



Aboriginal Affairs and
Northern Development Canada
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Affaires autochtones et
Développement du Nord Canada

File: S13L1-006

October 4th, 2013

To: Ian Brown
Regulatory Specialist
Sahtu Land and Water Board
Box 1
Fort Good Hope, NT X0E 0H0

Fax: 867-598-2325

**Re: Consolidation of Water Licences S11L3-002 & S12L8-007 /
Consolidation of Land Use Permit S11T-002 & S12F-007
Husky Oil Operations Limited, October 2013**

Aboriginal Affairs and Northern Development Canada (AANDC) has reviewed Husky Application to consolidate water licences and land use permits as noted above. AANDC provides the attached comments, in the Comment Table format, as requested by the Sahtu Land and Water Board.

Thank you for providing AANDC with the opportunity to comment on the above plans. If you have any questions or concerns, please feel free to contact Ms. Jeanne Arsenault at 669-2658 or Jeanne.Arsenault@aandc-aadnc.gc.ca or Mr. Jan Davis at (867) 777-8909 or Jan.Davies@aandc-aadnc.gc.ca.

Regards,

Conrad Baetz
District Manager
North Mackenzie District
Inuvik, NT

<p><u>GENERAL INSTRUCTIONS FOR EXCEL TEMPLATE:</u></p> <ol style="list-style-type: none"> 1. Do not leave blank rows above or between comments. 2. Do not modify or delete the instructions or the column headings (<i>i.e.</i> the grey areas). 3. Each comment must have an associated topic and recommendation. 4. All formatting (<i>i.e.</i> bullets) will be lost when this file is uploaded to the Online Comment Table. 5. If necessary, adjust the cell width and height in order to view all text. 6. Cutting and pasting comments from WORD documents cannot include hard returns (spaces between paragraphs). 7. If you would like to create paragraphs within a single cell, please use a proper carriage return (ALT & ENTER). 		<p>App #: S13L1-006</p> <p>Review of: Husky Oil Operations Ltd - Slate River Drilling program</p> <p>Reviewing Agency: Aboriginal Affairs and Northern Development Canada (AANDC)</p> <p>Date: October 4th, 2013</p>
<p><u>TOPIC</u></p> <p><i>Be as specific as you think is appropriate; for example a section or page of the document, a recommendation #, general comment, etc.</i></p>	<p><u>COMMENT</u></p> <p><i>Comments should contain all the information needed for the proponent and the Board to understand the rationale for the accompanying recommendation.</i></p>	<p><u>RECOMMENDATION</u></p> <p><i>Recommendations can be for the proponent or for the Board. Recommendations should be as specific as possible, relating the issues raised in the "comment" column to an action that you believe is necessary.</i></p>

<p>General comment Consolidation efforts</p>	<p>AANDC notes that the current application to consolidate authorizations are strictly limited to: S11L3-002 (water for camp operations), S12L8-007 (bridges/culverts on all-weather road), S11T-002 (camps, access, staging, etc.) and S12F-007 (construction/maintenance all-weather road, camp/storage, airstrip, quarrying, etc).</p> <p>The water licence application states that Husky is applying for a new LUP and WL that incorporates the common activities which support the ongoing exploration efforts for efficiency purposes and to improve reporting requirements.</p> <p>However, AANDC considers the limited scope of the present consolidation to be a concern as the activities already conducted at the site are still authorized under separate instruments (camp & access and exploratory drilling). Further, AANDC understands that Husky is also planning to submit applications for horizontal hydraulic fracturing as additional/separate authorizations.</p> <p>AANDC recommends that all activities be covered under a single water licence (Type B WL) and single land use permit (Type A LUP). Amendments to these permits could occur if additional wells, quarries, roads sections, water sources, etc. are required in the future. This process was recently followed for the Cameron Hills oil & gas development by the Mackenzie Valley Land and Water Board.</p>	<p>AANDC recommends that a single water licence and single land use permit be granted to authorize all existing development on the Husky claim block.</p>
<p>Well Drilling and Hydraulic fracturing operations</p>	<p>AANDC noted that drilling and fracturing operations at wellsites H-64, N-09, O-41 and G-70 (WL S13L1-005 & LUP S13A-002) are not included in the present consolidation efforts.</p> <p>AANDC notes that the surface and groundwater monitoring plan is not captured by the consolidated water licence.</p> <p>AANDC notes that future drilling and fracturing activities on the Husky claim block will be authorized under separate instruments.</p>	<p>AANDC recommends that additional work is required to bring all existing activities such as access, quarries, water sources, well sites, staging areas, camp sites, monitoring programs, etc. under a single water licence and single land use permit.</p>

Drilling waste disposal other than a sump	Previous Type B water licences issued to Husky have included the disposal of drilling waste in a manner other than a sump. AANDC again notes that disposal of drilling fluid other than in a sump would require a Type A water licence in accordance with the Northwest Territories Waters Regulations.	AANDC recommends that consolidation of the Type B water licences as requested by Husky should be done in accordance with the Northwest Territories Waters Regulations.
Modifications to water monitoring wells	The water licence application makes reference to the following even though the authorization that includes water monitoring is not being considered as part of this permit consolidation process: - Water monitoring well pad will be converted to a heli pad. - Water monitoring well will be converted to a producing well.	AANDC recommends that the LUP that requires water monitoring be included in this consolidation process. AANDC recommends that the water monitoring wells must be maintained in order to assess the potential impacts of hydraulic fracturing activities on the local groundwater. Sampling must still occur at these site when warranted even though the wells or well pads may be used for other purposes.
Spill Contingency Plan To cover all Husky activities	In lieu of a Spill Contingency Plan (SCP) document, Husky submitted a letter stating the their SCP, currently on file with the SLWB, was recently updated during their last application for O-41 & G-70 (S13L1-005). Section 4 of the letter specifies that SCP sections are currently being updated to include: O-41 & G-70 site specific information and mapping details; mapping of new and changed access routes; mapping development of newly constructed airstrip and staging area; updates on hazardous material lists; etc. Further, AANDC requests that previous commitments made by Husky (S13L1-005) to include the duties of the Spill Response Team be provided (with contact information and Spill Response Team flowchart). Revised inventories of spill response equipment should also be incorporated in the SCP. Once submitted, the SCP would reflect all activities being conducted throughout EL 462 & EL 463.	AANDC recommends that a SCP be provided that incorporates the previous commitments made by Husky regarding updating their Spill Contingency Plan.

Waste Management Plan

To cover all Husky activities

The Waste Management Plan (WMP) submitted for amalgamation of Husky licences and permits does not currently include wastes produced at well sites locations. Huskies WMP should include waste to be used or produced at exploration activities, such as those covered under S13L1-005. When updating the WMP, Husky should be required to use the NWT Water Act definition of waste as "any substance that, if added to water, would degrade or alter...". Please note that the MVLWB has WMP Guidelines (2011) that outline the requirements for WMP submitted to fulfill the requirements of water licences in the Mackenzie Valley.

AANDC recommends that previous commitments made by Husky (S13L1-005) to update their Waste Management Summary Table, MSDS sheets & provide detailed descriptions of all storage locations be added to the WMP. The updated WMP would then reflect all activities conducted throughout EL 462 & EL 463. Furthermore, the WMP should include detailed maps to illustrate specifically where waste management activities such as wastes storage and transfer are to occur onsite.

AANDC recommends that Husky Waste Management Plan submitted with a consolidated licence include all wastes used or produced by Husky exploration activities on their claim block. Previous commitments made by Husky regarding updates to their Waste Management Plan (S13L1-005) should also be incorporated within Husky WMP.