



March 10, 2022

Dr. Shelagh Montgomery
Executive Director
Mackenzie Valley Land and Water Board
P.O. BOX 2130
4922 - 48TH STREET,
YELLOWKNIFE NT X1A 2P6

Dear Dr. Montgomery:

Water Licence conditions, Security Deposit submission requirements, and Security Deposit shortfalls for existing Projects

Further to our February 3, 2022 meeting, the Department of Environment and Natural Resources (ENR) Water Management and Monitoring Division has noted concerns with the operational implications of several recent Mackenzie Valley Land and Water Board (the Board) cover letters, Water Licence conditions, and Schedules related to project securities and their posting. Please refer to examples in Attachment 1.

Our main concerns are related to the security deposit condition language and submission requirements (timing and activity triggers) which has resulted in unsecured liabilities to the Government of the Northwest Territories. Many of the identified Type B Water Licences relate to oil and gas activity renewals for existing Projects (or undertakings) recently issued by the Board. Due to the current Licence conditions, ENR cannot compel the proponent to submit the security deposits to cover existing liabilities.

My office is requesting that the Board revise the listed Water Licences to address concern with the language and timing of security posting. We are asking that the Board revise the proponent's security deposit conditions and/or security deposit submission requirements.

ENR's position, consistent with the federal Mine Site Reclamation Policy (CIRNAC 2002), is that where historical liabilities exist security should be posted and held to cover on-site liability. It is our position that security deposits should be submitted to ENR for the noted projects (see Attachment 1) within a defined timeframe (e.g. within 90 days) to avoid security shortfall and NWT taxpayers being exposed to these liabilities. We respectfully ask that Water Licence schedules be updated in the public interest.

.../2

ENR has proposed revised wording for each water licence that have been shared with this letter for the Board's consideration. Please note, ENR also noted inconsistencies between some cover letters accompanying the Water Licence and the Licence conditions, however ENR assumes that this could be clarified when the revised cover letters and Water Licences are forwarded to the Licensee. Again, we would like to stress that ENR is making this request only to ensure that the GNWT holds the full security deposit amounts for Water Licences that have existing liabilities. We would appreciate the Board's attention to this matter at their earliest opportunity.

If you have any further comments or questions, please contact myself at (867) 767 - 9234, extension 53110 or e-mail [Nathen Richea@gov.nt.ca](mailto:Nathen.Richea@gov.nt.ca) or Mr. Rick Walbourne, Manager, Water Regulatory and Assessment at (867) 767 - 9234, extension 53113 or e-mail [Rick Walbourne@gov.nt.ca](mailto:Rick.Walbourne@gov.nt.ca).

Sincerely,



Nathen Richea
Director
Water Management and Planning

Attachment

- c. Ms. Lorraine Seale
Director, Security and Project Assessments
Department of Lands

- Mr. Scott Stewart
Regional Superintendent, North Slave Region
Department of Lands

Attachment 1 - GNWT-ENR - LWB Security Deposit Recommendations - Water Licences - Board Summary

	Proponent	Project Name	Water Licence	Authorization term	GNWT-ENR Water Licence, RECLAIM cost estimates, and security deposit recommendations	Water Licence security deposit amounts set by the Boards	Water Licence security deposit shortfall	Security Deposit amounts received and accepted by GNWT-ENR
1	Imperial Oil Ventures Ltd.	Jean Marie River	MV2021L1-0009	Nov 12, 2021 - Nov 11, 2028	\$2,512,462.00	\$2,512,462.00	\$0.00 ¹	\$0.00
2	Paramount Resources Ltd.	Fort Liard South	MV2021L1-0006	July 28, 2021 - July 27, 2028	\$935,022.00	\$100,000.00	\$835,022.00 ²	\$100,000.00
3	Paramount Resources Ltd.	Fort Liard East	MV2020L1-0007	Nov 20, 2020 - Nov 19, 2025	\$1,113,261.00	\$1,113,261.00	\$763,261.00 ¹	\$350,000.00
4	Canadian Natural Resources Limited	Arrowhead and Netla	MV2020L1-0011	Dec 29, 2021 - Aug 26, 2026	\$4,137,906.00	\$4,137,906.00	\$0.00 ¹	\$0.00
					\$8,698,651	\$7,863,629.00	\$1,598,283	\$450,000.00

¹ Language inconsistency between cover letter, water licence condition and schedule leaving unsecured liability.

² Security set at original water licence amount with no reason why existing liability not considered.



7th Floor - 4922 48th Street
PO Box 2130, Yellowknife NT X1A 2P6

Tel: 867-669-0506 Fax: 867-873-6610
www.mvlwb.com

November 12, 2021

File: MV2021L1-0009

Esther Choi
Imperial Oil Limited
Box 2480, Station M
505 Quarry Park Blvd SE
Calgary AB T2C 5N1

Sent by email

Dear Esther Choi,

Re: Imperial Oil Limited – Issuance Package – Water Licence MV2021L1-0009 – Re-Abandonment of Well – Jean Marie River, NT

The Mackenzie Valley Land and Water Board (Board) met on October 28, 2021 and considered the Application Package from Imperial Oil Resources (Imperial) for Water Licence (Licence) MV2021L1-0009 for the Well Re-Abandonment (Project) in accordance with the *Waters Act*.

The Board has approved Water Licence MV2021L1-0009 (attached) for a term of 7 years, effective November 12, 2021 and expiring November 11, 2028. The Licence is supported by the Board's Reasons for Decision. These documents are posted to the Board's Public Registry.¹

Security Deposit

A security deposit is required prior to the commencement of Project activities, as per Part C, Condition 1, POST SECURITY DEPOSIT and Schedule 2 of the Licence. The security deposit is **payable to the Government of the Northwest Territories (GNWT)** and should be submitted to the following individual, to whom questions regarding security should also be directed:

Nathen Richea, Director, Water Resources
GNWT-Environment and Natural Resources (ENR)
Box 1320
Yellowknife NT X1A 2L4

¹ See MLWB Online Registry www.mvlwb.com for [MV2021L1-0009](#)

Water Use Fees

Water use fees in the amount of \$38.00 are required to be paid annually to the **Government of the Northwest Territories** by the date set out Part D, Condition 6, WATER USE FEE. Water use fees for the period of November 12, 2021 through to November 8, 2022 were received with the Application; no additional fees are required for this period.

Submission Requirements

Please refer to Annex B of the Licence for a complete summary and timetable of submissions required for the Licence. The Board's decisions on submissions that were considered in conjunction with the Application Package are set out below.

Management Plans – Approved

The Board has approved the following Plans:

Condition Number and Title	Title of Plan (Version)
Part B, Condition 18, ENGAGEMENT PLAN	Engagement Plan (V1) ²
Part H, Condition 2, SPILL CONTINGENCY PLAN	Spill Contingency Plan (V1) ³
Part I, Condition 1, CLOSURE AND RECLAMATION PLAN	Closure and Reclamation Plan (V1) ⁴

Management Plans – Revisions Required

The Board requires that the following Plan be revised to include all changes detailed in the Reasons for Decision and submitted by the dates outlined in the following table. The revised Plan will be considered to be approved when the Licensee receives written confirmation of conformity.

