
WATER REGISTER: N7L1-1834

July 18, 2012

Mr. Randal Warren
Manager; DAR and Drilling Waste
Projects and Technology
Shell Canada Energy
400- 4th Avenue S.W.
P.O. Box 100, Station M
Calgary, Alberta T2P 2H5

Dear Mr. Warren:

Re: Issuance of a Type "B" Water Licence- Camp Farewell

Attached is Water Licence N7L1-1834 granted by the Northwest Territories Water Board (the Board) in accordance with the *Northwest Territories Waters Act*. A copy of this Licence has been filed in the Public Registry at the Board offices in Yellowknife and in Inuvik. Water Licence N7L1-1834 has been approved for a period of five years commencing July 18, 2012 and expiring July 17, 2017. Also attached are the general procedures for the administration of Licences in the Northwest Territories. Please review these carefully and address any questions to one of the Board offices.

Please be advised that this letter, with attached procedures, all inspection reports and correspondence related thereto are part of the Board public registry and are intended to keep all interested parties informed of the manner in which the Licence requirements are being met. All public registry material will be considered if an amendment to the Licence or its renewal is requested.

In accordance with the Northwest Territories Water Regulations (NTWR) section 6(1) and 9(1)(b) there will be a requirement for a further payment of the water use fee based on the approved water use of 150 cubic metres per day. The annual water use fee has been calculated to be \$547.50 and is payable to the Receiver General of Canada on the anniversary of the date of issuance of the licence as per section 9(6)(b)(ii) of the NTWR. At the time of your Water Licence application there was a payment of \$30.00 for the first year fee payment and there remains a balance of \$517.50 to be paid for the water use fee at the time the Licence is issued.

Please note for future Water Licence applications in accordance with NTWR section 6(1) an application for a Licence or for the amendment or renewal of a Licence shall be accompanied by a deposit equal to any water use fee that would be payable in respect of the first year of the Licence that is being applied for.

Please read all the conditions carefully and note that in accordance with the attached Water Licence Part B, condition 10, a security deposit in the amount of \$2,000,000.00 shall be posted with the Minister and copied to the Board prior to the start of the operation pursuant to section 17 of the *Northwest*

Territories Waters Act. Submit payment of the security, made out to the Receiver General for Canada in the amount of \$2,000,000.00, to: Aboriginal Affairs and Northern Development Canada, P.O. Box 1500, Yellowknife, NT, X1A 2R3 Attention: Robert Jenkins.

Supplemental information to be submitted by Licensee as required through Licence conditions:

- post and maintain security deposit (by August 17, 2012)
- an Annual Report (by March 31, 2013-2017);
- a map or drawing of SNP sampling locations (by August 17, 2012)
- post signs to identify SNP sampling stations (by August 17, 2012)
- an updated operation and maintenance plan for the Waste Disposal Facilities (by August 17, 2012)
- an updated Emergency Response & Spill Contingency Plan (by August 17, 2012)
- an updated Abandonment and Restoration Plan (by July 17, 2013)
- submit to an Analyst for approval a Quality Assurance/Quality Control Plan (by August 17, 2012)

The full cooperation of Shell Canada Energy is anticipated and appreciated.

Should you have any further questions or concerns, please communicate with the Northwest Territories Water Board by telephone at (867) 678-2942 or via e-mail at info@nwtwb.com.

Sincerely,



Eddie Dillon
Chairperson
NWT Water Board

Attached: Water Licence N7L1-1834
General Procedures for the administration of licences issued under the *Northwest Territories Waters Act* in the Northwest Territories

Distribution: Conrad Baetz, AANDC-NMDO
Robert Jenkins, AANDC-WRD
Krista Beavis, Kohn Crippen Berger
Patrick Clancy, GNWT-ENR
Rick Walbourne, DFO
Stacey LeBlanc, EC

**GENERAL PROCEDURES FOR THE ADMINISTRATION OF
LICENCES ISSUED UNDER THE *NORTHWEST TERRITORIES
WATERS ACT* IN THE NORTHWEST TERRITORIES**

