Mr. Roger Connelly  
Chairperson  
Inuvialuit Water Board  
PO BOX 2531  
INUVIK NT X0E 0T0

Dear Mr. Connelly:

Inuvialuit Water Board - Type B Water Licences N7L1-1768, N7L1-1772, and N7L1-1803 - Shell Canada Energy, Chevron Canada Resources, and Imperial Oil Resources Limited - Closure of Licences - Return of Security Deposits

Further to my December 10, 2018 letter, which acknowledged your letters dated November 9, 2018, regarding the Inuvialuit Water Board's (the Board) motions to close the three noted Type B Water Licences and recommendation to return the associated security deposits, I have more information to now address the Board's motions and recommendations.

The Department of Environment and Natural Resources (ENR) staff have reviewed our Water Licence records and communicated with Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) officials. ENR can confirm that the three Water Licences have expired. Two security deposits that were originally submitted to CIRNAC expired during 2003 and 2004, and the third required security deposit was not submitted to CIRNAC. Refer to Summary Table 1 for additional information. ENR records indicate that on March 31, 2014, CIRNAC formally returned the expired security deposit documents in the form of Irrevocable Standby Letter of Credits to Shell Canada and Chevron Canada with copies to the Board's office. CIRNAC has confirmed the return of these documents.

ENR staff are available to engage with the Board's office on matters related to Water Licences, technical plans, closure and reclamation plans, and security deposit requirements as the need arises.

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If you have any additional inquiries, please contact Mr. Nathen Richea, Director, Water Management and Monitoring Division at (867) 767-9234, ext. 53105 or by e-mail Nathen_Richea@gov.nt.ca.

Sincerely,

[Signature]

Robert C. McLeod
Minister
Environment and Natural Resources

Enclosure

c. Dr. Joe Dragon, Deputy Minister
   Environment and Natural Resources

   Mr. Robert Jenkins, Assistant Deputy Minister, Environment and Climate Change
   Environment and Natural Resources

   Mr. Nathen Richea, Director, Water Management and Monitoring Division
   Environment and Natural Resources

   Mr. Norman Snowshoe, Regional Superintendent
   Environment and Natural Resources

   Mr. Lloyd Gruben, Water Resources Officer
   Environment and Natural Resources

   Mr. Matthew Spence, Regional Director General, NT Region
   Crown-Indigenous Relations and Northern Affairs Canada

   Ms. Mardy Semmler, Executive Director
   Inuvialuit Water Board

   Mr. David A. Brown, Staff Environmental Engineer
   Shell Canada Energy, Houston

   Mr. Sheldon Scyrup, Team Lead, Environmental and Regulatory
   Chevron Canada Resources, Calgary

   Mr. Shalini Jasra, Project Manager
   Imperial Oil Resources Limited, Calgary
Summary Table 1:

Inuvialuit Water Board
Type B Water Licences N7L1-1768, N7L1-1772, and N7L1-1803
Shell Canada Energy, Chevron Canada Resources, and Imperial Oil Resources
Closure of Licences – Return of Security Deposits

<table>
<thead>
<tr>
<th>Water Licence</th>
<th>Water Licence term</th>
<th>Company</th>
<th>Project</th>
<th>Security Deposit amount</th>
<th>Security deposit form and effective dates</th>
</tr>
</thead>
</table>
| 1. N7L1-1768  | January 18, 2001 – December 31, 2003 | Shell Canada Energy (Shell Canada Ltd.) | South Kugpik 2D and 3D Winter Seismic Program and Arctic Star barge camp | $150,000.00             | Irrevocable Standby Letter of Credit  
Toronto-Dominion Bank  
February 12, 2001 – December 31, 2003  
No automatic renewals (Expired) |
| 2. N7L1-1772  | December 1, 2001 – December 31, 2002 | Chevron Canada Resources         | Ellice, Mallik, and North Langley 3D Seismic Programs and sleigh mounted camp | $100,000.00             | Irrevocable Standby Letter of Credit  
Royal Bank of Canada  
January 22, 2002 – December 31, 2002  
Automatic renewal with a final ILOC expiry date of December 31, 2004 (Expired) |
| 3. N7L1-1803  | November 1, 2004 – October 31, 2006 | Imperil Oil Resources (Imperial Oil Resources Ventures Limited) | 2005 Field Geotechnical Investigation Program | $50,000.00             | Not submitted                                                                  |