



**SAHTU Land & Water Board**  
**P.O. Box 1**  
**Fort Good Hope, NT**  
**X0E 0H0**

July 19, 2013

Mr. Ken Hansen  
Slater River Project Manager, NWT  
Husky Oil Operations Ltd.  
707 8<sup>th</sup> Avenue S.W.  
Box 6525, Station D  
Calgary, Alberta  
T2P 3G7

Our File: S13A-002  
S13L1-005  
Your File:

Dear Mr. Hansen,

**RE: Issuance of Type A Land Use Permit and Type B Water Licence  
Exploration Licence 462 and 463, Tulita District, NT**

Attached are Land Use Permit S13A-002 and Water Licence S13L1-005 granted by the Sahtu Land and Water Board (SLWB) in accordance with the *Mackenzie Valley Resource Management Act* and the *Northwest Territories Waters Act*. This Permit and Licence have been approved for a period of five years commencing July 19, 2013 and expiring July 18, 2018.

We have attached conditions and note that in accordance with Land Use Permit condition Part C: L.1, a security deposit in the amount of \$244,946.00 and in accordance with the Water Licence condition Part B: 16, a security deposit in the amount of \$361,659.00 shall be posted with the Minister and copied to the SLWB prior to the start of the operation pursuant to section 32 of the *Mackenzie Valley Land Use Regulations* and section 17 of the *Northwest Territories Waters Act*. Submit payment of the security, made out to the **Receiver General for Canada** in the amount of \$244,946.00 to: Aboriginal Affairs and Northern Development Canada, 86 Duck Lake Rd, PO Box 2100, Inuvik, NT, X0E 0T0, Attention: District Manager and \$361,659.00 to: Aboriginal Affairs and Northern Development Canada, Box 1500, Yellowknife, NT, X1A 2R3, Attention: Manager, Water Resources Division. Please copy the SLWB office prior to the start of your operation.

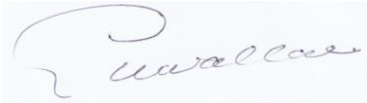
Copies of this Permit and Licence have been filed on the Public Registry at the office of the SLWB. This letter, all Inspection Reports, and correspondence related thereto is part of the Public Registry and is intended to keep all

interested parties informed of the manner in which the Permit and Licence requirements are being met.

Your full cooperation is anticipated and appreciated. If you have any questions or concerns, please contact Angela Love at (867) 598-2413 ext 227 or email at [angela.love@slwb.com](mailto:angela.love@slwb.com).

Yours sincerely,

**Sahtu Land and Water Board**

A handwritten signature in blue ink, appearing to read "Larry Wallace", is displayed on a light blue rectangular background.

Larry Wallace  
Chair



# SAHTU Land & Water Board Land Use Permit

Permit Class Type A Land Use Permit	Permit No. S13A-002
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Subject to the *Mackenzie Valley Land Use Regulations* and the terms and conditions in this permit, authority is hereby granted to:

### Husky Oil Operations Limited

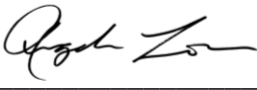
Permittee

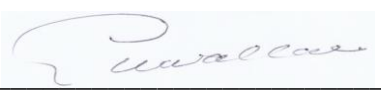
To proceed with the land use operation described in the application of:

Signature: Ken Hansen	Date: May 22, 2013
Type of Land Use Operations: Oil and Gas Drilling	
Location: Drilling area located on Exploration Licence 462 and 463; approximately 40 Km SSE of the Town of Norman Wells, NT.	

This permit may be assigned, extended, discontinued, suspended or cancelled pursuant to the *Mackenzie Valley Land Use Regulations*.

Dated at: Fort Good Hope, NWT This 19th Day of July Year: 2013

Witness 

  
Larry Wallace (Chairman)  
**SAHTU Land & Water Board**

Commencement Date: July 19, 2013 Expiry Date: July 18, 2018

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### NOTE

IT IS A CONDITION OF THIS PERMIT THAT THE PERMITTEE COMPLY WITH THE PROVISIONS OF THE *MACKENZIE VALLEY RESOURCE MANAGEMENT ACT AND REGULATIONS* AND THE TERMS AND CONDITIONS SET OUT HEREIN. A FAILURE TO COMPLY MAY RESULT IN SUSPENSION OR CANCELLATION OF THIS PERMIT BY THE BOARD.

