WARDROP

September 15, 2009

0222880805-LTR-V0001-00

Ms. Phyllis Beaulieu Manager of Licensing Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1J0

Dear Ms. Beaulieu

Subject NWB Water Licence No. 8BR-KRK0609 – Request for Renewal

Wardrop has recently been engaged by the Nunavut Department of Community and Government Services to ensure that the hydrocarbon-impacted soil landfarm located in the Hamlet of Kugaaruk is being operated in compliance with the terms of the Water Licence referenced above. Our firm had previously been involved in the design of the landfill and the application for the Water Licence. It has recently come to the attention of the Government of Nunavut that the Department may not be in full compliance with all of the terms of the Licence. Wardrop's primary task will be to ensure that any areas of non-compliance are identified and rectified and that any on-going activities related to the treatment of the soil in the landfarm are conducted in compliance with the Licence.

BACKGROUND

As was noted in the original application, dated May 25, 2005, the landfarm was constructed prior to the issuance of a Water Licence. The impacted soil from a tank site remediation project in Kugaaruk was placed in the cell in July, 2007 which was after the issuance of the Water Licence. No additional soil has been placed in the treatment cell since that time.

Composite samples of the soil in the cell were taken by Wardrop staff immediately after placement. Wardrop has been advised that the upper soil layer was tilled by the Government's contractor in August of 2009. Water from the retention cell was also pumped out at that time. Wardrop personnel were on site on September 11 and 12, 2009 to install monitoring wells and to obtain water and soil samples. It is our understanding that this is the first sampling to be conducted since the initial July 2007 site work. Since the treatment season in Kugaaruk is coming to an end for this year, the results of the most recent sampling program will be used to develop a detailed program for 2010 and beyond.

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REQUEST FOR LICENCE RENEWAL

One immediate compliance issue is related to the term of the Water Licence. The expiry date of the current Licence was August 31, 2009. No water use or waste disposal activities as described in Part B, Item 4 of the Licence have occurred since the expiry date. Since further activities will be occurring at the landfarm in subsequent years until the soil is adequately treated, the Government of Nunavut will require that the terms of the Water Licence be renewed, so that these activities can proceed in compliance with the mandate of the Nunavut Water Board. The requested extension for the terms of the Licence will permit the continuation of the current soil treatment project. Upon completion of this project, the Government of Nunavut will be in further contact with the Water Board regarding plans to leave the landfarm in place for possible future use.

On behalf of the Nunavut Department of Community and Government Services, Wardrop hereby requests that the Nunavut Water Board consider renewing the term of Water Licence 8BR-KRK0609 for an additional three years.

If any additional information is required as this request is being considered, please contact me at (204) 988-0527 or at the address shown in the letterhead.

Thank you for your consideration.

Sincerely

WARDROP ENGINEERING INC.

Dave Ediger, P. Eng.

Senior Environmental Engineer

Reviewed by

WARDROP ENGINEERING INC.

Lorne Stone

Mechanical Design Manager

DE/pp

Copy Mr. Tom Livingston, Nunavut Dept .of Community & Govt. Services