



Mackenzie Valley Land and Water Board
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Staff Report

Applicant: ProCore Drilling Ltd.	
Location: NWT Highway #5, km 34.1	Application: MV2013Q0017
Date Prepared: May 11, 2014	Meeting Date: May 22, 2014
Subject: New Land Use Permit – Type B	

1. Purpose/Report Summary

The purpose of this report is to:

- a) Seek a decision on a Preliminary Screening from the Mackenzie Valley Land and Water Board (The Board or MVLWB) for ProCore Drilling Ltd's (ProCore) Type B Land Use Permit (LUP) Application NV2013Q0017; and
- b) Provide the Board the opportunity to review and consider this LUP application for a quarry operation located near Hay River, NT, at kilometer 34.1 of NWT Highway #5.

2. Background

- August 22, 2013 – LUP submitted;
- April 3, 2014 – additional information submitted;
- April 7, 2014 – incomplete letter sent;
- April 7, 2014 – additional information submitted by ProCore;
- April 14, 2014 – application deemed complete and loaded to the Online Review System (ORS) for reviewers to access and to provide comments;
- May 2, 2014 – comments due from reviewers;
- May 8, 2014 – responses submitted by ProCore;
- May 22, 2014 – presented to the Board for decision; and
- May 25, 2014 – 42 day deadline.

3. Discussion

This application is for access to and removal of granular material from a pre-existing quarry located near Hay River, NT, at kilometer 34.1 of NWT Highway #5. The gravel will be used for property improvements in Hay River (i.e. driveways). ProCore holds a valid Quarry Permit from Aboriginal Affairs and Northern Development Canada (2013QP0083). Use of this site was previously

permitted under LUPs MV2000A0054 and MV2006Q0011 to Ruskin Construction Ltd. and Stan Dean and Sons Ltd.; that most recent LUP expired July 19, 2013.

ProCore expects to have 1 to 3 people on site, intermittently, between March and November, and has requested a term of 5 years.

ProCore will use an existing access road; no additional access roads would be required. ProCore has indicated that there are no water bodies nearby.

As the site is pre-disturbed, there is little significant vegetation and much of the overburden and brush has already been removed. If the removal of additional overburden is required, ProCore will windrow it or spread it in areas where the resource has been depleted by previous operators and appropriately grade it to match the surrounding terrain. Restoration will be ongoing throughout the land use. This plan is consistent with past operations for this site.

ProCore has indicated no garbage or sewage will be created on site, and that no camp will be established because the operation is close to Hay River.

ProCore has provided an equipment list in the application, and has indicated the equipment will be refuelled off site or via tidy tank. No bulk fuel or materials are expected to be stored on site.

A Spill Contingency Plan was submitted as part of the Application. It indicates that the main potential for spills is for minor ones from unexpected leaks, blown hydraulic hoses, or during routine maintenance or fuel transfers. ProCore plans to provide proper supplies and equipment to mitigate against impacts to the land, including drip trays and absorbent materials. Spill kits will be regularly inventoried.

The Applicant has contacted 3 aboriginal and Métis groups in the area, but no responses have been received. Regarding socio-economics, ProCore is a Northern business, located in Hay River, NT. On August 23, 2013, Board Staff confirmed that ProCore is a registered business to operate in the GNWT.

ProCore has applied to use 2 hectares, and has paid the appropriate application and land use fees.

This Application requires a Type B LUP because the land use as described exceeds the following trigger of the Mackenzie Valley Land Use Regulations (MVLUR): 5(a)(ii): *use of a vehicle or machine of a weight which equals or exceeds 5 t but is less than 10 t*. No water licence will be required as the Applicant did not apply to use any water or deposit waste.

4. Comments

N/A

5. Review Comments

Reviewer comments on the LUP Application were received by May 2, 2014 from 3 reviewers:

- Environment Canada (ER);
- Fisheries and Oceans Canada – Fisheries Protection Program; and,
- Government of the Northwest Territories – Department of Environment and Natural Resources (GNWT-ENR).