THIS PERMIT SHALL BE POSTED OR BE AVAILABLE ON SITE.

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**If you have any questions please call the SAHTU Land & Water Board at  
(867) 598-2413**

**CONDITIONS ANNEXED TO AND FORMING PART OF  
LAND USE PERMIT S13A-002**

**PART A: SCOPE**

1. This Permit entitles Husky Oil Operations Ltd. to conduct the following activities for the purpose of oil and gas exploration on Exploration Licence 462 and 463, approximately 40 km SSE of the Town of Norman Wells:
  - a) Exploratory oil and gas drilling;
  - b) Construction of access and well sites;
  - c) Managing waste; and,
  - d) Reclamation activities.

Minimum Latitude: N 64°40'  
Minimum Longitude: W 125°45'

Maximum Latitude: N 65°20'  
Maximum Longitude: W 126°45'

2. The Permit is issued subject to the conditions contained herein with respect to the use of land for the activities and area as identified in Part A.
3. Compliance with the terms and conditions of this Permit does not affect the Permittee's responsibility for compliance with the requirements of all applicable federal, territorial, and municipal legislation.
4. The Permittee shall comply with the terms of any plans approved pursuant to the conditions of this Permit and with any amendments to the plans as may be made from time to time pursuant to the conditions of this Permit and as approved by the Sahtu Land and Water Board.

**PART B: DEFINITIONS**

**“Act”** - the *Mackenzie Valley Resource Management Act*.

**“Drilling Fluids”** - any liquid mixture of water, sediment, drilling muds, chemical additives or other wastes that are pumped down hole while drilling and are specifically related to drilling activity.

**“Drill Waste”** - all materials or chemicals, solid or liquid, associated with drilling, including drill cuttings and Drilling Fluids.

**“Flowback”** - the flow of Fracturing Fluid back to the wellbore after fracture treatment is completed.

**“Fracturing Fluid”** - the fluid injected at high pressure to perform a hydraulic fracturing treatment and includes the applicable base fluid and all additives.

**“Fuel Storage Container”** - a container for the storage of **petroleum** or **allied petroleum products** with a capacity of less than 230 litres.

**“Fuel Storage Tank”** - a closed container for the storage of **petroleum** or **allied petroleum products** with a capacity of more than 230 litres.

**“Inspector”** - an Inspector designated by the Minister under the *Mackenzie Valley Resource Management Act*.

**“Minister”** - the Minister of the Department of Indian Affairs and Northern Development.

**“Ordinary High Water Mark”** - the usual or average level to which a body of water rises at its highest point and remains for sufficient time so as to change the characteristics of the land. In flowing waters (rivers, streams) this refers to the “active channel/bank-full level” which is often the 1:2 year flood flow return level. In inland lakes, wetlands, or marine environments, it refers to those parts of the Watercourse bed and banks that are frequently flooded by water so as to leave a mark on the land and where the natural vegetation changes from predominately aquatic vegetation to terrestrial vegetation (excepting water tolerant species). For reservoirs, this refers to normal high operating levels (full supply level).

**“Permafrost”** - ground (soil or rock) that remains at or below 0°C for at least two consecutive years.

**“Produced Water”** - means any waters produced during gas and oil extraction that cannot normally be disposed of at the surface of the earth because such waters can contain high levels of salts and trace levels of hydrocarbons and other pollutants.

**“Secondary Containment”** - containment that prevents liquids that leak from Fuel Storage Tanks or containers from reaching outside the containment area and includes double-walled tanks, piping, liners, and impermeable barriers.

**“Sewage”** - all toilet wastes and Greywater.

**“Spill Contingency Plan”** - a document, developed in accordance with Aboriginal Affairs and Northern Development Canada’s *Guidelines for Spill Contingency Planning* (April 2007), that describes the set of procedures to be implemented to minimize the effects of a spill.