Condition Number and Title	Title of Plan (Version)	Version and Date Revision Due
Part F, Condition 4, WASTE MANAGEMENT PLAN – REVISED	Waste Management Plan (V1) ⁵	Version 1.1, Due by December 15, 2021

Inspectors

The Inspectors referred to in the Licence can be contacted at the regional GNWT-ENR offices.⁶

² See MLWB Online Registry for Imperial Oil Resources – [Engagement Plan – Version 1 – Sept16 21.](#)

³ See MLWB Online Registry for Imperial Oil Resources– [Spill Contingency Plan – Version 1 – Sept16 21](#)

⁴ See MLWB Online Registry for Imperial Oil Resources – [Closure and Reclamation Plan – Version 1 – Sept16 21.](#)

⁵ See MLWB Online Registry for Imperial Oil Resources - [Waste Management Plan – Version 1 – Sept16 21.](#)

⁶ See GNWT-ENR Regional Offices webpage (<https://www.enr.gov.nt.ca/en/regional-offices>) for regional contact information.

Licence Processes and Additional Information

Sections 5 and 6 of the Board's *Guide to the Water Licensing Process*⁷ (Guide) contain detailed information on licence enforcement and potential post-issuance processes, such as amendments to conditions, and assignment to another company. Please be familiar with these sections of the Guide and reach out to Board staff with any questions about Board processes related to the Licence.

Full cooperation of Imperial Oil Limited is anticipated and appreciated. Please Tyree Mullaney at (867) 766-7464 with any questions or concerns regarding this letter.

Yours sincerely,



Mavis Cli-Michaud
Chair, Mackenzie Valley Land and Water Board

BCC'd to: Dehcho Distribution List
 Kyle Christiansen – Inspector, GNWT-ENR
 Nathen Richea– Director, Water Resources, GNWT-ENR

Attached: Water Licence MV2021L1-0009
 Reasons for Decision

⁷ See MLWB Policies and Guidelines webpage for MVLWB [Guide to the Water Licensing Process](#).



7th Floor - 4922 48th Street
PO Box 2130, Yellowknife NT X1A 2P6

Tel: 867-669-0506 Fax: 867-873-6610
www.mvlwb.com

Imperial Oil Limited

Water Licence MV2021L1-0009

Pursuant to the *Waters Act* and the Waters Regulations,
the Mackenzie Valley Land and Water Board grants this Water Licence to:

Imperial Oil Limited

(Licensee)

of Box 2480, Station M, 505 Quarry Park Blvd SE Calgary AB T2C 5N1

(Mailing Address)

hereinafter called the Licensee, to proceed with the following undertaking, subject to the annexed definitions and conditions contained therein:

Location:	Jean Marie River – Well Abandonment
Water Management Area:	WMA 3
Purpose:	Industrial – Well Abandonment
Type:	Type B
Quantity of Water not to be exceeded:	Up to 299 m ³ per day to a maximum of 3000m ³ /year
Effective Date:	November 12, 2021
Expiry Date:	November 11, 2028

A handwritten signature in blue ink, appearing to read "Mavis Cli-Michaud".

Mavis Cli-Michaud, Chair
Mackenzie Valley Land and Water Board

A handwritten signature in black ink, appearing to read "Amanda Gauthier".

Amanda Gauthier, Witness

Type B Water Licence MV2021L1-0009

Imperial Oil – Jean Marie River

Table of Contents

Part A: [Scope](#) and [Defined Terms](#)

[Part B](#): General Conditions

[Part C](#): Security

[Part D](#): Water Use

[Part E](#): Construction

[Part F](#): Waste and Water Management

[Part G](#): Aquatic Effects Monitoring

[Part H](#): Spill Contingency Planning

[Part I](#): Closure and Reclamation

[Part J](#): Watercourse Crossings

Schedules

[Schedule 1](#): Annual Water Licence Report (Part B)

[Schedule 2](#): Security (Part C)

[Schedule 3](#): Closure and Reclamation (Part I)

Annex A: Concordance Table of Items Requiring Submission

Annex B: Table of Revision History

Part A: Scope and Defined Terms

Scope	Condition Title
<p>1. This Licence entitles the Licensee to use Water and deposit Waste for Industrial activities at the Jean Marie River wellsite B-48.</p> <p>The scope of this Licence includes the following:</p> <ul style="list-style-type: none">a) Withdrawal of Water for construction and abandonment purposes;b) Depositing of Waste;c) Construction, operation, and maintenance of Watercourse crossing(s);d) Construction, operation and maintenance of winter access roads; well site B-48, camps, and remote sumps; ande) Progressive Reclamation and associated Closure and Reclamation activities.	SCOPE
<p>2. The scope of this Licence is as described in the Preliminary Screening for MV2021L1-0009 and MV2021X0019, dated October 28, 2021.</p>	SCOPE – PRELIMINARY SCREENING
<p>3. This Licence is issued subject to the conditions contained herein with respect to the use of Water and the deposit of Waste in any Waters or in any place under any conditions where such Waste or any other Waste that results from the deposits of such Waste may enter any Waters. Any change made to the <i>Waters Act</i> and/or the Waters Regulations that affects licence conditions and defined terms will be deemed to have amended this Licence.</p>	LEGISLATION SUBJECT TO CHANGE
<p>4. Compliance with this Licence does not relieve the Licensee from responsibility for compliance with the requirements of any applicable federal, territorial, or municipal legislation.</p>	LEGISLATIVE COMPLIANCE

Defined Terms: ¹

Artesian Aquifer – a Water-bearing stratum which, when encountered during drilling operations, produces a pressurized flow of Groundwater that reaches an elevation above the Water table or above the ground surface.

Board – the Mackenzie Valley Land and Water Board established under subsection 99(1) of the *Mackenzie Valley Resource Management Act*.

Closure Cost Estimate - an estimate of the cost to close and reclaim the Project.

Closure Criteria - standards that measure the success of selected closure activities in meeting closure objectives. Closure criteria may have a temporal component (e.g., a standard may need to be met for a pre-defined number of years). Closure criteria can be site-specific or adopted from territorial/federal or other standards and can be narrative statements or numerical values.

Closure Objectives - statements that describe what the selected closure activities are aiming to achieve; they are guided by the closure principles. Closure objectives are typically specific to project components, are measurable and achievable, and allow for the development of closure criteria.

Closure and Reclamation – the process and activities that facilitate the return of areas affected by the Project to viable and, wherever practicable, self-sustaining ecosystems that are compatible with a healthy environment and human activities.

Closure and Reclamation Plan (CRP) – a document, developed in accordance with this Licence, that clearly describes the Closure and Reclamation for the Project.

Component-Specific Closure and Reclamation Plan (Component-Specific CRP) – a document, developed in accordance with this Licence and the MVLWB/AANDC *Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories*, that clearly describes the Closure and Reclamation for a component of the Project.

Construction – any activities undertaken during any phase of the Project to construct or build any structures, facilities or components of, or associated with, the development of the Project.

Discharge – a direct or indirect deposit or release of any Water or Waste to the Receiving Environment.

Drilling Fluid – any liquid or liquid mixture, including, but not limited to clay, Water, sediment, hydrocarbons, or additives, that is pumped down-hole while drilling.

Drilling Waste – Waste material specifically produced from drilling activity.

Effluent – a Wastewater Discharge.

Engagement Plan – a document, developed in accordance with the MVLWB *Engagement and Consultation Policy* and the *Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits*, that clearly describes how, when, and which engagement activities will occur with an affected party during the life of the Project.

Freeboard – the vertical distance between the Water or Wastewater line and the lowest elevation of the effective Water or Wastewater containment crest on the upstream slope of a containment structure.

Greywater – all liquid Waste from showers, baths, sinks, kitchens, and domestic washing facilities, but does not include Toilet Waste.

Groundwater – as defined in section 1 of the Waters Regulations: all water in a zone of saturation below the land surface, regardless of its origin.

Hazardous Waste - a Waste which, because of its quantity, concentration, or characteristics, may be harmful to human health or the environment when improperly treated, stored, transported, or discharged.