1. At the time of issuance, a copy of the Licence is placed on the Northwest Territories Water Board public registry in the Yellowknife and Inuvik Offices, and is then available to the public.
2. To enforce the terms and conditions of the Licence, the Minister of Aboriginal Affairs and Northern Development Canada has appointed Inspectors in accordance with Section 35(1) of the *Northwest Territories Waters Act*. The Inspectors coordinate their activities with officials of the Water Resources Division of Aboriginal Affairs and Northern Development Canada. The Inspector responsible for Licence N7L1-1834 is located in the North Mackenzie District Office in Inuvik.
3. To keep the Northwest Territories Water Board and members of the public informed of the Licensee's conformity to Licence conditions, the Inspectors prepare reports which detail observations on how each item in the Licence has been met. These reports are forwarded to the Licensee with a covering letter indicating what action, if any, should be taken. The inspection reports and covering letters are placed on the Northwest Territories Water Board public registry, as are any responses received from the Licensee pertaining to the inspection reports. It is therefore of prime importance that you react in all areas of concern regarding all inspection reports so that these concerns may be clarified.
4. If the renewal of Licence N7L1-1834 is contemplated it is the responsibility of the Licensee to apply to the Northwest Territories Water Board for renewal of the Licence. The past performance of the Licensee, new documentation and information, and points raised during a public hearing, if required, will be used to determine the terms and conditions of any Licence renewal. Please note that if the Licence expires and another has not been issued, then water and Waste disposal must cease, or you, the Licensee, would be in contravention of the *Northwest Territories Waters Act*. An application for renewal of Licence N7L1-1834 should be made at least eight (8) months in advance of the Licence expiry date.
5. If, for some reason, Licence N7L1-1834 requires amendment, then a public hearing may be required. You are reminded that applications for amendments should be submitted as soon as possible to provide the Northwest Territories Water Board with ample time to go through the amendment process. The process may take up to six (6) months or more depending on the scope of the amendment requested.

6. Specific clauses of your Licence make reference to the Board, Analyst or Inspector. The contact person, address, phone and fax number of each is:

Board: Executive Director
Northwest Territories Water Board
P.O. Box 2531
Inuvik, NT X0E 0T0
Phone No: (867) 678-2942
Fax No: (867) 678-2943

Analyst: Analyst
Taiga Environmental Laboratory
Aboriginal Affairs and Northern Development Canada
P.O. Box 1500, 4601 – 52nd Avenue
Yellowknife, NT X1A 2R3
Phone No: (867) 669-2788
Fax No: (867) 669-2718

Inspector: Water Resource Officer
North Mackenzie District Office
Aboriginal Affairs and Northern Development Canada
P.O. Box 2100
Inuvik, NT X0E 0T0
Phone No: (867) 777-8900
Fax No: (867) 777-2090

7. Your Licence requires a security deposit be submitted. Should the security deposit be submitted in the form of a "letter of credit", recommended wording is outlined below. It is advised that a "draft" letter of credit be forwarded to Water Resources Division for review. The contact person, address, phone and fax number of the individual administering security deposits is:

Manager
Water Resources Division
Aboriginal Affairs and Northern Development Canada
P.O. Box 1500, 4923 – 52nd Street
YELLOWKNIFE, NT X1A 2R3
Phone No: (867) 669-2654
Fax No: (867) 669-2716

LETTER OF CREDIT (Security Deposits) – Recommended Wording

[BANK

ADDRESS]

IRREVOCABLE LETTER OF CREDIT

[The term "DOCUMENTARY CREDIT" may also be used instead of "Letter of Credit"]

DATE OF ISSUE: [Date] **OUR REFERENCE NUMBER:** [Bank's reference number]

AMOUNT: CAD\$#####.00

MAXIMUM #####.00

CANADIAN DOLLARS ONLY

APPLICANT:

["Customer" can be used instead of "Applicant"]

[Company's Name]

[Company's Address]

BENEFICIARY:

RECEIVER GENERAL FOR CANADA

ON BEHALF OF THE MINISTER OF

INDIAN AFFAIRS AND NORTHERN

DEVELOPMENT

4923 – 52nd STREET, 2nd FLOOR

P.O. BOX 1500

YELLOWKNIFE, NT X1A 2R3

ATTENTION: REGIONAL DIRECTOR GENERAL
DIAND - NT REGION

RE: SECURITY PURSUANT TO [the Water Licence Type and Number]

AT THE REQUEST AND FOR THE ACCOUNT OF [Company's Name] (THE "APPLICANT"), WE, [Bank's Name], HEREBY ESTABLISH IN YOUR FAVOUR OUR IRREVOCABLE LETTER OF CREDIT NO. [Bank's Reference Number] ("CREDIT") FOR SUMS NOT EXCEEDING IN THE AGGREGATE [Amount of Security required stated in Canadian Dollars].

