereunto set his hand and seal on behalf of Her Majesty the Queen in right of Canada and Shell Canada Limited, has hereunto affixed its corporate seal attested to by its proper officers duly authorized in that behalf.

SIGNED, SEALED AND DELIVERED on behalf
of Her Majesty by The Director of
Operations, Northwest Territories Region,
Department of Indian Affairs and
Northern Development, in the presence of

COOPER M. S. B. C.
Director's Witness

SEALED, ATTESTED TO AND DELIVERED

by the

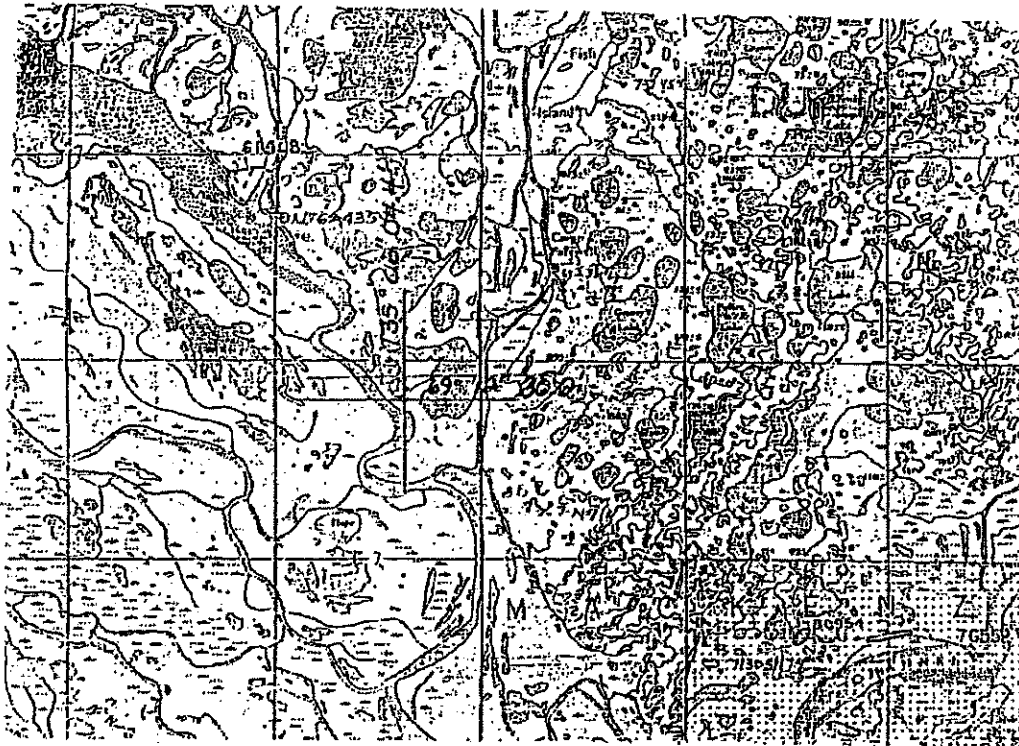
and the

of Shell Canada Limited

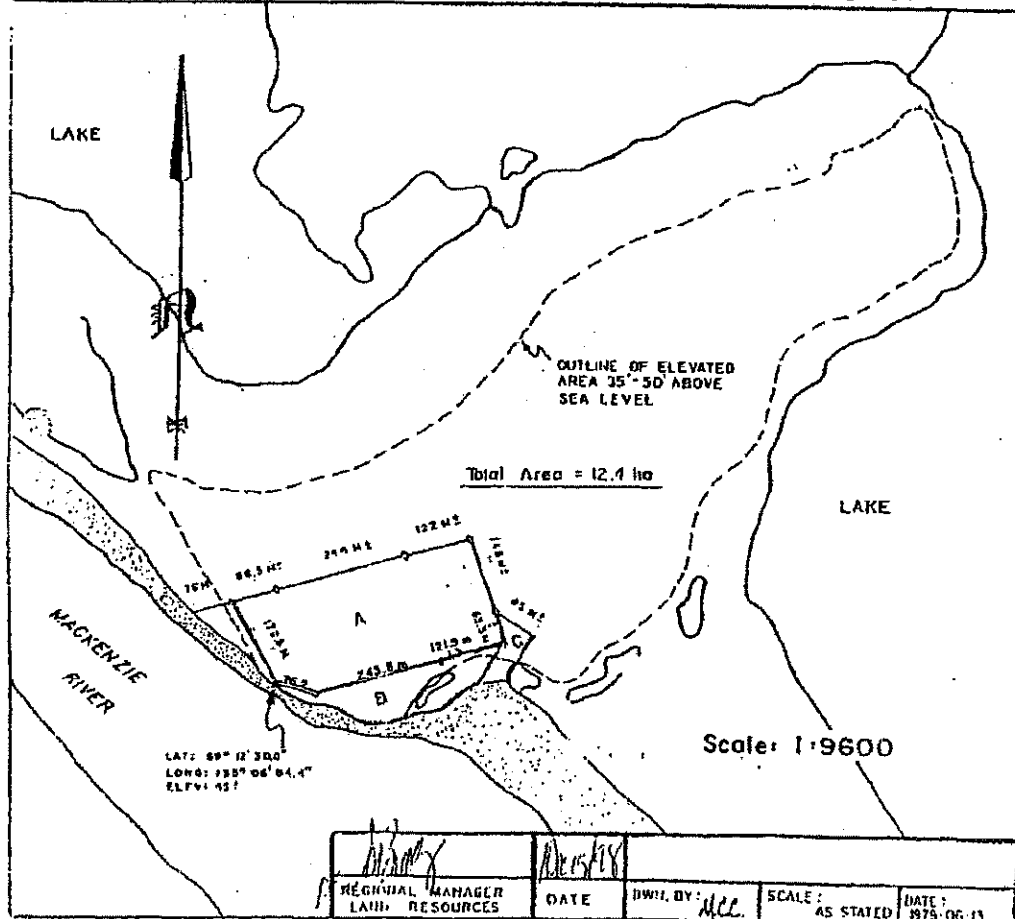
[Signature] (SEAL)
Director's Signature

SHELL CANADA LIMITED

[Signature] (SEAL) *AN*
