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August 28, 2020

File no.: S19A-004/ S19L1-003

Terence Hughes
Regulatory and Community Affairs Advisor
MGM Energy
Suite 2800, 421, 7th Avenue SW
Calgary, Alberta
T2P 4K9

Email: Terence.Hughes@paramountres.com

Dear Mr. Hughes,

RE: Additional information required - non-compliance with the guidelines for Final Closure and Reclamation Plan, Spill Contingency Plan, and other outstanding items to meeting the requirements for LUP/WL applications.

The Sahtu Land and Water Board (SLWB or the Board) met on August 28, 2020, to discuss on your Applications for a new Land Use Permit (LUP) and Water Licence (WL) for consolidating four sets of expired LUP/WL for Abandonment and Final Closure and Reclamation of well-sites and sumps in Colville lake Area: Consolidation of S01A-007 /S01L1-003, S03A-007/S03L1-015, S03A-008 /S03L1-016, S04A-010 /S04L1-011.

The evidence presented through the Board's regulatory review has deemed two documents unacceptable, and they require significant revisions and resubmission. Also, three documents need additional information/revision.

The following are required to complete the application:

- 1. Closure and Reclamation Plan (CRP) (re-submission required):** For MGM's Closure and Reclamation Consolidation Project, Colville Lake Area, the CRP is the primary Application document to support this program. The CRP submitted with the Application does not comply with the requirements for a final closure and reclamation plan as discussed in Part 1, pages 24-25 and section 2.2 of the *Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories (MVLWB/AANDC 2013)* and required by the Board in the "incomplete" letter sent to MGM on November 14, 2019.

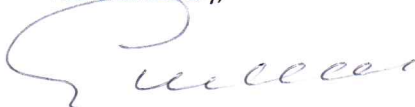
As explained in the guidelines, a Final Closure and Reclamation Plan (Final CRP) must have refined objectives based on monitoring results from an Interim Closure and Reclamation Plan (ICRP). In the November 14, 2019 letter, the Board recognized MGM's 2012 Abandonment Program, and years of ongoing reclamation have fulfilled expectations of an ICRP and progressive reclamation. Therefore, MGM must design the Final CRP using an objective-based approach as per the guidelines for CRP by providing a) Review of results of ICRP/ current status of different project components (well sites and sumps), b) refined closure objectives for each project component, c) refined closure options (options for final closure, reclamation/remediation), d) expected results in detail and e) discussion on continued monitoring until the official closure of the LUP/WL. Other revisions required for CRP are given in Table 1 of this letter.

2. **Spill Contingency Plan (SCP) (re-submission/major revision required):** The SCP requires a major revision as the currently submitted SCP does not comply with [Guidelines for Spill Contingency Planning \(Indian and Northern Affairs Canada, 2007\)](#). The SCP must be edited to complete the missing information, correct inaccuracies and restructured for user-friendliness, as listed in Table 1 of this letter.
3. **Environment Protection Plan (EPP) and Waste Management Plan (WMP) (revision required):** EPP and WMP must be revised to include missing information (ref: Table 1 of this letter).
4. **Project Description Report (PDR) (revision required):** PDR must include the information on the remote sump P-27 under the LUP/WL S01A-007 /S01L1-003 (see Table 1 of this letter).
5. **Project Locations Map (revision required):** The map must Indicate the location for the P-27 remote sump.

SLWB expect MGM to submit the revised documents within 90 days of the date of this letter. Upon receipt of the re-submissions and additional information, the re-submitted Closure and Reclamation Plan, Spill Contingency Plan and other documents (as reviewed/required by SLWB Staff/Board) will undergo public review.

If you have any questions or concerns regarding this letter, please contact Aswathy Mary Varghese at (867) 598-2413 ext.223 or email ash.varghese@slwb.com.

Yours Sincerely,



Larry Wallace
Chair, SLWB

Copied to: K'asho Got'ine District Distribution List
Jonathan Gillingham, Inspector, GNWT-Lands (Sahtu)
Erin Goose, Inspector, GNWT-ENR (Sahtu)

Attachment: Table 1

Table 1: S19A-004- S19L1-003 – Re-submissions and revisions required. (Applicant must note that this may not be a comprehensive list, but this information serves as minimum requirements to accept the Application documents. The applicant is advised to make the required revised documents as complete as possible).