THIS CREDIT IS AVAILABLE WITH US FOR DRAWING AT SIGHT, WITHOUT ENQUIRY AS TO WHETHER YOU HAVE RIGHT AS BETWEEN YOURSELF AND THE APPLICANT TO MAKE SUCH DEMAND AND WITHOUT RECOGNIZING ANY CLAIM OF THE APPLICANT, AGAINST PRESENTATION TO US, BY YOU OR YOUR DULY AUTHORIZED REPRESENTATIVE OR AGENT, OF THE FOLLOWING DOCUMENTS:

1. A SIGHT DRAFT DRAWN ON [Bank's Name and Address of the Branch that the security can be drawn at, usually one of the Bank's larger commercial banking centres]; AND
2. THE ORIGINAL OF THIS IRREVOCABLE LETTER OF CREDIT NO. [Bank's Reference Number] FOR ENDORSEMENT OF PAYMENT THEREON; AND

3. A STATEMENT SIGNED BY AN OFFICIAL OF THE DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT CERTIFYING

- A) THAT THE SIGNATORY IS AN OFFICIAL OF THE DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT AND HAS AUTHORITY TO SIGN THE STATEMENT ON BEHALF OF THE MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT (THE "MINISTER"), AND
- B) EITHER
 - I THAT THE MINISTER IS ENTITLED TO APPLY THE AMOUNT DRAWN, BEING ALL OR PART OF THE SECURITY POSTED AND MAINTAINED PURSUANT TO [the Water Licence Type and Number] ISSUED BY THE NORTHWEST TERRITORIES WATER BOARD, WHETHER AS ORIGINALLY ISSUED OR AS AMENDED OR RENEWED FROM TIME TO TIME, OR
 - II THAT THIS LETTER OF CREDIT IS DUE TO EXPIRE IN THIRTY (30) DAYS OR LESS AND THAT THE APPLICANT HAS NOT REPLACED THIS CREDIT BY POSTING WITH THE MINISTER OTHER SECURITY SATISFACTORY TO THE MINISTER.

PARTIAL DRAWINGS ARE PERMITTED.

THIS CREDIT IS EFFECTIVE FROM [Time] .AM. ON [Effective Date as required by Water Licence] AND SHALL EXPIRE AT OUR COUNTERS AT [Time] P.M. [Expiry Date] (THE "INITIAL EXPIRATION DATE"). THIS CREDIT SHALL BE RENEWED AUTOMATICALLY FOR AN ADDITIONAL ONE-YEAR PERIOD FROM THE INITIAL EXPIRATION DATE, AND FOR AN ADDITIONAL ONE-YEAR PERIOD FROM EACH FUTURE EXPIRATION DATE, UNLESS AT LEAST NINETY (90) DAYS PRIOR TO THE OPERATIVE EXPIRATION DATE WE NOTIFY YOU IN WRITING BY REGISTERED MAIL OR COURIER THAT WE ELECT NOT TO CONSIDER THIS CREDIT RENEWED FOR SUCH ADDITIONAL PERIOD.

WE HEREBY AGREE THAT ALL DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT SHALL BE DULY HONOURED BY US IF PRESENTED FOR PAYMENT ON OR BEFORE THE OPERATIVE EXPIRATION DATE.

EXCEPT SO FAR AS IS OTHERWISE EXPRESSLY STATED HEREIN, THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 500. NOTWITHSTANDING ARTICLE 17 OF SAID PUBLICATION, IS THIS CREDIT EXPIRES DURING AN INTERRUPTION OF BUSINESS AS DESCRIBED IN ARTICLE 17, WE AGREE TO EFFECT PAYMENT IF THIS CREDIT IS

DRAWN ON US WITHIN FIFTEEN (15) DAYS AFTER THE RESUMPTION OF BUSINESS.

