

Bijaya Adhikari

From: Krizan, Julia <Julia_Krizan@golder.com>
Sent: May 7, 2018 4:28 PM
To: Mardy Semmler; Bijaya Adhikari
Cc: Stokes, Darren (dstokes@repsol.com)
Subject: Changes to Repsol's equipment demobilization schedule
Attachments: Repsol PPI Project - Demob Deferral Notice - May 2018.pdf

Good afternoon Mardy and Bijaya,

Attached to this email is a letter describing the deferral of the equipment demobilization for Repsol's Satellite Bay Remediation Project to 2019 due to aviation fuel shortages in Sachs Harbour and Ulukhaktok. The letter provides an updated schedule and explains in detail the impact of this shortage on the equipment demobilization and lays out our reasoning to move this component to 2019.

We are currently in the process of updating all Inuvialuit communities and other regulators.

Please let us know if you have any questions.

Thank you

Julia

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May 3, 2018

Re: Repsol 2018 Satellite Bay Remediation Program – Deferral of Final Demobilization

Dear Stakeholders,

This letter is to inform all regulators and Inuvialuit communities of a change in our 2018 schedule due to unforeseen circumstances. Repsol Oil and Gas Canada Inc. (Repsol) is deferring the final demobilization phase for the 2018 Site Remediation Program (the Project) until 2019. The reason for this step is an acute aviation fuel shortage in Sachs Harbour and Ulukhaktok. The Government of the Northwest Territories (GNWT) Department of Infrastructure recently notified Repsol that there is not enough aviation fuel to supply fuel for our Dash 7 program in Ulukhaktok, or the Chinook program in Sachs Harbour. The heavy-lift helicopter program (Chinook) relies on refuelling in Sachs Harbour and our fixed wing program (Dash 7) relies on adequate fuel in Ulukhaktok. Without the Dash 7, the 2018 Project mobilization to Mould Bay cannot occur until mid-July when the Mould Bay airstrip can safely support the available aircraft (i.e., ATR 72). Due to the fuel-induced delay to mobilization and the short construction season, there will not be enough time to complete the construction and heavy lift supported demobilization in 2018. The two consequences of the aviation fuel shortage are:

1. The construction phase will start later in the summer, when Repsol can get the longer range / heavier ATR aircraft into Mould Bay (instead of the lighter Dash 7 which can land under wetter airstrip conditions earlier in the year).
2. The heavy lift demobilization will be deferred to 2019 due to refuelling issues in Sachs Harbour and a delayed Project start up.

As previously communicated through letters such as this and updated regulatory documents; in 2017 the construction of the containment structure was partially completed, including the placement of all impacted soils identified in the 2017 construction plan, installation of base and background thermistor equipment and associated tower. As outlined in previous communications, Repsol anticipates that the Project will be fully executed in 2018 in accordance with all licences, permits and approvals. Construction and camp equipment will be winterized prior to leaving the site in 2018 and will be removed from the site in the summer of 2019.

Table 1 provides an overview of our updated 2018 / 2019 schedule. We have built in weather contingencies and are confident that we can complete all site construction activities associated with the Project by the end of the 2018 field season. Once the planned construction activities are complete at site, demobilization for the 2018 season will commence. This will include winterizing the heavy equipment, removal of personnel and any remaining supplies and materials. A reduced camp will remain at site to support winterization of the equipment and camp facilities. It is anticipated that interim 2018 demobilization will be facilitated by Twin Otter aircraft which will be loaded at Satellite Bay and shuttle loads to Mould Bay. At Mould Bay equipment, materials and supplies will be transferred to a larger aircraft for transport to Yellowknife. Demobilization of the camp will happen immediately following completion of winterization activities and is likely to occur in early September.

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Table 1: 2018 / 2019 Project Schedule

2018 Project Phases	Key Tasks	Planned Start Date	Planned Finish Date
2018 Mobilization Phase	Camp deployment Personnel (including Inuvialuit Wildlife Monitors) staging and training Equipment mobilization and maintenance*	July 18	July 30
2018 Construction Phase	Re-installation of watercourse crossing Maintenance of existing access roads Additional ponded area dewatering Containment structure extension Completion of thermistor installation Borrow area operation and reclamation Impacted soil relocation Backfill of excavated areas Completion of liner installation Installation of soil cap Grading of all areas Completion of as-built-survey Removal of watercourse crossing Packaging of equipment for transport	July 31	August 27
2018 Winterization of Equipment and Camp	Winterizing of heavy equipment demobilization of most personnel Removal of supplies and materials.	August 28	September 3
2018 Demobilization Phase	Removal of remaining materials Demobilization of camp components Demobilization of remaining personnel	September 4	September 8
2019 Re-mobilization	Camp deployment Personnel staging Equipment mobilization and maintenance*	July 20	July 31
2019 Post-construction Monitoring / Preparation for heavy-lift program	Completion of required post-construction monitoring tasks Packaging of all equipment and materials Preparation for heavy-lift program	Aug 1	August 15
2019 Final Demobilization	Demobilization of equipment, materials and supplies Demobilization of camp Demobilization of personnel	August 16	August 25

*maintenance of the equipment that overwintered at the site.



In July 2019, we will commence with the re-mobilization of personnel and supplies to Mould Bay and from there to Satellite Bay. The site access will be similar to 2018 and, weather pending, we anticipate having a small temporary emergency camp re-established at Satellite Bay by late July 2019.

Once camps are re-established at Mould Bay and Satellite Bay, the 2019 work tasks will commence. This will include monitoring of the completed structure ("post-construction monitoring" one year after construction completion as per Water Licence requirements) and preparation of equipment for shipping, removal of any remaining materials and equipment from Satellite Bay and the demobilization of the larger construction equipment. The heavy-lift helicopter will be mobilized to Mould Bay in early August. A ground crew will be transported to Satellite Bay from Mould Bay on a daily basis to assist with rigging the outbound loads while a second ground crew will be positioned at Mould Bay to receive the loads and transfer them to the Hercules aircraft for transport to Inuvik. Once the heavy-lift helicopter lifts have been completed (after two to three days), the helicopter will demobilize. Once the equipment delivery by Hercules aircraft from Mould Bay to Inuvik is complete, the aircraft will demobilize and overland transport of the construction equipment will occur from Inuvik to Edmonton.

Repsol will continue to comply with permit and licence requirements (e.g., sampling, reporting) prior to mobilization and while on-site. Upon completion of the 2018 field season, we will submit the required reports identified in the project permits and licences. The same will be completed as required for the 2019 final demobilization phase (including post-construction monitoring).

This letter is being sent to all applicable stakeholders to provide our anticipated schedule for project completion. Please let us know if you wish to discuss the schedule changes further or have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Darren Stokes".

Repsol Oil & Gas Canada Inc.

Darren Stokes, RT (Ag)

Team Lead, Abandonment / Remediation & Reclamation

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Direct: (403) 237-1470

Cc: Environmental Impact Screening Committee, GNWT Lands Department, Inuvialuit Water Board, Indigenous and Northern Affairs Canada, Sachs Harbor Hunters and Trappers Committee, Olokhtomiut (Ulukhaktok) Hunters and Trappers Committee, Inuvik Hunters and Trappers Committee, Aklavik Hunters and Trappers Committee, Paulatuk Hunters and Trappers Committee, Tuktoyaktuk Hunters and Trappers Committee.