These reviewer comments are included in a comment summary table (attached).

ProCore responded to all reviewer concerns such that they are mitigatable through LUP conditions. Board Staff notes that EC and ENR had some concerns regarding the Spill Contingency Plan.

6. Security

Please see the attached Draft Security estimate.

The security estimate was calculated based on the completed application and indicates that the cost to remediate the site will be \$8,875.00. Rationale for amounts entered is provided at the bottom of the security worksheet in the comments section.

A decision is required to set the amount of security- see section 26(1)(l) of the draft LUP.

7. Conclusion

Based on reviewer comments and ProCore's responses, Board staff completed and attached a preliminary screening and draft LUP for the Board's review and consideration. The conditions in the draft LUP should mitigate potential environmental impacts.


8. Recommendation

Board Staff recommends that the Board approve the attached draft Preliminary Screening and the draft LUP with the proposed term and conditions to ProCore Drilling Ltd, contingent on the resubmission of the Spill Contingency Plan as committed to by ProCore during this review.

9. Attachments

- [Application](#)
- [Additional information – Spill Contingency Plan](#)
- [Additional information – response to Incomplete Letter](#)
- [ProCore regional Map](#)
- ProCore Regional Map
- ORS – Comment Summary Table
- Preliminary Screening
- Security Estimate
- Draft Land Use Permit Cover Page and Conditions
- Draft Reasons for Decision
- Draft Issuance Letter

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'J.P.' followed by a stylized flourish.

Jen Potten
Regulatory Officer

Review Comment Table

Board:	MVLWB			
Review Item:	ProCore Drilling Ltd. - New Land Use Permit Application - MV2013Q0017			
File(s):	MV2013Q0017			
Proponent:	ProCore Drilling Ltd.			
Document(s):	ProCore Drilling Ltd - New LUP Application - MV2013Q0017 (1 MB) ProCore Drilling Ltd - Additional Information - Spill Contingency Plan - April 3, 2014 - MV2013Q0017 (1 MB) ProCore Drilling Ltd - Additional Information - Response to incomplete letter - April 7, 2014 (60 KB) ProCore Drilling Ltd. - Draft Land Use Permit Conditions (57 KB)			
Item For Review Distributed On:	Apr 14 at 09:09 Distribution List			
Reviewer Comments Due By:	May 2, 2014			
Proponent Responses Due By:	May 8, 2014			
Item Description:	Organization	Contact Name	Contact Position/Title	Email
	Acho Dene Koe First Nation (Fort Liard)	Boyd Clark	General Manager	achodenekoe@northwestel.net ;
	Fort Liard Metis Local #67	Ernie McLeod	President	(867)770-4573;
	Fort Simpson Métis Local #52	Marie Lafferty	President	(867)695-2040;
	Hay River Metis Council	Wally Shuman	President	(867)874-4472; hrmc@northwestel.net ;

	Ka'a'gee Tu First Nation	Lloyd Chicot	Chief	(867)825-2002; kakisalloyd@hotmail.com ;
	Liard First Nation	Liard MacMillan	Chief	(867)536-7910;
	Northwest Territory Métis Nation	Garry Bailey c/o Tim Heron	NWTMN IMA Coordinator	(867)872-2772; rcc.nwtmn@northwestel.net ;
General Reviewer Information:	<p>Good morning,</p> <p>Please find enclosed the reveiw for ProCore Drilling Ltd. Comments are due May 2, 2014, if you have any questions please feel free to contact me at tyree@mvlwb.com or Jen Potten at jpotten@mvlwb.com</p> <p>Thanks</p> <p>Tyree</p>			
Contact Information:	<p>Jen Potten 867-766-7468 Tyree Mullaney 867-766-7464</p>			