[Bank's Name]

[Official's Name and Position]

[Official's Name and Position]

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 ENERGY

(Licensee)

400- 4 Avenue S.W., P.O. Box 100, Station M

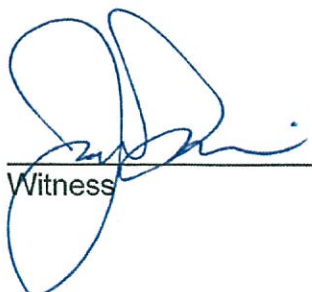
of CALGARY, ALBERTA T2P 2H5

(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	<u>N7L1-1834</u>
Licence Type	<u>"B"</u>
Water Management Area	<u>NORTHWEST TERRITORIES 07</u>
Location	<u>Within a two kilometre radius of Latitude 69°12'30" N. Longitude 135°06'04" W. MACKENZIE RIVER DELTA, N.W.T</u>
Purpose	<u>TO USE WATER AND DISPOSE OF WASTE FOR INDUSTRIAL UNDERTAKINGS AND ASSOCIATED USES</u>
Description	<u>OIL AND GAS EXPLORATION AND DEVELOPMENT</u>
Quantity of Water Not To Be Exceeded	<u>150 CUBIC METRES DAILY</u>
Effective Date of Licence	<u>JULY 18TH, 2012</u>
Expiry Date of Licence	<u>JULY 17TH, 2017</u>

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



Witness

NORTHWEST TERRITORIES WATER BOARD



Chairperson (Eddie Dillon)

PART A: SCOPE AND DEFINITIONS

1. Scope

- a) This Licence entitles Shell Canada Energy to use water and dispose of Waste as an industrial undertaking 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 conforming to 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.
- d) This Licence is issued subject to the conditions contained herein with respect to the use of Waters as prescribed in Section 8 of the *Act* and the deposit of Waste to any Waters as prescribed in Section 9 of the *Act*.

2. Definitions

In this Licence: **N7L1-1834**

"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” means the discrete average of up to four (4) 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 the lowest elevation of the effective water containment crest on a dam or dyke’s upstream slope;

“Geotechnical Engineer” means a professional engineer registered with the Northwest Territories and Nunavut Association of Professional Engineers and Geoscientists whose principal field of specialization 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 Waste;

“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;

“Minister” means the Minister of Aboriginal Affairs and Northern Development Canada (AANDC);

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

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

“Sewage” means all toilet Wastes and Greywater;

“Sewage Treatment Facilities” comprises the area and engineered structures designed to contain Sewage as identified in the project description and also include 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*;

“Waste Disposal Facilities” mean all facilities designated for the disposal of Waste and include the Sewage disposal facilities, solid Waste disposal facilities, and bagged toilet Wastes disposal facilities;

“Water Supply Facilities” mean all facilities designed to collect, treat and supply water for industrial purposes; 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 monthly and annual quantities in cubic metres of fresh water obtained from all sources;
 - b) the monthly and annual quantities in cubic metres of each and all Waste discharged;
 - c) the location and direction of flow of all Waste discharged to the water or the land;
 - d) a summary of the monthly and annual quantities of Waste stored on site and transported off site;
 - e) the results of sampling carried out under the “Surveillance Network Program”;
 - f) a summary of any Modifications carried out on the Water Supply Facilities and Sewage Treatment Facilities, including all associated structures;
 - g) a list of any spills and unauthorized discharges;
 - h) details on the restoration of any Sumps;
 - i) a summary of any abandonment and restoration work completed during the year and an outline of any work anticipated for the next year;

- j) a summary of any studies requested by the Board that relate to Waste disposal, water use, or reclamation, and a brief description of any future studies planned;
 - k) notation of updates and/or revisions to the approved Spill Contingency Plan, Waste Disposal Facilities operations and maintenance plan, and sewage treatment plan;
 - l) an outline of any spill training and communications exercises carried out; and
 - m) 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 this Licence, submit to the Board for approval a map or drawing indicating the location of all Surveillance Network Program sampling stations.
 5. The Licensee shall, within thirty (30) days of the issuance of this 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.
 6. Any meters, devices or other such methods used for measuring the volumes of water used or Waste disposed and discharged shall be installed, operated and maintained by the Licensee to the satisfaction of an Inspector.
 7. The Licensee shall immediately report to the 24 Hour Spill Report Line (**867-920-8130**) any spills which are reported to, or observed by, the Licensee within the project boundaries.
 8. 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.
 9. 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.

10. Within thirty (30) days of issuance of this Licence, the Licensee shall have posted and shall maintain a security deposit in the amount of Two Million (\$2,000,000.00) Dollars pursuant to Section 17 of the Act and Section 12 of the Regulations, in a form suitable to the Minister. The security deposit shall be maintained until such time as it is fully or in part refunded by the Minister pursuant to Section 17 of the Act.
11. 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. The daily quantity of water used for all purposes shall not exceed 150 cubic metres.

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 Waste Disposal 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 lagoon shall be directed to the channel of the Mackenzie River at a location approved by an Inspector.
5. There should be no discharge of floating solids, garbage, grease, free oil or foam.