JANE M. COULL
Assistant Secretary (SEAL)



ANNEXED HERETO AND FORMING PART OF LEASE 107C/4-2-10





Indian and Northern Affairs Canada
Affaires Indiennes et du Nord Canada

SF:2726-07

DUPLICATE

ORIGINAL COPY

Replacement of
Lease No.: 107 C/4-1-6
Lease No.: 107 C/4-1-7
File No.: 107 C/4-1

THIS LEASE made this 20th day of APRIL, 1999

BETWEEN

Her Majesty the Queen in right of Canada, hereinafter called "Her Majesty"

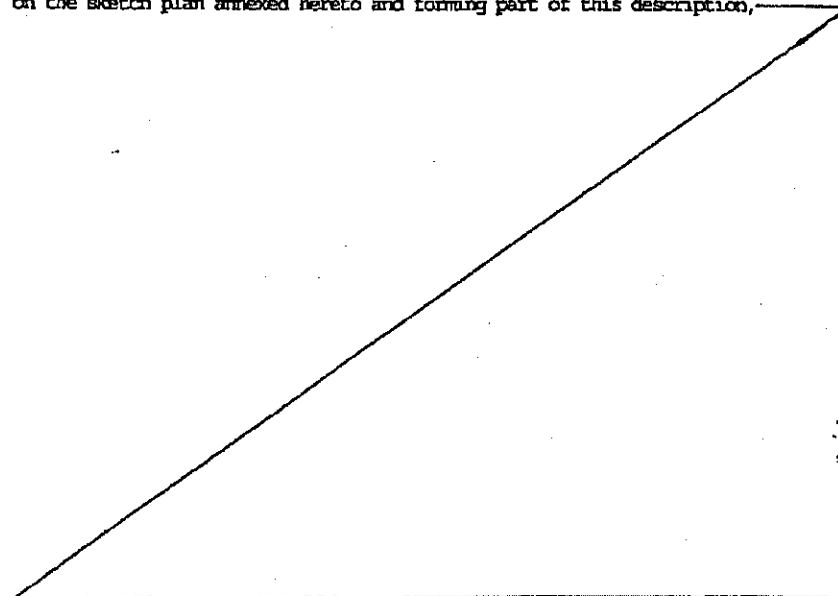
OF THE FIRST PART

AND SHELL CANADA LIMITED, a body corporate, incorporated under the Laws of Canada, having a registered office in the City of Calgary, in the Province of Alberta,

hereinafter called "the lessee"