**“Toxic”** - a substance that enters or may enter the environment in a quantity or concentration or under conditions such that it:

- a) Has or may have an immediate or long-term harmful effect on the environment or its biological diversity;
- b) Constitutes or may constitute a danger to the environment on which life depends; or
- c) Constitutes or may constitute a danger in Canada to human life or health.

**“Waste Management Plan (WMP)”** - a document, developed in accordance with the Board’s *Guidelines for Developing a Waste Management Plan*, that describes the methods of waste management from waste generation to final disposal.

**“Watercourse”** - a natural body of flowing or standing water or an area occupied by water during part of the year, and includes streams, springs, swamps and gulches but does not include groundwater.

**PART C: CONDITIONS APPLYING TO ALL ACTIVITIES (the headings correspond to subsection 26(1) of the Mackenzie Valley Land Use Regulations)**

**26 (1) (A) - LOCATION AND AREA**

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|---|--|-------------------------------|
| 1 | The Permittee shall not conduct any part of the land-use operation within 300 metres of any privately owned or leased land or structure, unless otherwise authorized in writing by the Sahtu Land and Water Board. | <b>Private Property</b>       |
| 2 | The Permittee shall not construct parallel lines or roads, unless an existing line or road cannot be used.   | <b>Parallel Roads</b>         |
| 3 | The Permittee shall locate all lines, trails, and right-of-ways to be constructed parallel to any Watercourse a minimum of 100 metres from the Ordinary High Water Mark, except at crossings.                      | <b>Parallel Watercourse</b>   |
| 4 | The Permittee shall not conduct this land-use operation on any lands not designated in the accepted application. Wells for exploratory drilling and reclamation are as follows:                                    | <b>Location of Activities</b> |

Well Name	Latitude	Longitude
O-41	N65° 0' 53.1"	W126° 23' 22.7"
G-70	N64° 59' 28.4"	W126° 27' 13.1"
N-09 (existing)	N64° 58' 55.4"	W126° 31' 26.9"
H-64 (existing)	N64° 53' 28.7"	W126° 11' 26.9"

**26 (1) (B) – TIME**

1 At least 48 hours prior to commencement of this land-use operation, the Permittee shall provide the following information, in writing, to the Sahtu Land and Water Board and an Inspector: **Identify Agent**

- (a) the name(s) of the person(s) in charge of the field operation;
- (b) alternates; and
- (c) all methods for contacting the above person(s).

2 At least ten days prior to the completion of the land-use operation, the Permittee shall advise an Inspector of: **Reports Before Removal**

- (a) the plan for removal or storage of equipment and materials; and
- (b) when final cleanup and reclamation of the land used will be completed.

3 The Permittee shall submit a progress report to the Sahtu Land and Water Board and an Inspector every seven days during this land use operation. **Progress Report**

**26 (1) (C) - EQUIPMENT**

1 The Permittee shall not use any equipment except of a similar type, size, and number to that listed in the accepted application. **Only Approved Equipment**

2 The Permittee shall, in camps of more than five people, maintain the following firefighting equipment in the base camp and in active readiness: **Fire Fighting Equipment**

- (a) four backpack bags or cans complete with hand pumps; and
- (b) a minimum of two pieces of each of the following: pulaskis, axes, shovels.

**26 (1) (D) - METHODS AND TECHNIQUES**

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|---|---|------------------------------|
| 1 | Prior to the movement of any vehicle that exerts pressure on the ground in excess of 35 kPa, the Permittee shall scout proposed lines and routes to select the best location for crossing streams and avoiding terrain obstacles. | <b>Detours and Crossings</b> |
| 2 | The Permittee shall not erect camps or store material other than that required for immediate use on the ice surface of a Watercourse.   | <b>Storage on Ice</b>        |

**26 (1) (E) - TYPE, LOCATION, CAPACITY AND OPERATION OF FACILITIES**

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|---|---|------------------------|
| 1 | The Permittee shall ensure that the land use area is kept clean at all times. | <b>Clean Work Area</b> |
|---|---|------------------------|