Comment Summary

Environment Canada: Sarah-Lacey McMillan				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Response
6	General File	Comment (doc) EC Cover Letter Recommendation		N/A
1	General	<p>Comment All mitigation measures identified by the Proponent, and the additional measures suggested herein, should be strictly adhered to. This will require awareness on the part of the Proponents' representatives (including contractors) conducting operations in the field.</p> <p>Recommendation EC recommends that all field operations staff be made aware of the Proponents' commitments to these mitigation measures and provided with appropriate advice / training on how to implement these measures.</p>	<p>May 8: Pro Core Drilling will ensure that all staff have the necessary training and knowledge of the mitigation measures and how to implement same.</p>	Acceptable
2	Erosion Control	<p>Comment Subsection 36(3) of the Fisheries Act states that, unless authorized by federal regulation, no person shall deposit or permit the deposit of any deleterious substances of any type in water frequented by fish, or in any place under any conditions where the deleterious substance may enter any such water. EC notes that the</p>	<p>May 8: Pro Core Drilling will ensure soil and erosion mitigation measures are in place to ensure that large areas of sand exposure are prevented. Excavation and embankments will be sloped to a horizontal/vertical ration of 2 horizontal to 1 vertical. The operation will not cause obstruction to any</p>	Acceptable

		<p>large exposed area proposed by this project could possibly result in run off or blowing dust particles containing deleterious substances.</p> <p>Recommendation EC suggests that the proponent consider soil and erosion mitigation measures in order to ensure that the possible effects from exposing a relatively large area of sand are prevented. Both surface water run off from precipitation as well as dust should be addressed. For more information the proponent could consult the Aboriginal Affairs and Northern Development document titled Northern Land Use Guidelines: Pits and Quarries.</p>	<p>natural drainage Quarry pits and stockpile sites will be located well back from the high water mark of any body of water or watercourse.</p>	
3	Species at Risk	<p>Comment EC notes that there is potential for the proponent to encounter Species at Risk as described in the Species at Risk Act.</p> <p>Recommendation If Species at Risk are encountered or affected the proponent should avoid contact with or disturbance to each species, it's habitat and/or residence.</p>	<p>May 8: Pro Core Drilling will ensure that if Species at Risk are encountered they will be avoided as well as their habitat or residence.</p>	Acceptable
4	Migratory Birds	<p>Comment Section 6(a) of the Migratory Birds Regulations states that no one shall disturb or destroy the nests or eggs of migratory birds.</p>	<p>May 8: If active nests during the project the areas will be avoided until such time as the activity is complete.</p>	Acceptable

		<p>Recommendation If the proponent encounters active nests during project activities the nesting area should be avoided until such time that the nesting activity is complete. (i.e. the young have left the vicinity of the nest site)</p>		
5	Fuel Transfer Operations	<p>Comment Accidental spills during fuel transfer operations can lead to the introduction of hazardous materials into the environment.</p> <p>Recommendation EC recommends: Transfer operations should be attended by trained personnel at all times; A dedicated area should be used for refueling equipment with measures taken to ensure capture and containment of drips and potential spills; and Secondary containment or a surface liner (drip pans, etc.) should be used when refueling any equipment on site and should also be used at all fuel drum locations. Secondary containment should be of adequate size and volume to contain and hold fluids for the purpose of preventing spills (the worst-case scenario). An appropriate spill kit with absorbent material should be located at all fuel storage and transfer sites and at drill sites.</p>	<p>May 8: Pro Core Drilling will not allow petroleum products to spread to surrounding lands of into water bodies. Adequate contingency plans and spill kits will be in place, prior to commencement of operations, to respond to any potential spills</p>	Acceptable

Fisheries and Oceans Canada: Triage Group Fisheries Protection Program

ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Response
1	Fisheries and Oceans Canada - Fisheries Protection Program	<p>Comment DFO Fisheries Protection Program has reviewed the submitted information to determine whether it is likely to result in serious harm to fish which is prohibited under subsection 35(1) of the Fisheries Act. It appears based on the information provided it is likely that aspects relating to DFO mandate adhere to DFO self-assessment guidance and measures to avoid harm as posted on our website at www.dfo-mpo.gc.ca/habitat.</p> <p>Recommendation Please follow self-assessment guidance on the DFO website at www.dfo-mpo.gc.ca/habitat. If your plans have changed or the description of your proposal does not meet self-assessment criteria, please identify which aspects of the works do not meet the criteria and measures to avoid harm for DFO to review in greater detail.</p>	<p>May 8: The work meets the self-assessment guidelines as set out in the DFO website</p>	Acceptable