OF THE SECOND PART

WITNESSETH that in consideration of the rents, covenants and agreements herein reserved and contained on the part of the lessee to be paid, observed and performed, and subject to the Territorial Lands Act and the Territorial Lands Regulations, Her Majesty demises and leases unto the lessee all that certain parcel or tract of land situate, lying and being composed of all that parcel of land at Farewell, located at approximately on 69°12'30" North Latitude and 135°06'04" West Longitude, in QUAD 107 C/4, in the Northwest Territories, as shown outlined in red on the sketch plan annexed hereto and forming part of this description,



hereinafter called "the land", SUBJECT TO the following reservations:

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- (a) all mines and minerals whether solid, liquid or gaseous which may be found to exist within, upon, or under the land together with the full powers to work the same and for that purpose to enter upon, use and occupy the land or so much thereof and to such an extent as may be necessary for the effectual working and extracting of the said minerals;
- (b) the rights of the recorded holders of mineral claims and any other claims or permits affecting the land;
- (c) all timber that may be on the land;
- (d) the right to enter upon, work and remove any rock outcrop required for public purposes;
- (e) such right or rights of way and of entry as may be required under regulations in force in connection with the construction, maintenance and use of works for the conveyance of water for use in mining operations; and
- (f) the right to enter upon the land for the purpose of installing and maintaining any public utility.

THE PARTIES COVENANT AND AGREE AS FOLLOWS:

DEFINITIONS:

1. In this lease:

- (a) "Minister" means the Minister of Indian Affairs and Northern Development and any person authorized by him in writing to act on his behalf;
- (b) "facilities" means all physical structures or appurtenances placed in or upon the land;
- (c) "construction" means all manner of disturbance of the natural state of the surface of the land, including the sub-surface and sub-strata;
- (d) "Surveyor General" means the Surveyor General as defined in the Canada Lands Surveys Act;
- (e) "body of water" means any lake, river, stream, swamp, marsh, channel, gully, coulee or draw that continuously or intermittently contains water;
- (f) "airstrip" means any area, either water or land, which is adapted for the take off and landing of aircraft and which provides facilities for the shelter and repair of aircraft, or for the regular receiving and discharging of passengers or cargo;

Term:

2. The term of this lease shall be for a period of Ten (10) years commencing on the 1st day of January, A.D. 1999 and terminating on the 31st day of December A.D. 2008.

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RENT AND TAXES:

3. Subject to Clause 4, the lessee shall pay to the lessor yearly and every year in advance the rental of One Hundred and Fifty (\$150.00) dollars.
4. The Minister may, not less than three (3) months before the expiration of the first five (5) year period of the said term, notify the lessee in writing of an amended rental payment for the following five (5) year period, the said amended rental to be based upon the fair appraised value of the land at the time of such notification, but without taking into account the value of any improvements placed thereon by and at the expense of the lessee.
5. The lessee shall during the term of this lease, pay all taxes, rates and assessments charged upon the land or upon the lessee in respect thereof.

USE:

6. The lessee shall use the land for the location of an AIRSTRIP only.

SUBLETTING OR ASSIGNMENTS:

7. The lessee shall not sublet the land or assign or transfer this lease or any portion thereof without the consent of the Minister in writing, which consent shall not be unreasonably withheld.

BREACH:

8. Where any portion of the rental herein reserved is unpaid for more than thirty (30) days after it becomes due, whether formally demanded or not, the Minister may by notice in writing terminate this lease and on the day following the mailing of such notice, this lease is cancelled.
9. Where the lessee breaches or fails to perform or observe any of the covenants, terms, conditions or agreements herein contained, other than the covenant to pay rent, the Minister may so advise the lessee by written notice and if the lessee fails to remedy the breach or non-performance within a reasonable time thereafter or within the time granted in the said notice, the Minister may, by notice in writing, terminate this lease and on the day following the mailing of such notice, this lease is cancelled.
10. Unless a waiver is given in writing by the Minister, Her Majesty will not be deemed to have waived any breach or non-performance by the lessee of any of the covenants, terms, conditions or agreements herein contained and a waiver affects only the specific breach to which it refers.

TERMINATION:

11. Upon the termination or expiration of this lease, the lessee shall deliver up possession of the land in a condition satisfactory to the Minister.

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12. Termination or expiration of this lease will not prejudice Her Majesty's right to unpaid rental or any other right with respect to a breach or non-performance of any covenant, term, condition or agreement herein contained nor will the lessee be relieved of any obligation contained herein.

RESTORATION:

13. Where the lessee fails to restore the land as required and within the time allowed by the Regulations or by the Minister, the Minister may order the restoration of all or any part of such land and any expenses thus incurred by the Minister shall be recoverable from the lessee as a debt due to Her Majesty.