Inspector – an Inspector designated by the Minister under subsection 65(1) of the *Waters Act*.

Licensee – the holder of this Licence.

Minister – the Minister of the Government of the Northwest Territories (GNWT) – Environment and Natural Resources.

Ordinary High-Water Mark – the usual or average level to which a Watercourse rises at its highest point and remains for sufficient time so as to change the characteristics of the land. In flowing Watercourses (rivers, streams), this refers to an active channel/bank-full level, which is often the 1:2-year flood flow return level. In inland lakes, wetlands or marine environments, it refers to those parts of the Watercourse bed and banks that are frequently flooded by Water so as to leave a mark on the land and where the natural vegetation changes from predominantly aquatic vegetation to terrestrial vegetation (excepting Water tolerant species). For reservoirs, this refers to normal high operating levels (full supply level).

Progressive Reclamation – Closure and Reclamation activities conducted during the operating phase of the Project.

Project – the undertaking described in Part A, Conditions 1 and 2.

Receiving Environment – the natural environment that, directly or indirectly, receives any deposit of Waste from the Project.

RECLAIM – the Government of the Northwest Territories' model for estimating Closure and Reclamation costs.

Remediation – the removal, reduction, or neutralization of substances, Wastes, or hazardous materials from a site in order to prevent or minimize any adverse effects on the environment and public safety, now or in the future.

Runoff – the overland flow of Water or Wastewater that occurs when precipitation, meltwater, or other Water is not absorbed by the land.

Seepage – any Water or Waste that drains, passes through, or escapes from any structure designed to contain, withhold, divert, or retain Water or Waste.

Sewage – all Toilet Wastes and Greywater.

Sewage Disposal Facilities – the area(s) and structures designated to contain and treat Sewage.

Solid Waste Disposal Facilities – the area(s) and structures designated to contain solid Waste.

Spill Contingency Plan (SCP) – a document developed for the Project in accordance with INAC's *Guidelines for Spill Contingency Planning*.

Sump – a human-made excavation or a natural depression designated for depositing Water and/or Waste.

Toilet Wastes – all human excreta and associated products, not including Greywater.

Traditional Knowledge – the cumulative, collective body of knowledge, experience and values built up by a group of people through generations of living in close contact with nature. It builds upon the historic experiences of a people and adapts to social, economic, environmental, spiritual, and political change.

Unauthorized Discharge – a Discharge of any Water or Waste not authorized under this Licence

Waste – as defined in section 1 of the *Waters Act*:

- a) a substance that, if added to water, would degrade or alter or form part of a process of degradation or alteration of the quality of the water to an extent that is detrimental to its use by people or by an animal, fish or plant, or
- b) water that contains a substance in such a quantity or concentration, or that has been so treated, processed or changed, by heat or other means, that it would, if added to other water, degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent described in paragraph (a), and includes
- c) a substance or water that, for the purposes of the *Canada Water Act*, is deemed to be waste,
- d) a substance or class of substances prescribed by regulations made under subparagraph 63(1)(b)(i),
- e) water that contains a substance or class of substances in a quantity or concentration that is equal to or greater than a quantity or concentration prescribed in respect of that substance or class of substances by regulations made under subparagraph 63(1)(b)(ii), and
- f) water that has been subjected to a treatment, process or change prescribed by regulations made under subparagraph 63(1)(b)(iii).

Waste Disposal Facilities – the area(s) and structures designated for the disposal of Waste.

Waste Management Plan (WMP) – a document, developed in accordance with the MVLWB *Guidelines for Developing a Waste Management Plan*, that describes the methods of Waste management for the Project from Waste generation to final disposal.

Wastewater – any Water that is generated by Project activities or originates on-site, and which contains Waste, and may include, but is not limited to, Runoff, Seepage, Sewage, Minewater, and Effluent.

Water – as defined in section 1 of the *Waters Act*: water under the administration and control of the Commissioner, whether in a liquid or frozen state, on or below the surface of land.

Watercourse – as defined in section 1 of the Waters Regulations: a natural watercourse, body of Water or Water supply, whether usually containing Water or not, and includes Groundwater, springs, swamps, and gulches.

Water Management Area – a geographical area of the Northwest Territories established by section 2 and Schedule A of the Waters Regulations.

Waters Regulations – the regulations proclaimed pursuant to section 63 of the *Waters Act*.

Water Supply Facilities – the area(s) and structures designed to collect, and supply Water for the Project.

Water Use – as defined in section 1 of the *Waters Act*: a direct or indirect use of any kind, including, but not limited to,

- a) a diversion or obstruction of waters,
- b) an alteration of the flow of waters, and
- c) an alteration of the bed or banks of a river, stream, lake or other body of water, whether or not the body of water is seasonal, but does not include a use connected with shipping activities that are governed by the *Canada Shipping Act, 2001*.

Water Use Fee – the fee for use of Water as per the Waters Regulations pursuant to section 63 of the *Waters Act* and the MVLWB *Water Use Fee Policy*.

	Condition	Condition Title
Part B: General Conditions		
1.	The Licensee shall ensure a copy of this Licence is maintained on site at all times.	COPY OF LICENCE
2.	The Licensee shall take every reasonable precaution to protect the environment.	PRECAUTION TO PROTECT ENVIRONMENT
3.	In conducting its activities under this Licence, the Licensee shall make every reasonable effort to consider and incorporate any scientific information and Traditional Knowledge that is made available to the Licensee.	INCORPORATE SCIENTIFIC INFORMATION AND TRADITIONAL KNOWLEDGE
4.	In each submission required by this Licence or by any directive from the Board, the Licensee shall identify all recommendations based on Traditional Knowledge received, describe how the recommendations were incorporated into the submission, and provide justification for any recommendation not adopted.	IDENTIFY TRADITIONAL KNOWLEDGE
5.	All references to policies, guidelines, codes of practice, statutes, regulations, or other authorities shall be read as a reference to the most recent versions, unless otherwise noted.	REFERENCES
6.	The Licensee shall ensure all submissions to the Board: a) Are in accordance with the MVLWB <i>Document Submission Standards</i> ; b) Include a conformity statement or table which identifies where the requirements of this Licence, or other directives from the Board, are addressed; and c) Include any additional information requested by the Board.	SUBMISSION FORMAT AND CONFORMITY
7.	The Licensee shall ensure management plans are submitted to the Board in a format consistent with the MVLWB <i>Standard Outline for Management Plans</i> , unless otherwise specified.	MANAGEMENT PLAN FORMAT
8.	The Licensee shall comply with all plans, programs, manuals, studies, including revisions, approved pursuant to the conditions of this Licence.	COMPLY WITH SUBMISSIONS AND REVISIONS
9.	The Licensee shall conduct an annual review of all plans, programs, manuals, studies and make any revisions necessary to reflect changes in operations, contact information, or other details. No later than March 31 each year, the Licensee shall send a notification letter to the Board, listing the documents that have been reviewed and do not require revisions.	ANNUAL REVIEW
10.	The Licensee may propose changes at any time by submitting revised plans, programs, manuals, or studies that require Board approval to the Board, for approval, a minimum of 30 days prior to the proposed implementation date for the changes. The Licensee shall not implement the changes until approved by the Board.	REVISIONS