**26 (1) (F) - CONTROL OR PREVENTION FLOODING, EROSION AND SUBSIDENCE OF LAND**

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|---|---|------------------------------------|
| 1 | The Permittee shall install and maintain culverts such that scouring does not occur.  | <b>Culvert Size</b>                |
| 2 | The Permittee shall insulate the ground surface beneath all structures associated with this land-use operation to prevent:<br><br>(a) any vegetation present from being removed;<br><br>(b) the melting of Permafrost; and<br><br>(c) the ground settling and/or eroding. | <b>Permafrost Protection</b>       |
| 3 | The land-use operation shall not cause obstruction to any natural drainage.   | <b>Natural Drainage</b>            |
| 4 | The Permittee shall minimize erosion by installing erosion control structures as the land-use operation progresses.   | <b>Progressive Erosion Control</b> |
| 5 | The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface.  | <b>Prevention of Rutting</b>       |
| 6 | The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting.  | <b>Suspend Overland Travel</b>     |



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|---|--|------------------------------|
| 7 | The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging. | <b>Vehicle Movement</b>      |
| 8 | The Permittee shall not cut any stream bank, unless otherwise authorized in writing by an Inspector.   | <b>Stream Banks</b>          |
| 9 | The Permittee shall not ford wet streams.  | <b>No Fording of Streams</b> |

**26 (1) (G) - USE, STORAGE, HANDLING AND DISPOSAL OF CHEMICAL OR TOXIC MATERIAL**

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|---|--|--------------------------------------|
| 1 | The Permittee shall not use any Drilling Fluids, muds, or additives that were not identified in the accepted application, unless the MSDSs are provided to the Sahtu Land and Water Board and an Inspector and usage of the chemical(s) is authorized in writing by the Sahtu Land and Water Board.  | <b>Drilling Chemicals</b>            |
| 2 | At least seven days prior to the use of any chemicals that were not identified in the accepted application, the MSDS sheets must be provided to the Sahtu Land and Water Board and an Inspector.   | <b>Chemicals</b>                     |
| 3 | When drilling within 100 metres of the Ordinary High Water Mark of any Watercourse, and when drilling on ice, the Permittee shall contain all drill water and waste in a closed circuit system for reuse or off-site disposal.   | <b>Drilling Near Water or On Ice</b> |
| 4 | The Permittee shall not allow any Drilling Waste to spread to the surrounding lands or Watercourses.   | <b>Drilling Waste Containment</b>    |
| 5 | <p>The Permittee shall maintain a record of all spills. For all reportable spills, as defined in the <i>NT-NU Spill Report Form</i>, the Permittee shall:</p> <p>(a) immediately report each spill to the 24-hour Spill Report Line (867) 920-8130;</p> <p>(b) report each spill to an Inspector within 24 hours; and</p> <p>(c) submit, to the Sahtu Land and Water Board and an Inspector, a detailed report on each spill within 30 days.</p> | <b>Report Spills</b>                 |
| 6 | The Permittee shall dispose of all Toxic substances as described in the approved Waste Management Plan.  | <b>Waste Chemical Disposal</b>       |

- |   |   |                                 |
|---|---|---------------------------------|
| 7 | The Permittee shall dispose of all waste petroleum products by removal to an approved disposal facility or by incineration in a device designed for this purpose, as described in the approved Waste Management Plan.   | <b>Waste Petroleum Disposal</b> |
| 8 | The Permittee shall ensure that all Drilling Fluids, Flowback, and Produced Water wastes are contained in storage tanks located within a bermed area with leak detection and a synthetic liner that is considered impermeable and is capable of containing 110% of the total volume of the largest storage tank(s) employed within the bermed area. | <b>Waste Containment</b>        |