GNWT - Environment and Natural Resources: Central Email GNWT

ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Response
2	General File	Comment (doc) ENR Comments and Recommendations Recommendation		N/A
1	Topic: Spill Contingency Plan	Comment Comment(s): . This plan is specific to fuel spills and does not incorporate the potential for the unintentional release of other hazardous substances that may be present on-site (ie Glycol, vehicle fluids and additives). An example of reportable amounts of other hazardous substances can be found in the AANDC Spill Contingency Guidelines (AANDC 2007) as well as supported with the GNWT Spill Contingency Planning and Reporting Regulations; .ENR notes that the proponent has not identified a training plan as required in the AANDC Spill Contingency Guidelines (AANDC 2007); and ENR notes that the proponent has not included MSDS sheets for all hazardous substances that will be on-site. To Note: All references to the AANDC inspector should be updated to GNWT Inspectors as per the devolution of land and water responsibilities on April 1st, 2014.	May 8: The spill contingency plan will be updated to include all hazardous substances including Glycol, vehicle fluids and additives. All the MSDS sheets will be updated and included in the plan for all hazardous substances on site. The plan will also include a training program for all employees. Pro Core Drilling will not allow petroleum products to spread to surrounding lands or water bodies. To ensure this adequate contingency plans and spill kits will be in place, prior to operations, to respond to any potential spills. All fuel storage areas will be greater than 100m from the high water mark and not located in a drainage channel. Any fuel or storage vessels left for an extended period of time will be stationed in an area that contains secondary containment.	Acceptable. The Spill Contingency Plan should be updated based on ProCore's responses and resubmitted prior to commencement of the activities.

		<p>Recommendation Recommendation(s): 1) The Spill Contingency Plan should be updated to include the following: a) Update the plan to include all hazardous substances used other than petroleum distillates (fuels and lube oils) while on-site. b) MSDS's should be provided in the plan for all hazardous substances that will be on-site (including fluids in equipment glycols etc.). c) A training program should be provided in the plan to ensure that all on-site workers are familiar with the requirements. Please refer to the AANDC Spill Contingency Guidelines (AANDC 2007) for further information on how a training plan should be developed. d) ENR understands that water is not present on-site; however ENR notes for the proponent that Fuel storage areas should be greater than 100m distance from the high water mark and not located in a drainage channel. e) ENR notes to the proponent that all fuel or storage vessels containing hazardous substances left for extended periods of time (including overnight in vehicles), should be stationed in an area that contains sufficient secondary containment (i.e. Drip pans, lined bermed areas etc.).</p>		
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Environmental Protection Operations Directorate
Prairie and Northern Region (PNR)
5019 52nd Street, 4th Floor
P.O. Box 2310
Yellowknife NT X1A 2P7

May 2, 2014

EC file: 5100 000 044 /001
WLWB file: MV2013Q0017

Tyree Mullaney, Regulatory Officer
Mackenzie Valley Land and Water Board
7th Floor, 4922 48th St
PO Box 2130
Yellowknife NT X1A 2P6

via online submission

Attention: Ms. Mullaney

RE: Request for Comments on MVLWB Item - MV2013Q0017 – ProCore Drilling Ltd. Snap Lake - New Land Use Permit Application

Environment Canada (EC) has reviewed the New Land Use Permit Application submitted by ProCore Drilling. The following specialist advice, in the attached "Reviewer Comment Table", is provided pursuant to EC's mandated responsibilities arising from the *Canadian Environmental Protection Act, 1999 (CEPA)*, the pollution prevention provisions of the *Fisheries Act*, the *Migratory Birds Convention Act (MBCA)* and the *Species at Risk Act (SARA)*.