WASTE DISPOSAL:

14. The lessee shall remove all garbage and debris from the land to an authorized dumping place.

ENVIRONMENTAL:

15. The lessee shall at all times keep the land in a condition satisfactory to the Minister.

FUEL AND HAZARDOUS CHEMICALS:

16. The lessee shall ensure that fuel storage containers are not located within thirty-one (31) metres of the ordinary high water mark of any body of water unless otherwise authorized by the Minister.
17. The lessee shall mark with flags, posts or similar devices all petroleum fuel storage facilities, including fill and distribution lines, such that they are clearly visible at all times.
18. The lessee shall immediately report all spills of petroleum and hazardous chemicals in accordance with the Government of the Northwest Territories Spill Report and any amendments thereto, or in a manner satisfactory to the Minister.
19. The lessee shall prevent the possibility of migration of spilled fuel over the ground surface or through seepage in the ground.
20. The lessee shall take all reasonable precautions to prevent the migration of petroleum products into bodies of water.
21. The fuel storage facilities of the lessee, including all tanks, bladders, hoses, pumps, fuel transfer lines and associated mechanical connections and valves shall be installed and maintained to the satisfaction of the Minister and the lessee agrees to make such reasonable modifications and improvements as are deemed necessary by the Minister.

IMPROVEMENTS:

22. The lessee is responsible for ensuring that all improvements to the land are made within the boundaries of the land.
23. The lessee shall not erect any building or structure nearer than a distance of three (3) metres from any boundary of the land.

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24. The lessee shall not construct any facilities within thirty-one (31) metres of the ordinary high water mark of any body of water without the written approval of the Minister.

BOUNDARIES/SURVEY:

25. Her Majesty is not responsible for the establishment on the ground of the boundaries of the land.
26. The boundaries of the land are subject to such adjustment and alteration as may be shown to be necessary by survey.
27. The Minister may, during the term herein granted, by notice in writing, order the lessee to survey the boundaries of the land and the lessee shall, at its own expense, within one (1) year from the date of said notice, make or cause to be made a survey of the land, such survey to be made in accordance with the instructions of the Surveyor General, and upon completion of the survey and the production of survey plans suitable for recording in the Canada Lands Surveys Records and filing in the Land Titles Office for the Northwest Territories Land Registration District, Her Majesty will execute an Indenture in amendment of this lease for the purpose of incorporating herein descriptions of the land based on the said plans.

ACCESS:

28. Her Majesty assumes no responsibility, express or implied, to provide access to the land.
29. It shall be lawful for Her Majesty or any person duly authorized at all reasonable times to enter upon the land for the purpose of examining the condition thereof.
30. The Minister may grant to such persons as he may consider fit, rights-of-way or access across, through, under or over all or any portion of the land for any purpose whatsoever, but such rights-of-way or access will not unreasonably interfere with the rights granted to the lessee hereunder, or with any improvements made by the lessee on the land.

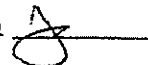
INDEMNIFICATION:

31. The lessee will not be entitled to compensation from Her Majesty by reason of the land or any portion thereof being submerged, damaged by erosion, or otherwise affected by flooding.
32. Her Majesty will not be liable for damages caused by vandalism or interference by others with the lessee's facilities and equipment.
33. The lessee shall at all times hereafter indemnify and keep Her Majesty indemnified against all claims, demands, actions or other legal proceedings by whomsoever made or brought against Her Majesty by reason of anything done or omitted to be done by the lessee, his officers, servants, agents or employees arising out of or connected with the granting of this lease.

REVIEW:

34. At the request of the lessee, any decision of the Minister will be reviewable by the Trial Division of the Federal Court of Canada; costs of such review are the responsibility of the lessee unless otherwise ordered by the Court.

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NOTICES:

35. All written notices respecting the land or the covenants, terms, conditions or agreements contained in this lease shall, unless otherwise stipulated herein, be deemed to have been received by the lessee ten (10) days after the mailing thereof or, if hand delivered, on the day of delivery.
36. Any notice affecting this lease which Her Majesty may desire to serve upon the lessee, or any notice which the lessee may desire to serve upon Her Majesty shall, unless otherwise stipulated herein, be sufficiently served if posted by registered mail to the last known address of the opposite party as follows:
- To Her Majesty: Director of Operations
Northwest Territories Region
Northern Affairs Program
Department of Indian Affairs and Northern Development
P.O. Box 1500
Yellowknife, N.W.T.
X1A 2R3
- To the Lessee: Shell Canada Limited
P.O. Box 100
Calgary, AB
T2P 2H5

Either party may change its address for service during the term of this lease by notifying the other party in writing.