11.	The Licensee shall revise any submission and submit it as per the Board’s directive.	REVISE AND SUBMIT
12.	If any date for any submission falls on a weekend or holiday, the Licensee may submit the item on the following business day.	SUBMISSION DATE
13.	The Licensee shall comply with the Schedules , which are annexed to and form part of this Licence, and any updates to the Schedules as may be made by the Board.	COMPLY WITH SCHEDULE(S)
14.	The Schedules and any compliance dates specified in this Licence may be updated at the discretion of the Board.	UPDATES TO COMPLIANCE DATE(S)
15.	The Licensee shall comply with all directives issued by the Board in respect of the implementation of the conditions of this Licence.	COMPLY WITH BOARD DIRECTIVES
16.	The Licensee shall install, operate, and maintain meters, devices, or other such methods for measuring the volumes of Water used and Waste discharged to the satisfaction of an Inspector.	MEASURE WATER USE AND WASTE DISCHARGED
17.	Beginning March 31, 2022 and no later than every March 31 thereafter, the Licensee shall submit an Annual Water Licence Report to the Board and an Inspector. The Report shall be in accordance with the requirements of Schedule 1, Condition 1.	ANNUAL WATER LICENCE REPORT
18.	The Licensee shall comply with the Engagement Plan , once approved.	ENGAGEMENT PLAN
19.	A minimum of ten days prior to the initial commencement of Project activities, the Licensee shall provide written notification to the Board and an Inspector. Notification shall include the commencement date, and the name and contact information for the individual responsible for overseeing the Project. Written notification shall be provided to the Board and an Inspector if any changes occur.	NOTIFICATION – COMMENCEMENT
20.	A minimum of ten days prior to re-commencement of Project activities following a temporary shut-down period, the Licensee shall provide written notification to the Board and an Inspector. Notification shall include the commencement date, and the name and contact information for the individual responsible for overseeing the Project. Written notification shall be provided to the Board and an Inspector if any changes occur.	NOTIFICATION – RE-COMMENCEMENT
21.	The Licensee shall immediately provide written notification to the Board and an Inspector of any non-compliance with the conditions of this Licence.	NOTIFICATION – NON-COMPLIANCE WITH CONDITIONS
22.	The Licensee shall immediately provide written notification to the Board of any non-compliance with a Board directive issued in respect of the implementation of the conditions of this Licence.	NOTIFICATION – NON-COMPLIANCE WITH DIRECTIVES
23.	The Licensee shall ensure that a copy of any written authorization issued to the Licensee by an Inspector is provided to the Board.	COPY – WRITTEN AUTHORIZATION

- | | | |
|-----|--|--|
| 24. | The Licensee shall submit a current Project schedule to the Board and an Inspector upon request. | SUBMIT CURRENT
PROJECT SCHEDULE |
|-----|--|--|

Part C: Security

- | | | |
|----|---|---|
| 1. | The Licensee shall post and maintain a security deposit with the Minister in accordance with Schedule 2. The Licensee shall not commence Project activities until the security deposit has been accepted by the Minister. | POST SECURITY
DEPOSIT |
| 2. | Upon request of the Board, the Licensee shall submit an updated Closure Cost Estimate using the current version of RECLAIM or another method acceptable to the Board. | UPDATE CLOSURE
COST ESTIMATE |
| 3. | <p>The amount of the security deposit required by Part C, Condition 1 may be adjusted by the Board:</p> <ul style="list-style-type: none"> a) Based on an updated Closure Cost Estimate as per Part C, Condition 2; or b) Based on such other information as may become available to the Board. | ADJUSTED SECURITY
AMOUNT |
| 4. | If the amount of the security deposit is adjusted by the Board as per Part C, Condition 3, the Licensee shall post the adjusted amount with the Minister within the timeframe set by the Board. The Licensee shall not commence any new activities associated with a security adjustment until the additional security deposit has been accepted by the Minister. | POST ADJUSTED
SECURITY AMOUNT |
| 5. | Unless otherwise approved by the Board, the Licensee may not submit security adjustment requests except with a revised Closure and Reclamation Plan. | SECURITY
ADJUSTMENT
REQUESTS |

Part D: Water Use

1. The Licence shall only obtain Water for the Project as set out in the following table.

**WATER SOURCE AND
MAXIMUM VOLUME**

Water Source Name	Location and Coordinates	Type of Watercourse (e.g., river, lake, etc.)	Purpose of Water Use	Maximum Quantity (m ³ per day or year)
Jean Marie River	61.452618 - 120.581236	River	Industrial – Construction and drilling	Total estimated water use 3000m ³ /year with a daily limit of 299m ³ .
Borrow pit (backup source)	61.521251 - 120.625614	Borrow pit	Industrial – Construction and drilling	
Borrow pit (backup source)	61.5116997 - 120.636932	Borrow pit	Industrial - Construction and drilling	
Borrow pit (backup source)	61.506199 - 120.628202	Borrow pit	Industrial - Construction and drilling	
Borrow pit (backup source)	61.468493 - 120.613585	Borrow pit	Construction, Industrial and drilling	
Mackenzie River (backup source)	61.52791 - 120.624954	River	Industrial – Construction and drilling	

2. The Licensee shall only withdraw Water using the Water Supply Facilities, unless otherwise authorized temporarily in writing by an Inspector.

**WATER
WITHDRAWAL –
FACILITIES**

3. Prior to withdrawing Water from an approved Water source, the Licensee shall post sign(s) to identify the intake for the Water Supply Facilities. All sign(s) shall be located and maintained to the satisfaction of an Inspector.

**POST WATER INTAKE
SIGN(S)**

4. The Licensee shall construct and maintain the Water intake(s) with a screen designed to prevent impingement or entrapment of fish.

**WATER INTAKE
SCREEN**

5. Prior to locating a Water intake in a fish-bearing Watercourse, the Licensee shall obtain written authorization for the location from an Inspector.

**WATER INTAKE
LOCATION –
AUTHORIZATION**

6. Each year, prior to November 12 and in advance of any Water use, the Licensee shall pay the Water Use Fee in accordance with the MVLWB *Water Use Fee Policy*.

WATER USE FEE

Part E: Construction

- | | | |
|----|---|---|
| 1. | The Licensee shall ensure that all structures intended to contain, withhold, divert, or retain Water or Waste are designed, constructed, and maintained to minimize the escape of Waste to the Receiving Environment. | OBJECTIVE –
CONSTRUCTION |
| 2. | The Licensee shall only use material that is clean and free of contaminants and is from a source that has been authorized in writing by an Inspector. | CONSTRUCTION
MATERIAL –
SOURCE(S) |
| 3. | The Licensee shall maintain records of Construction materials for all structures and make them available at the request of the Board or an Inspector. | CONSTRUCTION
RECORDS |

Part F: Waste and Water Management

- | | | |
|----|--|--|
| 1. | The Licensee shall manage Waste and Water with the objective of minimizing the impacts of the Project on the quantity and quality of Water in the Receiving Environment through the use of appropriate mitigation measures, monitoring, and follow-up actions. | OBJECTIVE – WASTE
AND WATER
MANAGEMENT |
| 2. | The Licensee shall minimize erosion by implementing suitable erosion control measures that shall be located and maintained to the satisfaction of an Inspector. | EROSION CONTROL |

Management and Monitoring Plans

- | | | |
|----|--|---------------------------------------|
| 3. | The Licensee shall comply with the Waste Management Plan , once approved. | WASTE
MANAGEMENT PLAN |
| 4. | A minimum of 30 days prior to commencement of activities, the Licensee shall submit to the Board, for approval, a revised Waste Management Plan . | WASTE
MANAGEMENT PLAN
– REVISED |

