

December 12, 2012

Angela Love
Regulatory Specialist
Sahtu Land and Water Board
Box 1, Fort Good Hope
Northwest Territories
X0E 0H0

Dear Ms. Love:

**Re: Husky Oil Operations Ltd.
Land Use Permit Application – S12X-006
Slater River Groundwater Baseline Drilling Program
Request for Review and Comments**

The Department of Environment and Natural Resources (ENR) has reviewed the proponent's November 28, 2012 letter to the Board and would like to provide the following comments to further clarify ENR's comments on the project.

Original ENR Recommendation(s):

1. Regarding evaporation of industrial wastes, it is recommended that the Proponent is required, at minimum, to integrate requirements of the Alberta Energy Utilities Board (ERCB) Guide 58, Oilfield Waste Management Requirements for the Upstream Petroleum Industry, Section 17.5 Mobile Thermal Treatment Units. Specifically, Section 3. Notification of Operations, P. 93, states that Mobile Thermal Treatment Units are regulated under the Alberta Environment Code of Practice for Small Incinerators, September 2005. This Code of Practice states that thermal desorber units (Section 6, Operational and Emission Requirements, 6.6, page 11) must meet the following requirement:

“No person shall operate a thermal desorber unless: (a) the temperature in the combustion chamber is greater than the boiling point of the least volatile chemical constituent.”

Husky Response (Provided to SLWB, November 28th, 2012):

1. An evaporator does not have a combustion chamber. It uses an external heat source applied to a vessel containing fluid. The applied heat results in the

evaporation of liquid and the release of volatile components from the solution. There is no burner chamber per se in that the water is not combusted.

ENR Clarification

The preamble comment for the ENR recommendation is provided again for proper context:

“The Slater River Project Groundwater Baseline Drilling Waste Management Plan, Section 2, Waste Types, APPLICABLE WASTE TREATMENT METHODS, Page 13, states that Evaporation may be used to reduce the quantity of a waste containing a fluid that can be readily evaporated at low temperatures [100C or less] such as water. In the case that evaporation of industrial wastewater is proposed, mitigation measures are required to be implemented. Evaporation or boil off of waste will result in the deposit of waste and contaminants to air, which if not appropriately mitigated, can be an on-site health and safety risk as well as a vector for transport and transfer of contaminants to land and water.”

The intent of this recommendation is to ensure that evaporation/boil off (thermal treatment) of wastes will not result in the release and deposit of volatile compounds/waste/ contaminants. In the proponent’s proposed evaporation method, if there are other compounds, other than water, in the waste, and the boiling point of these compounds is less than that of water, these compounds will be ‘boiled off’ and released. These compounds are required to be either captured (i.e. scrubbed) or combusted to ensure they are not directly released to the environment.

ENR, for further clarification, requests the proponent confirm and commit, that any volatile compounds in its wastes treated with evaporation, boil-off or any thermal process, are captured and treated (e.g. scrubber or secondary combustion), so as to ensure that volatile components are not released.

Should you have any questions or concerns, please do not hesitate to contact Patrick Clancy, Environmental Regulatory Analyst at 920-6118 or patrick_clancy@gov.nt.ca.

Sincerely,



Patrick Clancy
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Environmental Assessment and Monitoring
Land and Water Division
Environment and Natural Resources
Government of the Northwest Territories