



## Sahtu Land and Water Board

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February 24, 2021

File: **S20X-006 / S20L1-004**

Laurie Henderson  
NWT Project Specialist  
Husky Oil Operations Limited  
707 – 8th Avenue SW,  
Calgary, Alberta. T2P 3G7

Sent by Email

Dear Mr. Henderson,

### Administrative Update

#### Re: Issuance of Type A Land Use Permit S20X-006 and Type B Water Licence S20L1-004

The Board met on February 23, 2021 to consider an Administrative Update for the recently issued Permit S20X-006. This amendment was initiated based on discussions with David Jessiman, GNWT-ENR Water Resources Division, who is coordinating the security deposit approval process. He identified two issues regarding how the security deposit requirements for the authorizations were handled by the Board and it was agreed that these issues could be resolved through a Board initiated Administrative Update.

1. The first issue was that the Board cannot direct the transfer of securities held under expired authorizations. The Board can only set the total security deposit required for the new Licence and Permit. The GNWT as the beneficiary, addresses the security deposit form with their clients and approves the form of security.

The Board has therefore revised the wording of the January 15, 2021 Decision Letter for the Security, as follows:

#### Security Deposits

- a) In accordance with Part C, condition 1 and Schedule 2, Condition 1 of Licence S20L1-004, a security deposit of **\$388,890.25** is required prior to commencement of Project activities and is payable to the **Government of the Northwest Territories (GNWT)** and submitted to the following individual, to whom questions regarding security should also be directed:

Government of the Northwest Territories, Box 1320, Yellowknife, NT, X1A 2L9,  
Attention: Director, Water Resources.

The current security LOC of \$300,000 held for expired Licence S13L1-006 may be amended or otherwise be considered by the GNWT-ENR in their security deposit approval process which would make a shortfall of \$88,890.25.

- b) In accordance with Permit S20X-006, Condition 26(1)(l) 38 a security deposit of **\$1,166,670.75** is required prior to commencement of Project activities and is **payable to the Government of the Northwest Territories (GNWT)** and submitted to the following individual, to whom questions regarding security should also be directed:

GNWT - Department of Lands – Beaufort Delta Region – Bag Service #1, Inuvik, NT, XOE OT0  
Attention: Land Use Advisor.

The current security LOC of \$952,813.13 held for expired Permit S13X-003 may be amended or otherwise be considered by the GNWT-Lands in their security deposit approval process which would make a shortfall of \$213,857.

2. The second issue was that the Permit S20X-006, Condition 38, set the security deposit amount only for the shortfall of \$213,857 that would be required if the existing security of \$952,813.13 held for the expired S13X-003 was transferred to that new Permit. This transfer was assumed to be covered by Condition 57 which states that *“all outstanding liabilities and obligations of the Permittee in relation to work performed or required to be performed under Land Use Permit S13X-003 are fully incorporated into and subsumed under this Permit”*. In this case, the transfer of liabilities was assumed to include the \$952,813.13 security deposit.

As stated in # 1 above, the Board cannot direct the transfer of securities held under expired authorizations, and although the Board Decision Letter of January 15, 2021 clarified and directed that the total security deposit for Permit S20X-006 was set at \$1,166,670.75, this letter cannot set out issues of compliance that GNWT Departments and designated Inspectors can address. It was therefore deemed necessary to revise the total security deposit required in Permit condition 38, **from \$213,857 to \$1,166,670.75**.

A copy of the revised Permit conditions is attached and has been filed on the Public Registry at the SLWB office under Husky S20X-006.

The continued cooperation of Husky is appreciated for these authorizations. If you have any questions or concerns, please contact Bonnie Bergsma at (867) 496-2778 or email [bonnie.bergsma@slwb.com](mailto:bonnie.bergsma@slwb.com).

Yours Sincerely,



Larry Wallace  
Chair

Copied to: Tulita District Distribution List  
Dan Carmichael, GNWT-Lands – Beaufort Delta Region - Inuvik  
David Jessiman, GNWT-ENR Water Resource Division

Attachments: Land Use Permit S20X-006 - conditions