**26 (1) (H) – WILDLIFE AND FISHERIES HABITAT**

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|---|---|-----------------------------------|
| 1 | The Permittee shall take all reasonable measures to prevent damage to wildlife and fish Habitat during this land-use operation.   | <b>Habitat Damage</b>             |
| 2 | The Permittee shall not obstruct the movement of fish while conducting this land-use operation. The Permittee shall construct and maintain all structures placed in streams frequented by fish in a manner that will not obstruct the passage of fish.  | <b>Free Fish Movement</b>         |
| 3 | The Permittee shall not use the bed of streams for access routes except for the purpose of crossing the streams.  | <b>Stream Beds-Access</b>         |
| 4 | The Permittee shall not destroy or damage beaver dams.  | <b>Beaver Dams</b>                |
| 5 | The Permittee shall not destroy or damage beaver lodges.  | <b>Beaver Lodges</b>              |
| 6 | The Permittee shall not destroy or damage muskrat lodges.   | <b>Muskrat Lodges</b>             |
| 7 | If migratory birds or their nesting areas, or any species at risk are encountered during the course of operations, the Permittee is to minimize all activity so as to not disturb these animals.  | <b>Migratory Bird Disturbance</b> |
| 8 | Your operation is in an area where bears may be encountered. Proper food handling and garbage disposal procedures will lessen the likelihood of bears being attracted to your operation. Information about the latest bear detection and deterrent techniques can be obtained from the Department of Environment and Natural Resources at (867) 587-3500. | <b>Bear/Man Conflict</b>          |

**26 (1) (I)- THE STORAGE, HANDLING, AND DISPOSAL OF REFUSE OR SEWAGE**

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|---|--|--------------------------|
| 1 | The Permittee shall keep all garbage and debris in a secure container until disposal.  | <b>Garbage Container</b> |
| 2 | The Permittee shall dispose of all garbage, waste, and debris as described in the approved Waste Management Plan, unless otherwise authorized in writing by an Inspector.  | <b>Remove Garbage</b>    |
| 3 | The Permittee shall adhere to the approved Waste Management Plan and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Sahtu Land and Water Board. Revisions to the plan shall be submitted to the Sahtu Land and Water Board for approval. | <b>Waste Management</b>  |

**26 (I) (J) - HISTORICAL AND ARCHAEOLOGICAL SITES AND BURIAL GROUNDS**

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|---|--|--|
| 1 | The Permittee shall not operate any vehicle or equipment within 150 metres of a known or suspected historical or archaeological site or burial ground.   | <b>Archaeological Buffer</b>           |
| 2 | The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site.  | <b>Site Disturbance</b>                |
| 3 | The Permittee shall, where a suspected archaeological or historical site, or burial ground is discovered:<br><br>(a) immediately suspend operations on the site; and<br><br>(b) notify the Sahtu Land and Water Board at (867) 598-2413 or an Inspector at (867) 598-2911, and the Prince of Wales Northern Heritage Centre at (867) 920-6182 or 873-7688. | <b>Site Discovery and Notification</b> |

**26 (1) (L) - SECURITY DEPOSIT**

- |   |  |   |
|---|--|---|
| 1 | Prior to commencement of the land-use operation, the Permittee shall deposit with the Minister a security deposit in the amount of <u>\$244,946.00</u> . | <b>Security Deposit</b>                     |
| 2 | All costs to remediate the area under this Permit are the responsibility of the Permittee.   | <b>Responsibility for Remediation Costs</b> |

