



Aboriginal Affairs and
Northern Development Canada

Affaires autochtones et
Développement du Nord Canada

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North Mackenzie District
P.O. Box 2100
Inuvik, NT X0E 0T0

Telephone: 867-777-8900
Fax: 867-777-2090

November 11, 2013

Northwest Territories Water Board
P.O. Box 2531
Inuvik, NT X0E 0T0

Attn: Freda Wilson, Office and Finance Administrator

**RE: INDUSTRIAL Water Use N7L1-1759
CLASS B - INDUSTRIAL
Mackenzie River**

Dear Ms. Wilson,

Please find the enclosed Inspection Report for your review and records.

An electronic copy (un-editable Adobe pdf.) has also been provided by e-mail.

If you have any questions or concerns regarding the enclosed, and/or if additional information is required please contact me at (867) 777-8909.

Sincerely,

Jan Davies
Water Resource Officer

Cc: Conrad Baetz, District Manager, North Mackenzie District, Inuvik, NT

Enclosure: Industrial Water Use Inspection Report and Cover Letter (5 pages)



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November 11, 2013

Suncor Energy Inc.
P.O. Box 2844
150 - 6th Avenue S.W.
Calgary, AB T2P 3E3

Attn: John Kerkhoven

**RE: INDUSTRIAL Water Use N7L1-1759
CLASS B - INDUSTRIAL
Mackenzie River**

Dear Mr. Kerkhoven,

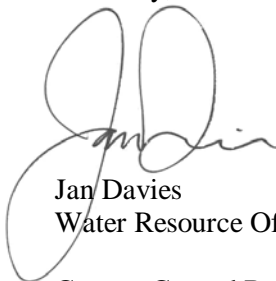
An inspection of the Suncor Energy Inc. Water Licence N7L1-1759 (expiry on November 30, 2002) was conducted on July 31, 2013. The operation under the above mentioned Industrial Water Use was inspected to assess compliance and ensure that the terms and conditions were met. Enclosed is a copy of the Inspection Report (4 pages) for your review and records.

There remains an administrative violation in which the Interim Abandonment and Restoration Plan as required by the Water Licence has not been received by the Northwest Territories Water Board. Please review and address the violation and other items throughout the Inspection Report.

Please note that it is the Licensee's responsibility to ensure compliance with all of the terms and conditions of its Water Licence. A copy of this report will be sent to the Northwest Territories Water Board for their review and public records.

If you have any questions regarding the enclosed and/or if additional information is required, please do not hesitate to contact me at (867) 777-8909.

Sincerely,



Jan Davies
Water Resource Officer

Cc: Conrad Baetz, District Manager, North Mackenzie District, Inuvik, NT

Enclosure: Industrial Water Use Inspection Report (4 pages)



INDUSTRIAL WATER USE INSPECTION REPORT

LICENCE #:	N7L1-1759	EXPIRY DATE:	November 30, 2002
LICENCEE:	Suncor Energy Inc.	PREVIOUS INSPECTION:	August 24, 2011
COMPANY REP:	John Kerkhoven	INSPECTION DATE:	July 31, 2013

WATER SUPPLY

Source:	Mackenzie River	Quantity Used:	N/A See Annual Reports
Owner/Operator:	Suncor Energy Inc.	Meter Reading:	N/A

Indicate: **A - Acceptable** **U - Unacceptable** **N/A - Not Applicable** **N/I - Not Inspected**

Intake Facilities	N/A	Storage Structures	N/A	Treatment Systems	N/A	Recycling	N/A
Flow Meas. Device	N/A	Conveyance Lines	N/A	Pumping Stations	N/A	Chem. Storage	N/A
						Modifications	N/A

Water Supply Comments:

N/A

WASTE DISPOSAL – WELL WASTE

Disposal Method		Drilling Sump							
Off-Site Removal	N	Drilling Sump	Y	Downhole Injection	N	Treat and Landsread	N	Other	N/A

Indicate: **A - Acceptable** **U - Unacceptable** **N/A - Not Applicable** **N/I - Not Inspected**

Sump Liners	N/A	Sump Treatment	N/A	Freeboard	N/A
Erosion	A	Construction	N/A		
SNP Samples Collected	N/A				

Well Waste Comments:

- Ponding surrounding the drill sump but also present in other areas.
- Drill sump cap visually is better sloped then previous site visits and inspections.
- Drill sump and area appears to be stabilized.
- At the base around the drill sump there is bare soil that has less vegetation coverage. Further vegetation growth is needed to protect the soil and ensure better protection for the drill sump cap.
- No other erosion issues noted.

