Rm. 200, 4999 - 98 Avenue NW

Edmonton, AB T6B 2X3

May 6, 2008

W ERRITORIES WATER BOARD

AND TEXTORIES WATER BOARD

TEXTORIES WATER BOARD

Mr. Randall Warren
Manager; Reclamation and Drilling Waste
Shell Canada Energy

400 - 4th Avenue SW Calgary, AB T2P 3H5

COPY
BOARD
CHAIR
E.A.
W. RES
NMDO
FILE
PW

Dear Mr. Warren:

Environment Canada (EC) issues Shell Canada an annual Migratory Bird Sanctuary (MBS) permit for the operation and maintenance of the Farewell Camp and Stockpile site (Camp Farewell). In this permit, EC outlines its expectations with respect to site clean-up, restoration, fuel spill mitigation, garbage and waste handling. Project proponents operating within the Kendall Island Bird Sanctuary (KIBS) are required as conditions of their MBS permit to undertake annual cleanup, remediation and reclamation programs if necessary.

In 2006, Shell Canada Limited submitted to the Northwest Territories Water Board (NTWB), an Environmental Site Assessment (ESA) and Interim Abandonment and Restoration Plan for Camp Farewell. The plan identifies the type and distribution of contaminated sediments in and adjacent to Camp Farewell. The plan also provides initial recommendations for interim remediation of the site. An updated ESA and Interim Abandonment and Restoration Plan are due to the NTWB in November 2008. In light of the information presented in the 2006 ESA and Restoration Plan, EC wishes to engage Shell Canada Limited in a discussion regarding remediation options for Camp Farewell and adjacent areas affected by this facility. Clean-up of the existing contaminated areas and Camp Farewell site are viewed as important milestones to be met before further industrial activities occur at this site. EC' management of existing contaminated sites within protected areas must respect present day permit conditions and departmental priorities.

As a first step in this process, EC would like to meet with Shell Canada Limited representatives to discuss a Progressive Reclamation Plan for Camp Farewell. Ideally, this meeting will occur before July 1, 2008, with a draft plan articulating specific reclamation and clean-up activities required at the site, and firm deadlines for achievement being presented to





Environment Canada, Indian and Northern Affairs Canada and NT Water Board by November 1, 2008. This draft plan would form the foundation for the eventual clean-up of Camp Farewell.

Please direct your enquiries regarding this issue to Craig Dockrill, Habitat Biologist, Mackenzie Delta Programs (867-678-6429 or craig.dockrill@ec.gc.ca). Scheduling of meetings between EC and Shell Canada Limited should also be coordinated with Mr. Dockrill

Yours sincerely,

David Ingstrup

A/Director

Canadian Wildlife Service Prairie & Northern Division

CD/mma

CC Trish Merrithew-Mecredi, Regional Director General, INAC, NT Region, Yellowknife Ron Wallace, Executive Director, NT Water Board, Yellowknife Barry Munson, A/Manager, Risk Assessment & Contaminated Sites, EC, Prairie & Northern Division, Edmonton Carey Ogilvie, Head, Northern Section, Environmental Protection Operations, EC Prairie & Northern Division, Yellowknife Garry Bogdan, Director, Wildlife Enforcement, EC, Prairie & Northern Division, Edmonton