## 26 (1) (M) - PETROLEUM FUEL STORAGE

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|----|--|--|
| 1  | The Permittee shall:<br><br>(a) examine all Fuel Storage Tanks and containers for leaks a minimum of once per day; and<br><br>(b) repair all leaks immediately.                                  | <b>Check for Leaks</b>                   |
| 2  | The Permittee shall ensure that all Fuel Storage Tanks with a capacity exceeding 4,000 litres are double-walled tanks.   | <b>Double-walled Tanks</b>               |
| 3  | The Permittee shall not place any Fuel Storage Containers or tanks within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. | <b>Fuel Near Water</b>                   |
| 4  | The Permittee shall ensure that all fuel caches containing 20 or more Fuel Storage Containers have adequate Secondary Containment.   | <b>Fuel Cache Secondary Containment</b>  |
| 5  | The Permittee shall set up all refueling points with secondary containment.  | <b>Secondary Containment – Refueling</b> |
| 6  | The Permittee shall not allow petroleum products to spread to surrounding lands or Watercourses.   | <b>Fuel Containment</b>                  |
| 7  | The Permittee shall locate mobile fuel facilities on land when the facilities are stationary for more than 12 hours.   | <b>Fuel on Land</b>                      |
| 8  | The Permittee shall mark all Fuel Storage Containers and tanks with the Permittee's name.  | <b>Mark Containers</b>                   |
| 9  | The Permittee shall mark all stationary fuel caches and fuel storage facilities with flags, posts, or similar devices so that they are at all times plainly visible to local vehicle travel.     | <b>Mark Fuel Location</b>                |
| 10 | Within ten days of the establishment of any fuel cache, the Permittee shall report the location and quantity of the cache in writing to the Sahtu Land and Water Board and an Inspector.         | <b>Report Fuel Location</b>              |
| 11 | The Permittee shall seal all outlets of Fuel Storage Containers and store the containers on their sides with the outlets located at 3 and 9 o'clock, except for containers currently in use.     | <b>Seal Outlet</b>                       |

- |    |   |                               |
|----|---|-------------------------------|
| 12 | The Permittee shall adhere to the approved Spill Contingency Plan and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Sahtu Land and Water Board. Revisions to the plan shall be submitted to the Sahtu Land and Water Board for approval. | <b>Spill Contingency Plan</b> |
| 13 | Prior to commencement of operations, the Permittee shall ensure that spill-response equipment is in place to respond to any potential spills.   | <b>Spill Response</b>         |
| 14 | All equipment that may be parked for two hours or more, should have a haz-mat/drip tray under it or be sufficiently diapered. (Leaky equipment should be repaired immediately.)   | <b>Drip Trays</b>             |

**26 (1) (N) - DEBRIS AND BRUSH DISPOSAL**

- |   |  |                                |
|---|--|--------------------------------|
| 1 | The Permittee shall progressively dispose of all brush and trees and shall complete all brush disposal; all disposal shall be completed prior to the expiry date of this permit. | <b>Brush Disposal/ Time</b>    |
| 2 | The Permittee shall not clear areas larger than identified in the accepted application.  | <b>Minimize Area Cleared</b>   |
| 3 | The Permittee shall clear by hand all trees and brush a minimum distance of fifteen metres from the top edge of all stream banks and top edge of slopes.                         | <b>Clearing Sensitive Area</b> |
| 4 | The Permittee shall salvage all portions of trees cleared that are larger than 13 centimetres in diameter.   | <b>Salvage Timber</b>          |
| 5 | The Permittee shall neatly pile all salvaged wood at locations specified in writing by the Sahtu Land and Water Board.   | <b>Pile Wood</b>               |

**26 (1) (O) - RESTORATION OF THE LANDS**

- |   |   |                                      |
|---|---|--------------------------------------|
| 1 | All areas affected by construction or removal activities shall be stabilized and landscaped to their pre-construction profiles, unless otherwise authorized in writing by an Inspector. | <b>Pre-construction Profiles</b>     |
| 2 | Prior to the expiry date of this Permit, the Permittee shall complete all cleanup and restoration of the lands used.  | <b>Final Cleanup and Restoration</b> |

3 Prior to the expiry date of this Permit, the Permittee shall prepare the site in such a manner as to facilitate natural revegetation. **Natural Vegetation**

4 The Permittee shall restore any trails impacted by the land-use operation by removing fallen trees and any other obstructions from the trails. **Trails Restoration**

**26 (1) (P) - DISPLAY OF PERMITS AND PERMIT NUMBERS**

1 The Permittee shall display a copy of this Permit in each campsite established to carry out this land-use operation. **Display Permit**


**26 (1) (Q) - MATTERS NOT INCONSISTENT WITH THE REGULATIONS**

1 The Permittee shall adhere to all comments and procedures stated in the Land Use Permit application unless otherwise stated in the Terms and Conditions of this Land Use Permit or authorized by the Sahtu Land and Water Board. **Other Commitments**