WASTE DISPOSAL – SEWAGE

Disposal Method		Camp Sump							
Mechanical	N	Camp Sump	Y	Natural Water Body	N	Wetland Treatment	N		
Continuous Discharge	N	Intermittent Discharge	N	Seasonal Discharge	N	Land Spread	N		
Accelerated Biological	N	Other	N/A						

Indicate: **A - Acceptable** **U - Unacceptable** **N/A - Not Applicable** **N/I - Not Inspected**



INDUSTRIAL WATER USE INSPECTION REPORT

Discharge Quality	N/A	Decent Process & Structures	N/A	Discharge Measurement Device	N/A
Freeboard	N/A	Method of Sludge Disposal	N/A		
Periods Of Discharge	N/A			SNP Samples Collected	N/A
Effluent Discharge Rates	N/A				

Sewage Comments:

- Vegetation is well established on camp sump
- No erosion issues noted.

WASTE DISPOSAL – SOLID WASTE

Disposal Method		Landfill					
Open Dump	N	Landfill	Y	Burn & Landfill	N	Underground	N
Offsite Removal	N	Other	N/A				
Owner / Operator	Suncor Energy Inc.						

Indicate: **A - Acceptable** **U - Unacceptable** **N/A - Not Applicable** **N/I - Not Inspected**

Runoff Diversion	N/A	SNP Samples Collected	N/A
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Solid Waste Comments:

- No waste or debris issues present. Some plastic debris that appears from flooding etc in the area.

GENERAL CONDITIONS/REPORTS/PLANS

Indicate: **A - Acceptable** **U - Unacceptable** **N/A - Not Applicable** **N/I - Not Inspected**

C &R Plan	N/A	Records & Reporting	U	Final Report	N/A
Geotechnical Inspection	N/A	Posting, Signage	N/A	Contingency Plan	N/A
Restorations Activities	A	Spills	A	O&M Plan	N/A
Maintenance	N/A	Modifications	N/A	Annual Report	A

General Condition Comments:

Concern:

1. The Interim Abandonment and Restoration Plan has not been received to date and is a violation of Part H: Conditions Applying to Abandonment and Restoration, Item 1 of the Water Licence. It is evident that this requirement pertained to the original time period of the drilling program, sump construction and subsequent reclamation. For the current time period to satisfy this condition it would prudent submit a brief plan to outline any further abandonment and restoration work that is planned for this site.

Notes:

- 2000 Annual Report has been submitted
- No impacted vegetation, hydrocarbon issues or spills seen.
- A Industrial Water Licence Inspection occurred on August 24, 2011 and observed similar conditions but there was a noticeable improvement in the amount of vegetation growth on the drill sump cap.
- Vegetation coverage is 70-80% on the drill sump. It is somewhat bare on edges and slope of sump.
- The camp sump is well vegetated with 70-80% with ponding present.
- On October 25, 2012 there was an inspection program conducted at Kurk M-15 by Suncor Energy Inc. A document titled "2012 Well Site Inspection Report Kurk M-15" was submitted. The inspection program consisted of EM31 and EM38 terrain conductivity, borehole drilling, soil sampling and surface water sampling. Based on this report, Suncor will be completing additional investigative activities at the site during 2013
- It is understood that a site visit had been conducted by Suncor Energy Inc. at around the same time period of this Industrial Water Licence Inspection.



INDUSTRIAL WATER USE INSPECTION REPORT

NON-COMPLIANCE/VIOLATIONS OF ACT OR LICENCE

Part H: Conditions Applying to Abandonment and Restoration, Item 1,
“The Licensee shall submit to the Board for approval within one year of issuance of this Licence, an Interim Abandonment and Restoration Plan in accordance with the Board’s “Guidelines for Mines in the Northwest Territories,” September 1980, or subsequent edition.”

Inspector’s Signature:



INDUSTRIAL WATER USE INSPECTION REPORT

Inspection Images:

Figure 1

Good vegetation growth on the camp sump.



Figure 2

Camp sump surrounded by ponding and cap with visual indications of bare soil.



Figure 3

Drill sump with a view of the extent of ponding and bare soil present surrounding base of sump.



Figure 4

Drill sump showing improved vegetation growth in addition to be better sloped sump cap compared to previous inspections.



Figure 5

Drill sump cap with bare soil and ponding proximity to sump base.



Figure 6

Thickness and extent of vegetation growth on surface of drill sump cap.