6. All effluent discharged by the Licensee from the Sewage lagoon at "Surveillance Network Program" Station Number 1834-1 shall meet the following effluent quality requirements:

Sample Parameter	Average Concentration
BOD ₅	70.0 mg/L
Total Suspended Solids	70.0 mg/L
Faecal Coliforms	1 X 10 ⁴ CFU/dL
Oil and Grease	5.0 mg/L
Total Residual Chlorine (TRC)	0.1 mg/L

7. The effluent discharged shall have a pH between six (6) and nine (9) and no visible sheen of oil and grease.
8. Introduction of water to Waste for the purpose of achieving effluent quality requirements in Part D, Item 7 is prohibited.
9. A Freeboard limit of 1.0 metre shall be maintained at all times in the Sewage lagoon, or as recommended by a qualified Geotechnical Engineer and/or as approved by the Board.
10. The Licensee shall advise an Inspector at least five (5) days prior to initiating and decant of the Sewage lagoon.
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.
12. The Licensee shall contain all contaminated soil or contaminated snow in such a manner as to minimize the potential for migration of contaminants into any Waters, to the satisfaction of an Inspector.
13. The Licensee shall store, segregate and dispose of all solid and hazardous Wastes in a manner acceptable to the Inspector.
14. Unless authorized by this Licence, the Licensee shall ensure that any Wastes associated with this undertaking do not enter any water body.
15. The Licensee shall submit to the Board a copy of each agreement(s) between third parties to store, transport or dispose of Wastes. The copy submitted to the Board shall include, at a minimum, the following:

- a. type of Waste;
- b. quantities of Waste;
- c. disposal location(s), and
- d. proof of acceptance from third parties.

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 the 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 F, 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 issuance of this Licence an updated Emergency Response & Spill Contingency Plan in accordance, for example, with the *Guidelines for Spill Contingency Planning, April 2007*, developed by AANDC-Water Resources Division.

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 unauthorised 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.

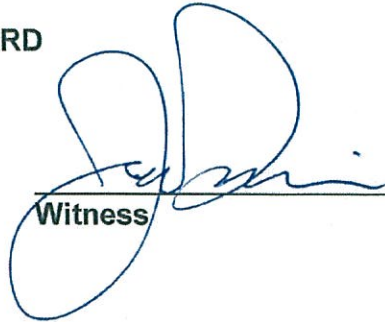
PART G: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION

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 plans for the abandonment and restoration of the Sewage lagoon and a complete Phase II environmental site 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.
2. The Licensee shall implement this Plan as and when approved by the Board.
3. Following approval of the Plan, the Licensee shall review the 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



Chairman



Witness

NORTHWEST TERRITORIES WATER BOARD

LICENSEE: Shell Canada Energy
LICENCE NUMBER: N7L1-1834
EFFECTIVE DATE OF LICENCE: July 18, 2012
EFFECTIVE DATE OF
SURVEILLANCE NETWORK PROGRAM: July 18, 2012

SURVEILLANCE NETWORK PROGRAM

A. Location of Sampling Stations

<u>Station Number</u>	<u>Description</u>
1834-1	Discharge from the Sewage lagoon.

B. Sampling and Analysis Requirements

1. Water at Station Number 1834-1 shall be sampled prior to, and once during decanting. Each sample shall be analyzed for the following parameters:

BOD5	Total Suspended Solids
Oil and Grease	Faecal Coliforms
Ammonia	pH
Phosphorous	Total Residual Chlorine

2. More frequent sample collection may be 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 analysis shall be performed in a laboratory approved by an Analyst.
5. The Licensee shall, by August 17, 2012, 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.

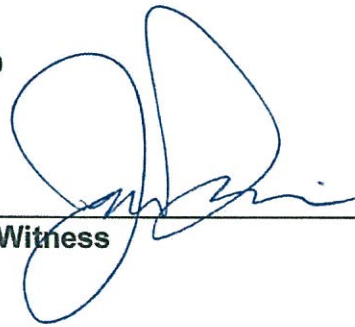
C. Reports

1. The Licensee shall, within thirty (30) days following the month of discharge from the Sewage lagoon, submit to the Board and an Inspector all data and information required by the "Surveillance Network Program" including the results of the approved Quality Assurance/Quality Control Plan.

NORTHWEST TERRITORIES WATER BOARD



Chairman



Witness

