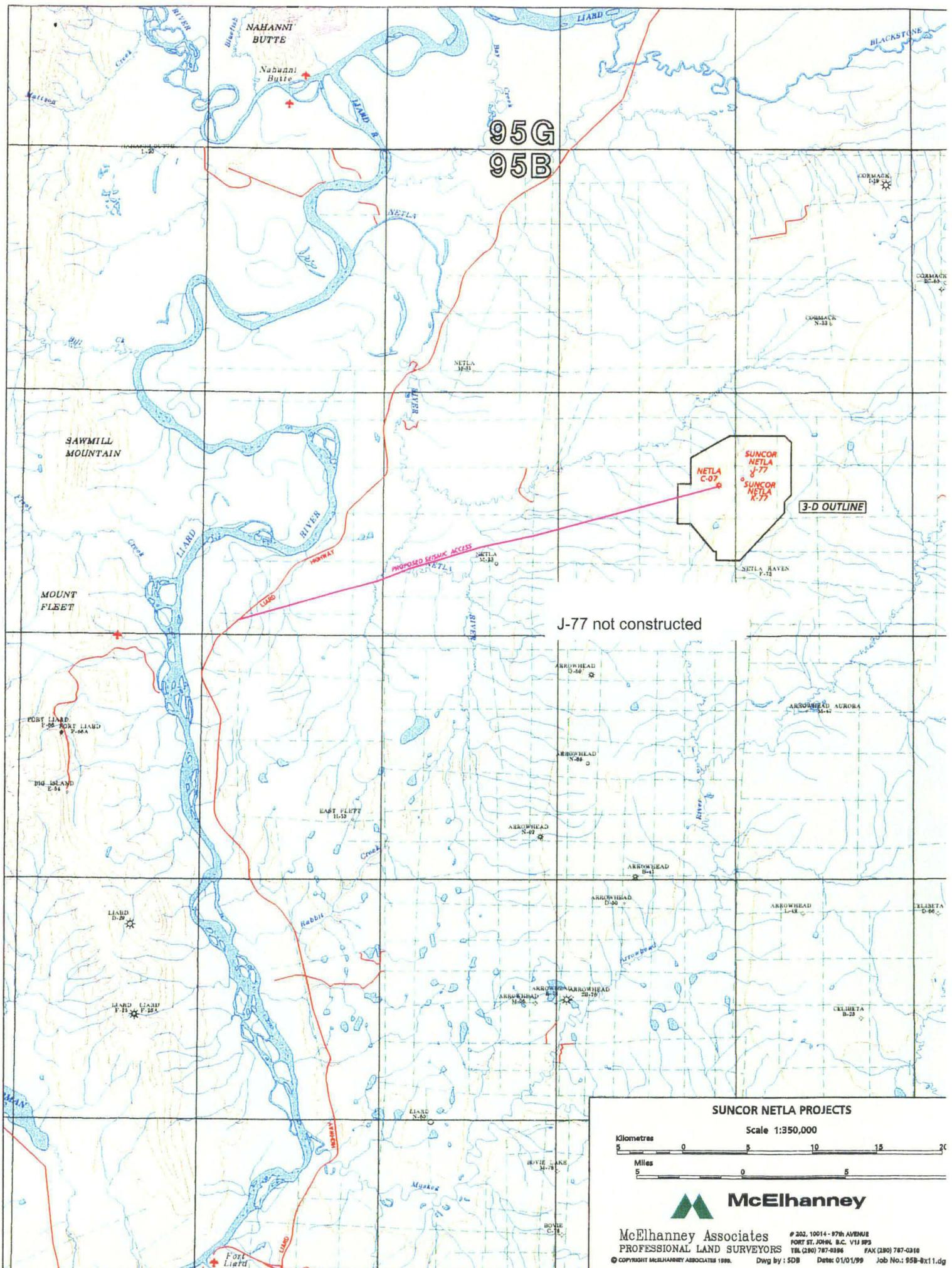




**1998/1999
NWT Winter Operations
Annual Report**



SUNCOR NETLA PROJECTS

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Dwg by : SDB Date: 01/01/99 Job No.: 95B-Bx11.dg

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1:350,000 map
Participation Charts

Northwest Territories Operations and Benefits

Project Description

Suncor Energy Inc. has completed 3 months of field work in the Netla area, north of Fort Liard. The project included the completion of a 3D seismic program, completed on February 8, 1999; the re-entry of the Netla C-07 well, and the construction and drilling of the K-77 well completed in March 1999. The J-77 well was not constructed in the 1998/99 season, but is proposed for drilling in the 1999/2000 season. The locations of these projects are outlined on the attached map.