SI no	Document	Re-submission/ Revision/ Additional Information Required
1.	<p>Closure and Reclamation Plan (CRP) (Re-submission required)</p>	<p>a) Goal of the project is Abandonment, Final Closure and Reclamation of MGM’s well sites and sumps in Maunoir and Nogha well sites of Colville lake Area, NWT. As described in the body of the letter, the CRP document does not comply with the format of Final CRP. Prepare and re-submit the CRP document based on refined objectives-based closure planning as per <i>Guidelines for Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories (MVLWB/AANDC 2013)</i>.</p> <ul style="list-style-type: none"> - Before preparing the CRP (Final CRP), following sections/pages/figures of the C&R guidelines must be referred: a) Part 1, Section 1.1, b) Figure 1, c) Figure 6, d) Pages 24-25, e) Part 2: C &R plan template: Pages 31-42, f) Page 43. MGM is encouraged to read the Part 3 of the C&R Plan: Technical Considerations for Effective Closure and Reclamation. - Background information to be provided in CRP: Current status of the project locations must be summarized providing the a) atmospheric, b) physical, c) chemical and d) biological environment of the project locations with pictures (pictures for each project component may be provided as an appendix), as applicable. (An example for project component: B-23 sump). - Provide: a) Review of results of ICRP/ current status of different project components (well sites and sumps), c) refined closure objectives for each project component, c) refined closure options (options for final closure, reclamation/remediation), d) expected results in detail and e) discussion on continued monitoring until the official closure of the LUP/WL. - Discuss long-term goals, closure objectives and closure options for sumps, especially for sumps with high concentrations of hydrocarbon and other elements of concern, sumps which have demonstrated low integrity and slow progress of getting vegetation cover.

		<ul style="list-style-type: none"> - Provide a table comparing a) pre-disturbed site conditions for each project component (example: B-23 well-site, B-23 sump, C-49/M-17 Sump etc.), b) site conditions during the oil and gas exploration, c) current site conditions and d) expected final state for each project component/site; b) SLWB Staff confirmed from MGM that G-47 site is not to be included with this program and therefore it must be removed from the list of sites to be reclaimed under this closure and reclamation program.
2.	Spill Contingency Plan (SCP) (Re-submission/major revision required)	<p>MGM has to properly edit, re-structure (for user friendliness) and revise the SCP following the <i>Guidelines for Spill Contingency Planning (Indian and Northern Affairs Canada, 2007)</i>.</p> <ul style="list-style-type: none"> a) Complete the missing information: <ul style="list-style-type: none"> a.1) amount and location of stored fuel, a.2) spill response organizational flow chart, a.3) details of spill kit, a.4) spill containment methods like the usage of berms, spill booms, drip trays etc; b) Re-structuring required: keep the most important details ahead in the document; c) Edit “Contents” page: replace “Mackenzie Spill Response Corporation Container” to “Mackenzie Spill Response Corporation Inventory”; d) edit title of section 7: “Resource Inventory” to “List of Onsite Manpower”; e) correct the order of the attachments in such a way that the on-site personnel are encouraged to read the document (example: keep the 75-page long MSDS sheets at the end of the SCP document).
3.	Environment Protection Plan (EPP) and Waste Management Plan (WMP) (revision required)	<p>The revised EPP and WMP document must contain</p> <ul style="list-style-type: none"> a) disposal location for non-hazardous waste; b) confirmed disposal location for hazardous waste: NWT/outside NWT and information on hazardous waste number of MGM (approved hazardous waste generator in NWT); c) information on presence/absence of incinerator for the project; MGM is advised to use an incinerator for burning non-hazardous waste if burning is required;

		<p>d) information on incineration management strategies if incineration is intended;</p> <p>e) expected amount of waste generated for each type of waste;</p> <p>f) Table 3 (WMP component) states that kitchen waste will be incinerated daily. In case of huge quantities, it may be appropriate to dispose of kitchen waste at a municipal solid waste facility. If the option of disposing non-hazardous waste within Sahtu/NWT is considered, then get the approval from the concerned community and add the related information in EPP and WMP.</p>
4.	Project Description Report (PDR) (revision required)	<p>a) Include information on remote sump P-27;</p> <p>b) Include the GPS co-ordinates for each project location component viz. C-49 well-site, M-17 well-site, C-49/M-17 Sump , P-27 remote sump, C-34 well-site, L-80 well-site & sump, K-14 well-site & sump, B-23 well-site & sump, E-44 well-site, E-35 well-site & sump, A-67 well-site;</p> <p>c) Provide information on Fuel Storage: c.1) Fuel Storage Containers c.2) approximate quantity of fuel stored at any given time of the project activities and c.3) fuel storage locations.</p>
5.	Project Locations Map (revision required)	Indicate/add the location for P-27 remote sump.