2 The Permittee shall notify the affected communities of imminent increased traffic prior to start up of operations. **Notify Communities**

**SAHTU Land and Water Board**

  
\_\_\_\_\_  
**Witness**

  
\_\_\_\_\_  
**Larry Wallace (Chairman)**



## SAHTU Land & Water Board

### REASONS FOR DECISION Issued Pursuant to Section 121 of

#### The Mackenzie Valley Resource Management Act for

**Land Use Permit Number: S13A-002 (Type "A")**

This is the decision of the SAHTU Land & Water Board (the Board) with respect to the preliminary screening of an application for a Land Use Permit dated May 22, 2013 made by:

**Husky Oil Operations Ltd.**  
**707- 8<sup>th</sup> Avenue S.W.**  
**Calgary, Alberta**  
**T2P 3G7**

**For:** The undertaking of exploratory oil and gas drilling within the area covered by Exploration Licence 462 and 463 located approximately 40 km SSE of Norman Wells.

#### **DECISION**

Written notice of the Husky Oil Operations Ltd. Land Use Permit application was given to 14 organizations within the Sahtu Settlement Area and 15 outside of the Settlement Area in accordance with Sections 63 & 64 of the *Mackenzie Valley Resource Management Act*. There was no Public Hearing held in association with this Application.

As required by the *Mackenzie Valley Resource Management Act*, the Board conducted a preliminary screening of the application. The Board determined in accordance with Section 125 of the *Mackenzie Valley Resource Management Act* that this development will not cause a significant adverse environmental impact and that it will not be a cause of significant public concern.

#### **REASONS**

The Board, having given due regard to the facts and circumstances, the merits of all the submissions made to it, and to the purpose, scope and intent of the *Mackenzie Valley Resource Management Act* and Regulations made there under decided that the effects of this development would be insignificant or could be mitigated with known technology, and as such that the application could proceed through the regulatory process. In making this decision the Board gave careful consideration to the submission all participants in the proceeding, including the Applicant.

Consequently, Land Use Permit S13A-002 will be issued subject to the terms and conditions contained therein.

The Board's reasons for this decision are as follows:

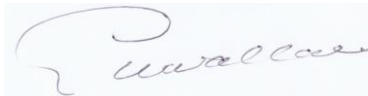
- Adequate time and information was given to participants to provide their views about potential environmental impacts of the drilling activities and proposed mitigation measures, based on the information provided by the Proponent during the initial review period.
- Any disturbance to the natural conditions of the land and the environment in the area affected by the drilling activities will be temporary and it will be minimized by conducting the operation in compliance with the terms and conditions.
- The use of land proposed by the Permittee is of a nature contemplated by the *Mackenzie Valley Resource Management Act* and the *Mackenzie Valley Land Use Regulations*.

- Under the authority of Section 32 of the *Mackenzie Valley Land Use Regulations*, the Board requires a security deposit be held by the federal Minister in the amount of two hundred and forty-four thousand, nine hundred and forty-six dollars (\$244,946.00). This security will ensure proper closure and reclamation of the area affected by the land use operation.
- The Board is satisfied that appropriate consultation has been conducted, and that advice has been sought and considered, in accordance with sections 63 and 64 of the *Mackenzie Valley Resource Management Act*.
- The Applicant has engaged with communities, interest groups and potentially affected parties to explain the proposed land use operation and address questions and concerns.
- It was determined that the terms and conditions set out in the Land Use Permit would adequately address and mitigate the concerns expressed and the environmental effects of the operation.

The Proponent has been notified through a provision included in the scope of the Land Use Permit, that compliance with the terms and conditions of this Permit has no effect on the Permittee's responsibility for compliance with the requirements of any other legislation.

The Board will provide any referenced material or documents and/or reasons for decision for any specific clause or clauses contained within the application if requested to do so in writing.

**Signed** this 19<sup>th</sup> day of July, 2013 **on behalf of the SAHTU Land & Water Board.**

A handwritten signature in blue ink, appearing to read "Larry Wallace", is written over a light blue rectangular background.

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Larry Wallace (Chairman)  
SAHTU Land & Water Board