Discharge and Disposal Locations and Rates

- | | | |
|----|--|---|
| 5. | The Licensee shall deposit all Waste as described in the approved Waste Management Plan . | WASTE DISPOSAL |
| 6. | The Licensee shall discharge all Effluent from the sewage treatment plant as described in the approved Waste Management Plan . | EFFLUENT DISCHARGE
– SEWAGE
TREATMENT PLANT |
| 7. | A minimum of ten days prior to depositing any Waste into a licenced municipal facility, the Licensee shall provide written notification to the Board and an Inspector. | NOTIFICATION –
WASTE DEPOSIT |
| 8. | The Licensee shall not discharge Waste, including Wastewater, to any Watercourse, or to the ground surface within 100 metres of the Ordinary High-Water Mark of any Watercourse. | DISCHARGE
LOCATION –
ORDINARY HIGH-
WATER MARK |

Other

- | | | |
|----|---|------------------------------------|
| 9. | If an Artesian Aquifer is encountered and producing Water at the ground surface, the Licensee shall:

a) Within 48 hours, notify the Board and an Inspector, in writing, including the flow rate in cubic metres;
b) Deposit Artesian Aquifer Water to a snow-bermed or self-contained area, unless otherwise authorized by an Inspector;
c) Seal the borehole to permanently prevent any further outflow of water and to the satisfaction of an Inspector; and
d) Within 24 hours following cessation of the flow of Artesian Aquifer Water, submit a detailed report of the event to the Board and an Inspector, including the total amount of Water in cubic metres that has been released, and the total amount of Water in cubic metres stored in the snow-bermed, or otherwise approved, storage area. | REPORT ARTESIAN
AQUIFER |
|----|---|------------------------------------|

Part G: Aquatic Effects Monitoring

Intentionally left blank.

Part H: Spill Contingency Planning

- | | | |
|----|--|--|
| 1. | The Licensee shall ensure that Unauthorized Discharges associated with the Project do not enter any Waters. | OBJECTIVE – PREVENT
WASTE INTO WATER |
| 2. | The Licensee shall comply with the Spill Contingency Plan , once approved. | SPILL CONTINGENCY
PLAN |
| 3. | If a spill or an Unauthorized Discharge occurs or is foreseeable, the Licensee shall:

a) Implement the approved Spill Contingency Plan referred to in Part H, Condition 2;
b) Report it immediately using the NU-NT Spill Report Form by one of the following methods: <ul style="list-style-type: none">• Telephone: (867) 920-8130• Fax: (867) 873-6924• E-mail: spills@gov.nt.ca• Online: Spill Reporting and Tracking Database
c) Notify the Board and an Inspector immediately; and
d) Within 30 days of initially reporting the incident, or within a timeframe authorized by an Inspector, submit a detailed report to the Board and an Inspector, including descriptions of causes, response actions, and any changes to procedures to prevent similar occurrences in the future. Written notification shall be provided to the Board and an Inspector if any changes occur | REPORT SPILLS |
| 4. | The Licensee shall ensure that spill prevention infrastructure and spill response equipment is in place prior to commencement of the Project. | SPILL PREVENTION
AND RESPONSE
EQUIPMENT |

- | | | |
|----|--|---|
| 5. | The Licensee shall restore all areas affected by spills and Unauthorized Discharges to the satisfaction of an Inspector. | CLEAN UP SPILLS |
| 6. | The Licensee shall not establish any fuel storage facilities or refueling stations, or store chemicals or Wastes within 100 metres of the Ordinary High-Water Mark of any Watercourse. | MATERIAL STORAGE –
ORDINARY HIGH-
WATER MARK |

Part I: Closure and Reclamation

- | | | |
|----|---|--|
| 1. | The Licensee shall comply with the Closure and Reclamation Plan , once approved. | CLOSURE AND
RECLAMATION
PLAN |
| 2. | Three years prior to the expiry date of this Licence, or a minimum of two years prior to the end of operations, whichever occurs first, the Licensee shall submit to the Board, for approval, a final Closure and Reclamation Plan . | CLOSURE AND
RECLAMATION PLAN
– FINAL |
| 3. | The Licensee shall endeavor to carry out approved Progressive Reclamation as soon as is reasonably practicable. | PROGRESSIVE
RECLAMATION |
| 4. | The Licensee shall not conduct Progressive Reclamation except as approved by the Board. | PROGRESSIVE
RECLAMATION –
CARRY OUT AS
APPROVED |

Part J: Watercourse Crossings

- | | | |
|----|--|--|
| 1. | The Licensee shall minimize the disturbance of riparian vegetation within the immediate boundary of any Watercourse crossing to the extent practicable. | MINIMIZE
DISTURBANCE OF
RIPARIAN
VEGETATION |
| 2. | Ice and snow crossings should not impede the flow of any Watercourse. These crossings shall be v-notched or removed before spring break-up to facilitate natural flow. | DO NOT IMPEDE
WATERCOURSE |
| 3. | Any materials placed below the normal high Water mark used in the construction of Water crossings shall be free of any contaminants, debris, or fine materials. | FREE OF
CONTAMINANTS |
| 4. | Any materials placed below the normal high Water make used in the construction of Water crossings shall be removed before spring break-up. | REMOVE BEFORE
SPRING BREAK-UP |

Signed on behalf of the Mackenzie Valley Land and Water Board

Mavis Cli-Michaud, Chair

Amanda Gauthier, Witness

Schedule 1: Annual Water Licence Report

Condition

1. The **Annual Water Licence Report** referred to in Part B, Condition 17 of this Licence shall include, but not be limited to, the following information about activities conducted during the previous calendar year:
 - a) A brief summary of Project activities;
 - b) An updated Project schedule;
 - c) The monthly and annual quantities in cubic metres of fresh Water obtained from all sources, as required in Part B, Condition 16 of this Licence;
 - d) A summary of the calibration and status of the meters and devices referred to in Part B, Condition 16 of this Licence;
 - e) A summary of engagement activities conducted in accordance with the approved **Engagement Plan**, referred to in Part B, Condition 18 of this Licence;
 - f) A summary of how Traditional Knowledge was incorporated into decision making;
 - g) A summary of Construction activities conducted in accordance with Part E of this Licence;
 - h) A summary of major maintenance activities conducted in accordance with this Licence;
 - i) A summary of activities conducted in accordance with the approved **Waste Management Plan**, referred to in Part F, Condition 3 of this Licence, including:
 - i. A summary of approved updates or changes to the process or facilities required for the management Waste;
 - ii. Monthly and annual quantities/volumes by location of Waste managed under the plan;
 - j) A summary of activities conducted in accordance with the approved **Waste Management Plan**, referred to in Part F, Condition 3 of this Licence, including:
 - i. A summary of approved updates or changes to the process or facilities required for the management of Waste; and
 - ii. Monthly and annual quantities/volumes by location of Sewage and associated Waste and other materials managed under the Plan.
 - k) A description of any erosion susceptible areas encountered and a summary of activities to prevent or mitigate erosion;
 - i. A report of the performance of erosion mitigation applied in previous years;
 - l) A summary of activities conducted in accordance with the approved **Spill Contingency Plan**, referred to in Part H, Condition 2 of this Licence, including:
 - i. A list and description for all Unauthorized Discharges, including the date, NWT spill number, volume, location, summary of the circumstances and follow-up actions taken, and status (i.e. open or closed), in accordance with the reporting requirements in Part H, Condition 2 of this Licence; and
 - ii. An outline of any spill training carried out.

