

Bijaya Adhikari

From: Stokes, Darren <dstokes@repsol.com>
Sent: August 14, 2018 4:25 PM
To: Mardy Semmler; Bijaya Adhikari
Cc: Lloyd Gruben; Nahum Lee (Nahum_Lee@gov.nt.ca); Fred J Mandeville (Fred_J_Mandeville@gov.nt.ca); Rita Mueller (Rita_Mueller@gov.nt.ca); Heather E. Beck (Heather_Beck@gov.nt.ca); Krizan, Julia
Subject: Repsol Satellite Bay Remediation Project - Construction Phase Deferred to 2019 Due to Weather Delays

Good Afternoon All,

As some of you are aware through previous communications, Repsol's 2018 Satellite Bay Remediation Project has been significantly impacted by extremely wet weather at Mould Bay. We mobilized to Mould Bay on July 23, but continued rain and wet snow have not allowed the Mould Bay airstrip to meet the ATR72 aircraft requirements, meaning we have not been able to deliver bulk fuel and other key supplies necessary for the Construction Phase activities at Satellite Bay. The Mould Bay airstrip still does not meet the ATR72 safety requirements, and continued rain and wet snow means conditions will not improve any day soon. Considering the short window of opportunity and the ongoing cold and wet forecast at Mould Bay, Repsol made the weather and safety related decision to defer the planned 2018 Construction Phase to next year (2019), and has sent all construction related crew members back to their home communities.

Repsol has delivered limited amounts of aviation fuel to Mould Bay using smaller aircraft, which allowed us to mobilize a very reduced Advanced Team to Satellite Bay on August 12. Repsol's revised 2018 Program is, over the next few days, to winterize camp and equipment, sample greywater containments, sample and discharge any water accumulated in berms and at the containment structure, and to complete the outstanding delineation sampling for the last excavation area which was not fully delineated in 2017.

The completion of these tasks should enable Repsol a quicker start to the Construction Phase in 2019. We do acknowledge that the ENR Inspectors were planning to come to site and inspect our activities around the construction in 2018, therefore, they are copied on this email. Repsol will accommodate transportation to and from Satellite Bay in 2019, during the rescheduled Construction Phase.

Repsol is in the process of notifying all other regulators and stakeholders of this weather and safety related decision, and the subsequent rescheduling of the Construction Phase to 2019.

Please let us know if you have any questions or need clarifications – we can set up a conference call to discuss further as required.

Regards,

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