If there are any changes to the provided plans and/or more information becomes available, EC should be notified, as further review may be necessary. Please do not hesitate to contact me at (867) 669-4724 or via email at sarah-lacey.mcmillan@ec.gc.ca.

Sincerely,

Sarah-Lacey McMillan
Senior Environmental Assessment Coordinator
Environmental Protection Operations
Prairie and Northern Region
Environment Canada

cc: Carey Ogilvie, Head EA North (NT & NU), EPO

May 2, 2014

Jen Potten
Regulatory Officer
Mackenzie Valley Land and Water Board
7th Floor – 4910 50th Avenue
P.O. Box 2130
Yellowknife, NT
X1A 2P6

Dear Ms. Potten,

**Re: ProCore Drilling Ltd.
Land Use Permit Application – MV2013Q0017
Quarry - Highway 5 - Mile 21
Request for Review and Comments**

The Department of Environment and Natural Resources (ENR) has reviewed the application at reference based on its mandated responsibilities under the *Environmental Protection Act*, the *Forest Management Act*, the *Forest Protection Act*, *Waters Act* and the *Wildlife Act* and provides the following comments and recommendations for the consideration of the Board.

Topic: Spill Contingency Plan

Comment(s):

- This plan is specific to fuel spills and does not incorporate the potential for the unintentional release of other hazardous substances that may be present on-site (ie Glycol, vehicle fluids and additives). An example of reportable amounts of other hazardous substances can be found in the AANDC *Spill Contingency Guidelines* (AANDC 2007) as well as supported with the GNWT *Spill Contingency Planning and Reporting Regulations*;
- ENR notes that the proponent has not identified a training plan as required in the AANDC *Spill Contingency Guidelines* (AANDC 2007); and
- ENR notes that the proponent has not included MSDS sheets for all hazardous substances that will be on-site.

To Note: All references to the AANDC inspector should be updated to GNWT Inspectors as per the devolution of land and water responsibilities on April 1st, 2014.

Recommendation(s):

- 1) The Spill Contingency Plan should be updated to include the following:
 - a) Update the plan to include all hazardous substances used other than petroleum distillates (fuels and lube oils) while on-site.
 - b) MSDS's should be provided in the plan for all hazardous substances that will be on-site (including fluids in equipment glycols etc.).
 - c) A training program should be provided in the plan to ensure that all on-site workers are familiar with the requirements. Please refer to the *AANDC Spill Contingency Guidelines* (AANDC 2007) for further information on how a training plan should be developed.
 - d) ENR understands that water is not present on-site; however ENR notes for the proponent that Fuel storage areas should be greater than 100m distance from the high water mark and not located in a drainage channel.
 - e) ENR notes to the proponent that all fuel or storage vessels containing hazardous substances left for extended periods of time (including overnight in vehicles), should be stationed in an area that contains sufficient secondary containment (i.e. Drip pans, lined bermed areas etc.).

Comments and recommendations were provided by ENR technical experts in Environment Division and were coordinated and collated by the Environmental Impact Assessment Section.

Should you have any questions or concerns, please do not hesitate to contact Patrick Clancy, Environmental Regulatory Analyst at 920-6118 or patrick.clancy@gov.nt.ca.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Clancy', written in a cursive style.

Patrick Clancy
Environmental Regulatory Analyst
Environmental Impact Assessment
Conservation, Assessment and Monitoring Division
Department of Environment and Natural Resources
GNWT

Land Use Permit Security Worksheet

*** This security estimate was adjusted by the Board to be \$0 because it is for an Type B L

Application Number: MV2013Q0017

Input
Amount Multiplier

Camp (C1)			
DRAFT			
Temporary Structures			
Input number of tent frames or weatherhaven (3.5m x 4.2m)	0	\$200.00	\$0.00
Input number of trailers (3.5m x 15.2m)	0	\$300.00	\$0.00
Input total square metres of other temporary structures (i.e. core shacks)	0	\$2.50	\$0.00
Fixed Structures			
Input total square metres of fixed structures	0	\$25.00	\$0.00
Solid Waste			
COPY			
For non-burnable material, input # of person days per season	0	\$1.00	\$0.00
For burnable material, input # of person days per season	0	\$0.50	\$0.00
Total C1			\$0.00