Industrial Benefits

Suncor has utilized the services of various businesses in the Fort Liard area. We made extensive use of their goods and services, allocating approximately 23% of capital costs directly to the local northern area. Over 80% of total field construction costs were allocated to our primary contractor, Beaver Enterprises, through which many local residents and businesses were sub-contracted. The benefits to the local community are evident through increased employment opportunities and business development. Suncor employed numerous services and employees from the local communities.

Employment and Training

Many local area residents were employed through Suncor and its contractors. For our seismic project, 41% of our total manpower consisted of local aboriginal/northern area residents. Aboriginals/local area residents worked 74% of the total man-hours required for the site preparation and construction of our two wells. A total of six local area residents were employed while drilling on the K-77 well. The Project Summary offers a financial breakdown of allocated costs and aboriginal participation.

Suncor worked with and made a contribution towards the Employment and Training coordinator at the Liard Valley Band Development Corporation to help facilitate productive operations. A workshop was held with Suncor, NWT Mobilization, and Fort Liard representatives discussing ways and means of working successfully in the area. Pre-employment initiatives and training programs were implemented in the area with the collaborative efforts of Suncor and the NWT Community Mobilization Partnership and Job Development Strategy. Suncor assisted in funding this effort.

Consultation

Suncor provided information about its operations to the local communities and groups. We held numerous meetings in the communities and addressed the concerns and questions of the Nahanni Butte and Fort Liard bands. Suncor met with the bands to provide information about the projects and the potential benefits of these developments to the local communities.

Project Summary

Seismic

Total Expenditure on Local Goods and Services of Total Seismic Costs	46%
Total Camp Man-days	490
Total Local Area Residents Camp Man-days	339
Total Number of Employees	90
Total Number of Local Area Residents	37
	41%

C-07 Construction Costs

Total Expenditure on Local Goods and Services of Total Field Construction Costs	88%
Wellsite Construction Man-days	17
Aboriginal/Local Area Residents Man-days	14
Aboriginal/Local Area Residents Direct Wages of Wellsite Construction Cost of Wages	75%

K-77 Well

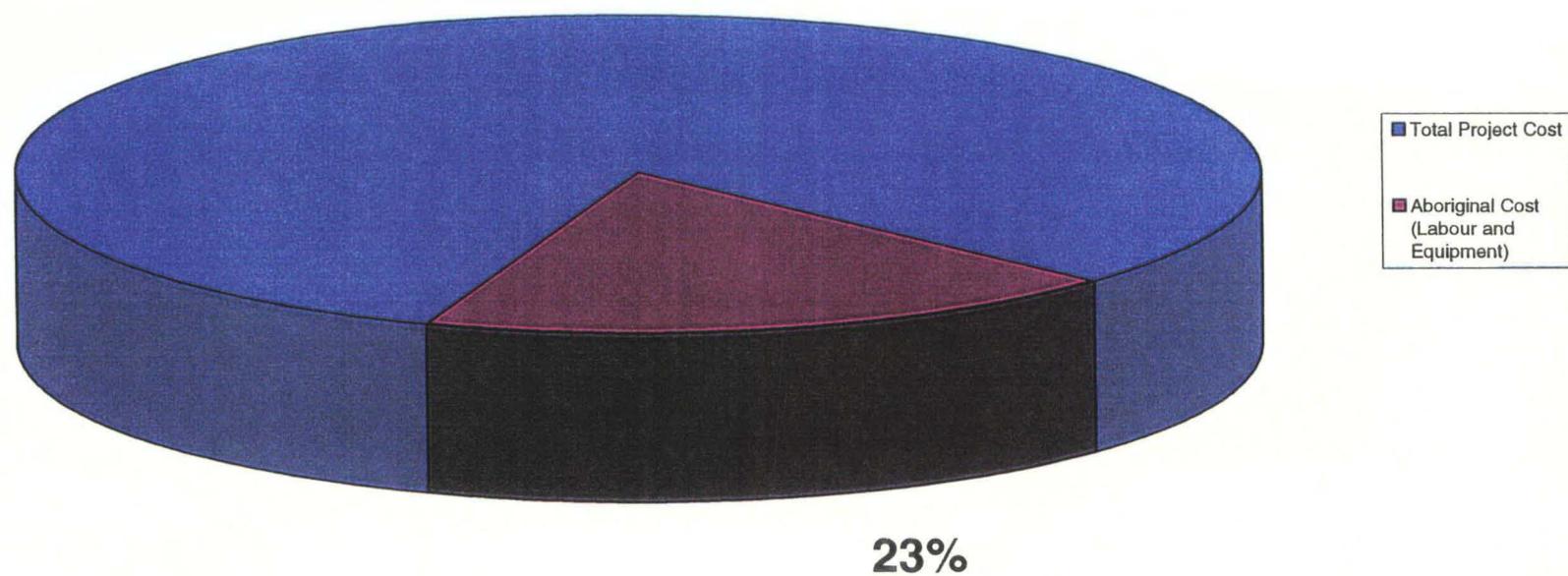
Total Expenditure on Local Goods and Services of Total Field Construction Costs	51%
Wellsite Construction Man-days	70
Aboriginal/Local Area Residents Man-days	50
Aboriginal/Local Area Residents Direct Wages of Total Wellsite Construction Cost of Wages	51%
Direct Aboriginal/Local Drilling Wages of Total Drilling Wages	20%
Total Drilling Manhours	3,996
Direct Aboriginal/Local Residents Drilling Manhours	1,012
	25%