- m) A summary of activities conducted in accordance with the **Closure and Reclamation Plan**, referred to in Part I, Condition 1 of this Licence, including:
 - i. Details of any Progressive Reclamation undertaken;
 - ii. A discussion on whether planning and implementation remains on schedule, and a summary of any new scheduling setbacks;
 - iii. A summary of Reclamation Research completed;
 - iv. A summary of engagement conducted regarding Closure and Reclamation;
 - v. A list of any factors that would increase or decrease the Closure Cost Estimate the next time the Estimate is updated; and
 - vi. Any other related information.
- n) A list of any non-compliance(s) with the conditions of this Licence or any directive from the Board pursuant to the conditions of this Licence;
- o) A summary of actions taken to address concerns, non-conformances, or deficiencies in any reports filed by an Inspector;
- p) A table detailing all commitments related to Water use and the deposit of Waste made during the Environmental Screening, with descriptions of how each commitment is being or has been met; and
- q) Any other details requested by the Board by November 30 of the year being reported.

Schedule 2: Security

- ~~1. Prior to the commencement of the operation, the Licensee shall deposit with the Minister a security deposit in the amount of \$2,512,462.00.~~

Within 90 days following the effective date of the administrative update of the Licence, the Licensee shall deposit with the Minister a security deposit in the amount of \$2,512,462.00.

Schedule 3: Conditions Applying to Closure and Reclamation

Condition

1. The **Closure and Reclamation Plan** referred to in Part I, Condition 1 of this Licence shall include, but not be limited to the following information:
 - a) A plain language summary of the Plan;
 - b) A description of the overall goals for Closure and Reclamation of the Project, including expected future land use;
 - c) A description of the Closure and Reclamation planning team;
 - d) A description of engagement related to Closure and Reclamation planning, including a summary of completed and planned engagement, and links to the **Engagement Plan** referred to in Part B, Condition 18 for the Project;
 - e) A list of any other regulatory authorizations required for Closure and Reclamation of the Project;
 - f) A description of the pre-existing and current Project environment, including, but not limited to:
 - i. climatic conditions;
 - ii. physical conditions;
 - iii. chemical conditions;
 - iv. biological conditions;
 - v. any physical or chemical assessments of soil, water, and permafrost; and
 - vi. traditional uses.
 - g) A description of the Project, including, but not limited to:
 - i. site history;
 - ii. Project development;
 - iii. current status of the Project;
 - iv. maps delineating all disturbed areas, borrow material locations, site facilities, hydrological features, and elevation contours; and
 - v. photographs.
 - h) A description of each Project component, including, but not limited to:
 - i. areas affected by spills or Unauthorized Discharges; and
 - ii. other areas affected by Project activities.
 - i) For each Project component identified in condition (h) above, a description of Closure and Reclamation plans, including, but not limited to:
 - i. Closure Objectives and Criteria;
 - ii. preferred Closure and Reclamation option and method;
 - iii. Water management and restoration of natural drainage;
 - iv. predicted environmental effects during and after Closure and Reclamation activities;
 - v. post-closure monitoring, maintenance, and reporting;
 - vi. uncertainties and contingencies;
 - vii. climate change considerations; and
 - viii. Closure and Reclamation Research plans.
 - j) A description of any planned Progressive Reclamation;

- k) A plan for Temporary Closure, including, but not limited to the following information:
 - i. Temporary Closure goals and objectives;
 - ii. a description of activities and methods;
 - iii. a description of monitoring, maintenance, and reporting;
 - iv. contingencies; and
 - v. an implementation schedule.

- l) An implementation schedule that includes Progressive Reclamation and final Closure and Reclamation activities; and

- m) A Closure Cost Estimate.

Annex A: MV2021L1-0009 – Concordance Table of Items Requiring Submission

Licence Condition	Report/Plan Title	Timeline for Submission
Part B, Condition 7	Annual Water Licence Report	Beginning March 31, 2022 and no later than every March 31 thereafter, the Licensee shall submit an Annual Water Licence Report to the Board and an Inspector. The Report shall be in accordance with the requirements of Schedule 1, Condition 1.
Part F, Condition 4	Waste Management Plan	A minimum of 30 days prior to commencement of activities, the Licensee shall submit to the Board, for approval, a revised Waste Management Plan .
Part I, Condition 1	Closure and Reclamation Plan	Three years prior to the expiry date of this Licence, or a minimum of two years prior to the end of operations, whichever occurs first, the Licensee shall submit to the Board, for approval, a final Closure and Reclamation Plan .

Annex B: MV2021L1-0009 – Table of Revision History

Date	Location of Change	Change



7th Floor - 4922 48th Street
PO Box 2130, Yellowknife NT X1A 2P6

Tel: 867-669-0506 Fax: 867-873-6610
www.mvlwb.com

Reasons for Decision

Issued pursuant to paragraph 40(2)(c) of the Mackenzie Valley Land Use Regulations (MVLUR) and section 72.25 of the *Mackenzie Valley Resource Management Act* (MVRMA) and sections 36 and 54 of the *Waters Act*.

Water Licence and Land Use Permit Applications	
File Number	MV2021L1-0009 MV2021X0019
Company	Imperial Oil Limited
Project	Jean Maire River Well B-48
Location	Jean Maire River, NT
Activity	Industrial/Miscellaneous – Re-Abandoning of Well
Date of Decision	October 28, 2021

Table of Contents

1.0 List of Defined Terms and Abbreviations.....4

2.0 Summary of Applications5

3.0 Main Issues Raised During the Regulatory Proceeding.....5

4.0 Regulatory Process.....5

5.0 Legislative Requirements Related to Licence and Permit Issuance6

5.1 Consultation, Engagement, and Public Notice..... 7

5.2 Eligibility for Land Use Permit 8

5.3 Land Use Plan Conformity..... 8

5.4 Land Use Fees 8

5.5 Water Use Fees 8

5.6 Existing Licences..... 8

5.7 Compensation to Existing Water Users..... 9

5.8 Water Quality Standards..... 9

5.9 Effluent Quality Standards 9

5.10 Financial Responsibility 9

5.11 Minimization of Adverse Effects 10

5.12 Time Limit..... 10

5.13 Environmental Review (Part 5 of the MVRMA) 11

5.13.1 Preliminary Screening 11

6.0 Decision – Water Licence MV2021L1-0009 11

6.1 Term of Licence 12

6.2 Part A: Scope and Defined Terms 12

6.2.1 Scope..... 12

6.2.2 Defined Terms..... 12

6.3 Part B: General Conditions and Schedule 1 13

6.4 Part C: Conditions Applying to Security Requirements and Schedule 2 13

6.5 Part D: Conditions Applying to Water Use..... 14

6.6 Part E: Conditions Applying to Construction..... 14

6.7 Part F: Conditions Applying to Waste and Water Management..... 15

6.8 Part G: Conditions Applying to Aquatic Effects Monitoring Program 15

6.9 Part H: Conditions Applying to Contingency Planning 15

6.10 Part I: Conditions Applying to Closure and Reclamation and Schedule 3..... 16

Part I: CLOSURE AND RECLAMATION PLAN 16

6.11 Annex A: Table of Submissions 16

6.12 Annex B: Table of Revision History 16

7.0 Decision – Land Use Permit MV2021X0019 16

7.1 Term of Permit 17

7.2 Part A: Scope of Permit 17

7.3 Part B: Definitions 17

7.4 Part C: Conditions Applying to All Activities..... 17

26(1)(a) Location and Area 17

26(1)(b) Time 18

26(1)(c) Type and Size of Equipment..... 18

26(1)(d) Methods and Techniques 18

26(1)(e) Type, Location, Operation of All Facilities.....	18
26(1)(f) Control or Prevention of Ponding of Water, Flooding, Erosion, Slides, and Subsidence of Land.....	18
26(1)(g) Use, Storage, Handling, and Ultimate Disposal of Any Chemical or Toxic Material	18
26(1)(h) Wildlife and Fish Habitat.....	18
26(1)(i) Storage, Handling, and Disposal of Refuse or Sewage.....	18
26(1)(j) Protection of Historical, Archaeological, and Burial Sites.....	19
26(1)(k) Objects and Places of Recreational, Scenic, and Ecological Value.....	19
26(1)(l) Security Deposit	19
26(1)(m) Fuel Storage	19
26(1)(n) Methods and Techniques for Debris and Brush Disposal	19
26(1)(o) Restoration of the Lands.....	19
26(1)(p) Display of Permits and Permit Numbers.....	19
26(1)(q) Biological and Physical Protection of the Land	20
7.5 Annex A: Table of Submissions	20
7.6 Annex B: Table of Revision History	20
8.0 Conclusion.....	20
Appendices and Annexes	21
Appendix A: Detailed Reasons for Decisions for Project Security Determination	21

