



PO Box 1500  
Yellowknife, NT  
X1A 2R3

File: S13L1-007

February 28<sup>th</sup>, 2014

Paul Dixon  
Executive Director  
Sahtu Land and Water Board  
Box 1  
Fort Good Hope, NT X0E 0H0

Via e-mail: paul.dixon@slwb.com

**Re: Additional Information Requests for Imperial Oil Water Licence Renewal S13L1-007**

Aboriginal Affairs and Northern Development Canada (AANDC) has reviewed the additional Information Requests, specifically as they relate to the Department as distributed by the Sahtu Land and Water Board on February 6, 2014. AANDC provides the following comments:

**AANDC IR#1: Current Security held for Imperial Oil's Norman Wells Operations**

The Board requests AANDC indicate the amount and nature of any security deposit(s) currently held by AANDC under regulatory instruments, or through any land tenure agreements, including surface leases, for Imperial Oil's Norman Wells operation. Further, the Board is requesting evidence on what portion of said security deposits, if any, are allocated for the purpose of closure and reclamation.

**AANDC RESPONSE to IR#1:**

Security is held under the Water Licence in the amount of \$2M, in the form of an irrevocable letter of credit, in good standing. The Board is also advised that the Government of Canada has a one third interest in the Norman Wells Field pursuant to a 1944 agreement between the Crown and Imperial Oil Ltd. The agreement recognizes Imperial Oil as the operator of the field. Subsequently, the Government of Canada ensured that Imperial Oil put in place a structure whereby funds are set aside in trust to cover the Crown's share of abandonment obligations for the field. The amounts allocated to this fund reflect annual revisions to estimates of abandonment obligations by the operator for which the Crown would be charged a one third share, reflecting its interest in the field. AANDC will work with Imperial Oil in this area to ensure any outstanding information requirements are provided in an expeditious manner to assist the Board in its decision making.

**AANDC IR#2: Mine Site Reclamation Policy**

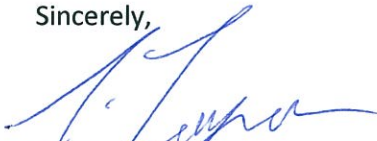
The Board requests that AANDC clarify whether any of the principles and guidance provided in the 2002 *Mine Site Reclamation Policy*, apply to Imperial Oil's Norman Wells operations. If the policy applies, what parts of it are relevant and how should it be adapted for the oil and gas context and applied by the Board in this proceeding.

**AANDC RESPONSE to IR#2:**

The Mine Site Reclamation Policy for the Northwest Territories (2002) applies specifically to mining. However, the principles of the Policy, notably, that the Crown should not bear the liability for projects in the Northwest Territories, and that the project should be closed such that it does not pose a risk human health and the environment, are applicable to oil and gas developments. This position also aligns with Treasury Board guidelines which instruct all Ministers to retain zero liability in such matters.

If you have any questions or concerns, please contact Stephen Traynor at (819) 669-2407 or by email at [stephen.traynor@aandc-aadnc.gc.ca](mailto:stephen.traynor@aandc-aadnc.gc.ca).

Sincerely,



Stephen Traynor  
Special Advisor  
Aboriginal Affairs and Northern Development Canada  
Northwest Territories Regional Office