Total direct benefits to local northern area:

23% of capital costs

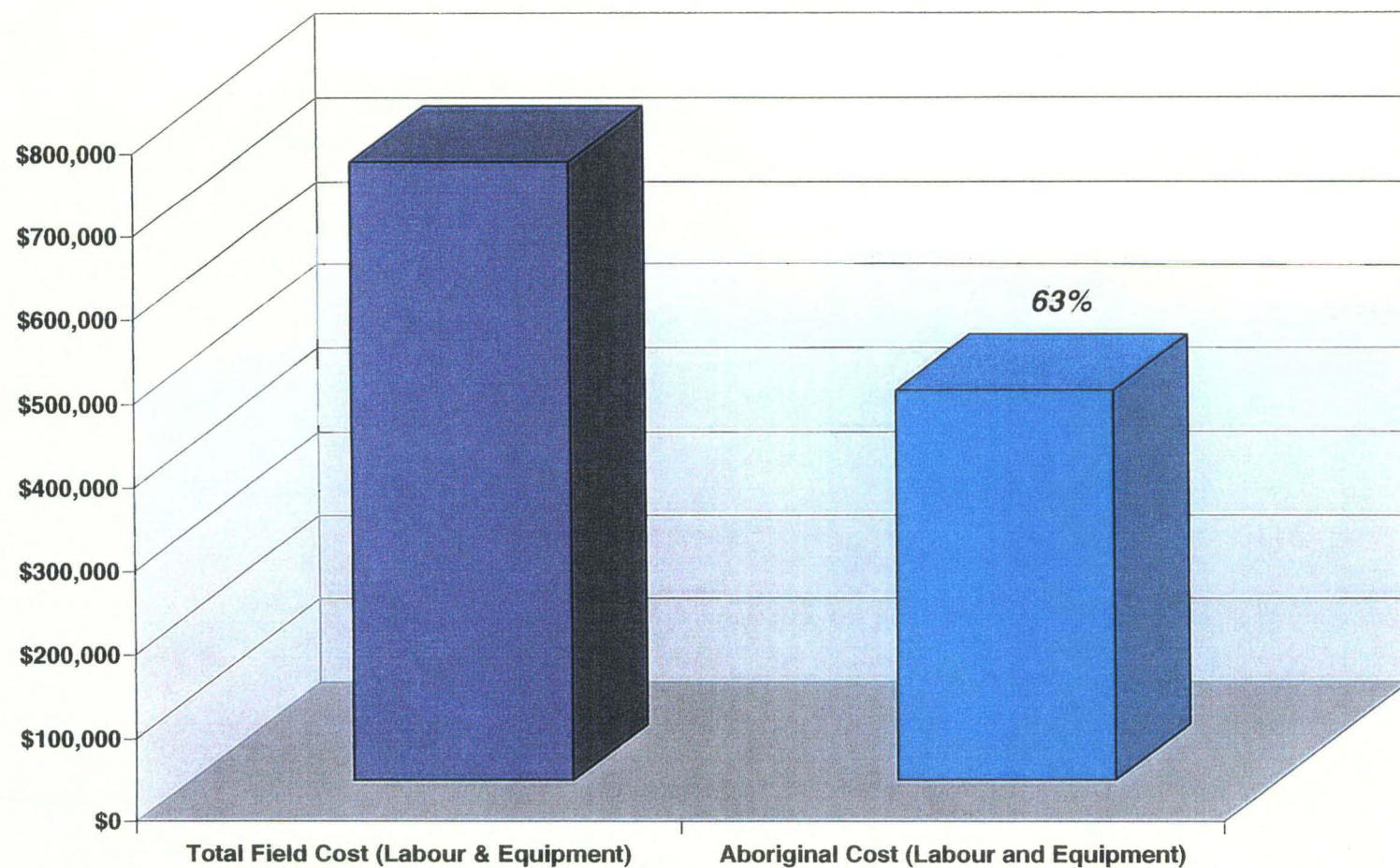


Aboriginal Participation in NWT Projects 1998/99





***Aboriginal Participation in NWT Well Construction Projects
1999***





Aboriginal Participation in Netla 3D Seismic
1999

