

**Subject:** Re: SLWB-Husky Oil - LUP/WL -issues

**Date:** Monday, February 15, 2021 at 10:13:25 AM Mountain Standard Time

**From:** Bonnie Bergsma

**To:** David Jessiman

**CC:** Paul Dixon

Hi David,

In case you didn't receive my reply email, I confirm receipt of this communication about the security.

I will prepare the Board initiated amendment for the Permit condition as per your recommendation and amend the issuance letter to remove the "transfer".

Thank you for your assistance with this security. I will be sure not to make that mistake again.

Regards,

Bonnie

Bonnie Bergsma, M.Sc.

Regulatory Specialist

Sahtu Land and Water Board

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867-496-2778

[Bonnie.bergsma@slwb.com](mailto:Bonnie.bergsma@slwb.com)

*All correspondence to the Board, including emails, letters, faxes, and attachments are public documents and may be posted to the public registry.*

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**From:** David Jessiman <David\_Jessiman@gov.nt.ca>

**Date:** Monday, February 15, 2021 at 8:09 AM

**To:** Bonnie Bergsma <bonnie.bergsma@slwb.com>

**Cc:** Paul Dixon <paul.dixon@slwb.com>

**Subject:** RE: SLWB-Husky Oil - LUP/WL -issues

Hello Bonnie,

Further to our February 12, 2021 telephone conversation, our Corporate network has been experiencing problems with sending external emails to our clients (Thursday and Friday).

I will resend the noted email and attachments after our issues have been resolved.

please confirm receipt.

David

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**From:** David Jessiman

**Sent:** February 12, 2021 10:27 AM

**To:** 'bonnie.bergsma@slwb.com'

**Cc:** 'paul.dixon@slwb.com'; Rick Walbourne; Dan Carmichael

**Subject:** RE: SLWB-Husky Oil - LUP/WL -issues

resend, due to GNWT communication issues.

dj

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**From:** David Jessiman  
**Sent:** February 11, 2021 12:48 PM  
**To:** 'bonnie.bergsma@slwb.com'  
**Cc:** 'paul.dixon@slwb.com'; Rick Walbourne; Dan Carmichael  
**Subject:** RE: SLWB-Husky Oil - LUP/WL -issues

Hello Bonnie,

Following a review of the Board's January 15, 2021 cover letter, Land Use Permit S20X-006, and Water Licence S20L1-004, several issues were observed. Further to our earlier discussion on the new Water Licence, the Water Licence security deposit is acceptable, since the increased security deposit amount is included the [Water Licence, Part 3 - Security, Schedule 3 and licence condition](#). Additionally, the previous Land Use Permit S13X-006 and Water Licence S13L1-006 have both expired.

I am aware that the Board sets the security deposit amount, and GNWT-ENR as the beneficiary addresses the security deposit form with our clients and approves the form of security. I believe the Board should not be directing a client to [transfer](#) security deposits from the existing ILOC to a potential ILOC Amendment. For discussion purposes, the client may wish to submit cash for the security deposit shortfall and/or change their form of security deposit or change banks which would require a new ILOC or other forms of security acceptable to our Department(s). The potential Board direction to Husky Oil could potentially be contrary to their financial provider and security deposit options with our Department(s) and a non-compliance issue.

Due to recent discussions with the Department of Lands, I reviewed that the noted January 15, 2021 cover letter, and specifically Land Use Permit S20X-006 and security deposit conditions. The Land Use Permit [condition](#) requires a \$213, 857.00 security deposit. The noted cover letter states:

### **Security deposits**

Item 2)

"In accordance with Permit condition 26(1)(1) 38 a security deposit of \$1,166,670.75 is required prior to commencement of Project activities. The current security LDC of \$952,813.13 held for S13X-003 will be [transferred](#) to this new Permit and the security deposit balance of \$213,857 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 OTO Attention: Land Use Advisor."  
([emphasis added](#))

I understand the intent of the Board's cover letter to increase the security deposit amount from \$952,813.13 to \$1,166,670.75, however, the actual Land Use Permit condition requires \$213,857.00. I would suggest that

the LUP condition 38 should be revised to:

“38. Prior to the commencement of the land-use operation, the Permittee shall deposit with the Minister a security deposit in the amount of \$1,166,670.75”. The cover letter may wish to address the new amount and request the client to address the LUP security deposit shortfall **(\$213,857.62)**.

Please be reminded that our Departments and designated Inspectors are required to address compliance under authorizations for the conditions which are reflected in our respective, Acts, Regulations, and Land Use Permits and Water Licence conditions. I am not aware of situations where we would address compliance issues for cover letters.

Please note I spoke to Mr. Henderson, Husky Oil and exchanged e-mails on the Water Licence, security deposit requirements, corporate changes, and we anticipate to address the increased security deposit shortly. Our Departments will try to coordinate our security deposit approvals. If you have any further comments or comments, please contact Mr. Carmichael or myself (Water Licence).

Best regards, David

**Reference:**

**Land Use Permit S20X-006**

**26(1)(l) Security Deposit**

38. Prior to the commencement of the land-use operation, the Permittee shall deposit with the Minister a security deposit in the amount of **\$213,857.00**.

39. All costs to remediate the area under this Permit are the responsibility of the Permittee.

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**From:** David Jessiman  
**Sent:** February 11, 2021 8:36 AM  
**To:** 'bonnie.bergsma@slwb.com'  
**Subject:** SLWB-Husky Oil - LUP/WL -issues

Hi Bonnie,

could you call me when you have a chance.

David

<https://mvlwb.com/registry/S20X-006>

<https://mvlwb.com/registry/S20L1-004>