37. No notice of breach or default given herein by Her Majesty shall be valid or of any effect unless it is also given to any mortgagee of the lessee, in respect of the leased lands, of which Her Majesty shall have received written notice.

GENERAL:

38. The lessee shall abide by the said Act and Regulations.
39. This lease enures to the benefit of and is binding upon Her Majesty, Her Heirs and Successors and the lessee, its successors and assigns.
40. No implied covenant or implied liability on the part of Her Majesty is created by the use of the words "demises and leases" herein.
41. The lessee shall at all times permit emergency landings on the airstrip without the payment of fees.
42. Aircraft owned or under contract to the Government of Canada or the Government of the Northwest Territories shall be exempt from the payment of any charges of landing fees for the use of the airstrip.
43. The lessee shall not levy charges or landing fees for the use of the airstrip by other users without prior written consent of the Minister.

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IN WITNESS WHEREOF The Director of Operations, Northwest Territories Region, Northern Affairs Program, Department of Indian Affairs and Northern Development, has hereunto set his hand and seal on behalf of Her Majesty the Queen in right of Canada and Shell Canada Limited, has hereunto affixed its corporate seal attested to by its proper officers duly authorized in that behalf.

SIGNED, SEALED AND DELIVERED on behalf
of Her Majesty by The Director of
Operations, Northwest Territories Region,
Department of Indian Affairs and
Northern Development, in the presence of


 (SEAL)
Director's Signature


Director's Witness

SHELL CANADA LIMITED

SEALED, ATTESTED TO AND DELIVERED

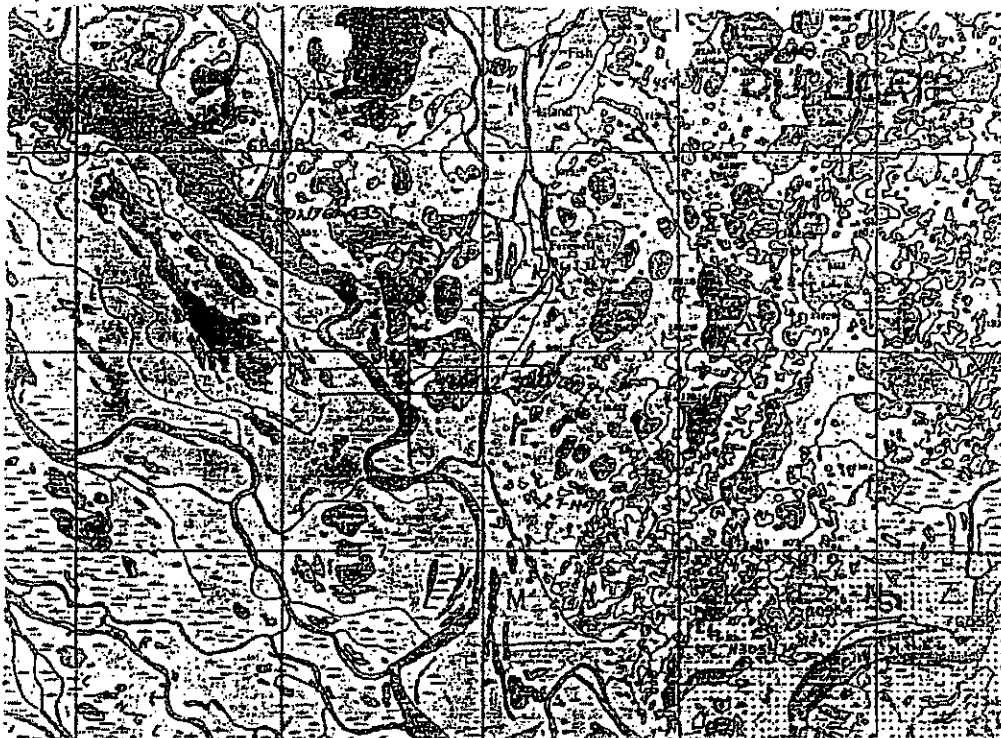
by the

 (SEAL) JMC

and the

JANE M. COULL
Assistant Secretary (SEAL)

of Shell Canada Limited



ANNEXED HERETO AND FORMING PART OF LEASE . 107C/4-1-7