On October 28, 2021, the Mackenzie Valley Land and Water Board (MVLWB or Board) met and considered the Applications made by Imperial Oil Limited (Imperial) (Applicant) to the Board on September 10, 2021 for Water Licence (Licence) MV2021L1-0009 and Land Use Permit (Permit) MV2021X0019 for the use of water and the deposit of waste for the Jean Marie River Well Re-Abandonment (the Project) in Jean Marie River Area. After reviewing the Applications and the evidence gathered during the regulatory proceeding, the Board has made the following decisions:

- 1) To issue Water Licence MV2021L1-0009 for a term of 7 years;
- 2) To issue Land Use Permit MV2021X0019 for a term of 5 years;
- 3) To approve Version 1 of the Engagement Plan, Waste Management Plan,
- 4) To approve Version 1 of the Spill Contingency Plan
- 5) To approve Version 1 Closure and Reclamation Plan; and
- 6) To interim approve Version 1 of the Waste Management Plan, and to require that the Applicant submit Version 1.1 of the Plan within 30 days of the effective date of the Licence and Permit.

These Reasons for Decision set out the Board’s regulatory process for the Applications and rationale for decisions regarding the Licence and Permit. A summary of the Applications and the main issues identified during the proceeding is provided in sections [2.0](#) and [3.0](#) below, followed by an outline of the regulatory process for the Applications in [section 4.0](#). [Section 5.0](#) describes how the applicable legislative requirements have been met. The Board’s decisions and supporting rationale are set out in [section 6.0](#) for the Licence and [section 7.0](#) for the Permit.

1.0 List of Defined Terms and Abbreviations

Applicant/Licensee/ Permittee	Imperial Oil Limited
Applications	The complete application package submitted by the Applicant for Water Licence MV2021L1-0009 and Land Use Permit MV2021X0019
Distribution List	The list of individuals and organizations to whom materials from the regulatory proceeding were circulated.
GNWT	Government of the Northwest Territories
GNWT-ENR	Government of the Northwest Territories – Environment and Natural Resources
Inspector	An Inspector designated under subsection 65(1) of the Waters Act An Inspector designated under subsection 84(1) of the Mackenzie Valley Resource Management Act
Licence	Water Licence MV2021L1-0009
LWBs	Land and Water Boards of the Mackenzie Valley
MVLUR	Mackenzie Valley Land Use Regulations
MVLWB or Board	Mackenzie Valley Land and Water Board
MVRMA	Mackenzie Valley Resource Management Act
Minister	Minister of the Government of the Northwest Territories (GNWT) – Environment and Natural Resources

	Minister of the Government of the Northwest Territories (GNWT) – Lands
ORS	Online Review System (www.onlinereviewsystem.ca)
Permit	Land Use Permit MV2021X0009
Project	Jean Maire River Well Re-Abandoning Project the undertaking as described in Part A of the Licence and Part A of the Permit.
Standard Licence Conditions	MVLWB Standard Water Licence Conditions Template
Standard Permit Conditions	MVLWB Standard Land Use Permit Conditions Template

2.0 Summary of Applications

On September 10, 2021, the Applicant submitted Applications for a new Licence MV2021L1-0009 and new Permit MV2021X0019.^{1,2} The Applications are to conduct well re-abandonment which includes the establishment of a camp, construction of winter access, and construction of an ice crossing. These activities are located within a non-federal area of the Dehcho Region.

On March 2, 2021, Imperial received a request from the Office of the Regulatory of Oil and Gas Operations to complete an application for an Operation Authorization. Exxon Mobil Corporation is the majority shareholder of Imperial Oil Limited. Imperial Oil Resources Limited is a wholly owned subsidiary of Imperial Oil Limited and will be managing the well re-abandonment on behalf of ExxonMobil.

In making its decision and preparing these Reasons for Decision, the Board has reviewed and considered:

- 1) The Licence and Permit Applications as submitted by the Applicant for the Project;
- 2) The evidence and submissions received by the Board from the Applicant in relation to the Licence and Permit; and
- 3) The comments and recommendations, evidence, and submissions received by the Board from Parties during the regulatory proceeding.

3.0 Main Issues Raised During the Regulatory Proceeding

These Reasons for Decision focus primarily on the following key issues raised during the regulatory proceeding. Issues that were resolved by Parties to the Board’s satisfaction during the proceeding are not addressed in detail in these Reasons.

4.0 Regulatory Process

On September 10, 2021, the Applicant submitted Applications for a new Licence MV2021L1-0009 and new Permit MV2021X0019. The Applications were deemed complete and circulated to the Distribution List for

¹ See MLWB Online Registry www.mvlwb.com for [Imperial Oil Limited – Licence Application – Sept10 21.](#)

² See MLWB Online Registry for www.mvlwb.com for [Imperial Oil Limited – Permit Application – Sept10 21.](#)

public review on the Online Review System (ORS).³ As part of the public review, Board staff requested comments and recommendations to assist with the Board’s preliminary screening determination.

Public notices of the Applications were published in *News North* during the week of September 27, 2021, to fulfill paragraphs 43(1)(a) and 43(2)(a) of the [Waters Act](#).⁴

On September 20, 2021, Board staff circulated draft Licence and Permit conditions for review to allow all Parties the opportunity to comment on the specific wording of the draft conditions and consider the draft conditions in preparing their closing arguments in order to assist the Board in making its decision on the Licence and Permit.

By October 8, 2021, the Board received comments and recommendations regarding the Applications from the following Parties: GNWT – Lands (North Slave Region), NWT – OROGO, GNWT – Lands (Dehcho Region), GNWT – ENR, and Fisheries and Oceans. On October 13, 2021, the Applicant responded to the Parties’ comments and recommendations.⁵

On October 28, 2021, the Board met and made its preliminary screening determination for the Project.

On October 28, 2021, the Board met to make decisions regarding the Applications. These decisions and related reasons are described in sections [5.0](#), [6.0](#), and [7.0](#) below.

5.0 Legislative Requirements Related to Licence and Permit Issuance

This Project is subject to the [MVRMA](#), the [Waters Act](#), and the [Waters Regulations](#) with respect to licensing, because it is located in a non-federal area. With respect to permitting, the [MVRMA](#) and the [MVLUR](#) apply.

As per the [Waters Regulations](#) and the [MVLUR](#), the proposed use of land and water, and the deposit of waste for this Project require a licence and a permit. Accordingly, the Board has jurisdiction to issue the Licence and Permit as per: subsection 60(1.1) and section 102 of the [MVRMA](#) and section 102 of the [MVRMA](#).