Regulated / Hazardous Materials (R1)			
Based upon on site volume			
Explosives; up to 500 kg (~pallet) dry explosives input 1, if none, input 0	0	\$500.00	\$0.00
Additional Explosives; input total kg >500	0	\$0.50	\$0.00
Drilling Muds (oil based); enter number of 63 m ³ (or equivalent) containers	0	\$1,000.00	\$0.00
Used Oil, Lubes and Antifreeze: enter number of pieces of heavy equipment	4	\$500.00	\$2,000.00
Other;			

Total R1			\$2,000.00

Hydrocarbon Storage and Transfer (H1)			
Based upon on site volume			
Gasoline and Diesel			
Enter total volume of gasoline&diesel <25,000 L	250	\$0.50	\$125.00
Enter total volume of gasoline&fuel > 25,000 L	0	\$0.25	\$0.00
Total Gasoline and Diesel			\$125.00
When fuel is within bermed site or has other safety feature, enter 1, otherwise enter 0	0	25%	\$0.00
Aviation Fuel			
Enter total volume of aviation fuel < 25,000 L	0	\$0.50	\$0.00
Enter total volume of aviation fuel > 25,000 L	0	\$0.25	\$0.00
Total Aviation Fuel			\$0.00
When fuel is within bermed site or has other safety feature, enter 1, otherwise enter 0	0	25%	\$0.00
Total H1			\$125.00

Land Disturbance (L1)			
Disturbed Surface Area			
<i>(Developed surface area that may require restoration through the use of scarification, reseeding, fertilizing or other similar techniques)</i>			
Enter number of hectares disturbed	2	\$1,000.00	\$2,000.00
Other Land Disturbances			
Creek Crossings; enter number of creek crossings	0	\$500.00	\$0.00
Off-Road Activities; if any activities are likely, enter 1	1	\$500.00	\$500.00
Sump Factor; enter total area occupied by sumps in m ²	0	\$10.00	\$0.00
Well Factor; enter number of wells.	0	\$25,000.00	\$0.00
Total L1			\$2,500.00

Land Use Permit Security Worksheet (continued)

Application Number:	Input Amount	Multiplier	
Equipment (E1)			
Based upon type of equipment			
Enter number of pieces of heavy equipment (i.e. dozer, forklift, large gensets)	4	\$1,000.00	\$4,000.00
Enter number of drills	0	\$1,000.00	\$0.00
Enter number of light vehicles (trucks, atvs, snowmobiles, boats)	1	\$250.00	\$250.00
Enter number of small generators or pumps	0	\$100.00	\$0.00
Enter number of empty fuel storage tanks	0	\$500.00	\$0.00
Total E1			\$4,250.00

Security Calculation			
Preliminary Calculation			
Enter amount from C1			\$0.00
Enter amount from R1			\$2,000.00
Enter amount from H1			\$125.00
Enter amount from L1			\$2,500.00
Enter amount from E1			\$4,250.00
Preliminary Calculation, total of above	A		\$8,875.00
Multipliers			
Site Access Multiplier. If the project has all weather road access enter 1, if ice road access enter 1.5, if air access enter 2	B	1	
Performance Multiplier. If applicant has successfully completed the terms of a LUP enter 0.85, otherwise enter 1	C	1	
Environmental Risk Factor. If location has high environmental value or unusual environmental risk enter 2. If location is previously disturbed enter 0.75. Otherwise enter 1.	D	1	
Calculated Security			
Multiply preliminary calculation (A) by performance multipliers (B, C and D)	E		\$8,875.00
Existing Securities			
List existing associated permits and amount of overlapping security			
Permit: _____			
Permit: _____			
Permit: _____			
Permit: _____			
Overlapping Securities, total of above	F		\$0.00
Final Security Determination			
Subtract overlapping securities (F) from calculated security (E)			\$8,875.00

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Comments