In conducting its regulatory process for the Applications (as described in sections [3.0](#) and [4.0](#) above), the Board has ensured that section 62 of the [MVRMA](#) and all applicable legislative requirements have been satisfied as outlined in the subsections below. The Board has considered the people and users of the land and water in the Mackenzie Valley, and any Traditional Knowledge and scientific information that was made available to the Board during the regulatory proceeding, as per section 60.1 of the [MVRMA](#). The

³ See MLWB Online Review System for [Imperial Oil Limited – Sept30 21](#).

⁴ See MLWB Online Registry for [Imperial Oil Limited– Notice of Application – Sept27 21v](#)

⁵ See MLWB Online Registry for [Imperial Oil Limited – Review Comment Summary Table –Oct13 21](#).

consideration of information provided to the Board is discussed in detail below and in sections [6.0](#) and [7.0](#).

5.1 Consultation, Engagement, and Public Notice

In exercising its authority under the [MVRMA](#), the Board must consider the importance of conservation to the well-being and way of life of Indigenous peoples of Canada, as per paragraph 60.1(a) of the [MVRMA](#), specifically those to whom section 35 of the *Constitution Act, 1982*, applies and who use an area of the Mackenzie Valley. Accordingly, the Board works with applicants, affected parties (including Indigenous governments and organizations), and other parties (such as other boards and regulators) to ensure that potential impacts of proposed projects, including impacts on rights under section 35, are understood and carefully considered before decisions are made with respect to the issuance of permits and licences.

The Board's requirements for engagement are set out in the MVLWB [Engagement and Consultation Policy](#) (the Policy). The Policy was developed to ensure that the Board's obligations for achieving meaningful consultation (as set out by land claims and applicable legislation) with all affected parties, including Indigenous groups in the Mackenzie Valley, are met and engagement and consultation results clearly articulated. Through a review of the Engagement Record, emails, phone calls and virtual meetings were held in relation to the project on the following dates: July 8, 16, and 20; August 27 and 31; and September 2, 8, and 9, 2021.

The Applicant's engagement efforts and proposed procedures are detailed in the Engagement Record and Plan (Version 1), respectively,⁶ submitted with the Applications. The Board has approved the Applicant's Engagement Plan (Version 1), and the Board's reasons for this decision are described below in [section 6.3](#). Following issuance, the Applicant must continue engagement efforts as outlined in the Engagement Plan, once approved, and as required in the Licence and Permit.

The Applications were posted to the Board's Public Registry and distributed through the ORS. As the Project is located in the Dehcho Region, the appropriate organizations, governments, First Nations, and Indigenous organizations were included in the Distribution List.⁷ The Distribution List was used throughout this proceeding to circulate submissions, information, and updates relevant to the proceeding; the List was periodically updated, and (when requested) individuals with specific interests in the Project were added. More information about the proceeding for the Applications is provided above in [section 4.0](#).

In accordance with sections 63 and 64 of the [MVRMA](#), the Board is satisfied that notice of and access to copies of the Applications was provided, and that a reasonable amount of time was given to communities, First Nations, and the public to participate in this proceeding and make submissions to the Board.

⁶ See MLWB Online Registry for [Imperial Oil Limited – Engagement Record – September 16, 2021](#) and [Imperial Oil Limited Engagement Plan V1 – September 16, 2021](#).

⁷ To access the Distribution List, use the hyperlink in the Review Comment Summary Table: [See MLWB Online Registry Imperial Oil Limited – Review Comment Summary Table – October 13, 2021](#).

In accordance with the Minister's 2004 [Policy Direction regarding the Deh Cho First Nations Interim Measures Agreement](#), the Dehcho First Nation was notified of the Applications through the ORS distribution. The Dehcho First Nation member nations, Dehcho First Nation, Ttsets'ehike'deli First Nation, Deh Gáh Got'ie First Nation, Ka'a'gee Tu First Nation, Łı́dlı́ Kúé First Nation, Pehdzéh Kí First Nation, Samba K'e First Nation, Westpoint First Nation, Fort Providence Métis Council, and Fort Simpson Métis participated in the proceeding, and in developing the Licence and Permit conditions, the Board considered the information and recommendations provided by these Parties. More detailed information about how this evidence was specifically considered is set out in sections [6.0](#) and [7.0](#).

5.2 Eligibility for Land Use Permit

As per section 18 of the MVLUR, eligibility must be determined before the Board can issue a permit. The Applicant has submitted the Operations Authorization and Well Approval application to the Office of the Regulator of Oil and Gas Operations (OA-2021-004-IMP and ACW-2021-IMP-B-48-WID0448S) to demonstrate eligibility under subparagraph 18(a)(i) of the [MVLUR](#). No issues were raised regarding eligibility during this proceeding. Based on the supporting information provided, the Board believes that eligibility requirements under section 18 of the MVLUR have been satisfied.

5.3 Land Use Plan Conformity

No approved Land Use Plans apply in the Project area.

5.4 Land Use Fees

The Project is located wholly outside of federal areas, so no land-use fees apply.

5.5 Water Use Fees

The Applicant applied to use 299 m³/day of water, and the Board has authorized a maximum water use volume of 3000m³/year, as indicated on the Licence cover page and set out in Part D of the Licence. As per subsection 8(1) of the [Waters Regulations](#), annual water use fees must be paid in advance of each year's water use. The Board considered the MVLWB [Water Use Fee Policy](#) and used the [Water Use Fee Calculator](#) to determine the annual amount of water use fees for the Licence is \$38.00.

The Applicant included \$38.00 for water use fees with the Application.

For the duration of the Licence, annual water use fees must be paid each year on or before the date specified in the Licence conditions.

5.6 Existing Licences

During the time period established in the Notice of Application, no licensees or applicants contacted the Board to identify potential effects from the Project on other projects, and there are no other applicants with precedence. Accordingly, with respect to paragraph 26(5)(a) of the [Waters Act](#), the Board is satisfied

that issuing the Licence to the Applicant will not adversely affect, in any significant way, any existing licensee or any other applicant, provided the Applicant complies with the conditions of the Licence.

5.7 Compensation to Existing Water Users

Paragraph 26(5)(b) of the [Waters Act](#) prohibits the issuance of the Licence unless the Board is satisfied that appropriate compensation has been or will be paid by the Applicant to persons who would be adversely affected by the use of waters, or deposit of waste proposed by the Applicant, at the time when the Applicant filed the Application with the Board.

The Board received no claims for compensation either during the time period established in the Notice of Application, or afterwards. Provided the Applicant complies with the Licence conditions, the Board is satisfied there are no water users or persons listed in paragraph 26(5)(b) of the [Waters Act](#) who will be adversely affected by the proposed use of waters or the deposit of waste.

5.8 Water Quality Standards

With regards to subparagraph 26(5)(c)(i) of the [Waters Act](#), no water quality standards have been prescribed in the [Waters Regulations](#); however, the MVLWB [Water and Effluent Quality Management Policy](#) applies to the Licence, and the primary objective of the Policy is “protection of water quality in the receiving environment.” This objective is directly reflected in the Licence condition OBJECTIVE – WATER AND WASTE MANAGEMENT, and in accordance with the Policy and this objective, the Board has set out conditions in the Licence regarding, water and waste management, and management plan requirements. The Board is satisfied that the conditions set out in the Licence are consistent with the Policy and compliance with these conditions will ensure that waste will be collected and disposed of in a manner that will be protective of water quality in the receiving environment. These conditions and detailed rationale are described in [section 6.7](#).

5.9 Effluent Quality Standards

The Project does not entail the disposal of effluent, so subparagraph 26(5)(c)(ii) of the [Waters Act](#) does not apply.

5.10 Financial Responsibility

Under paragraph 26(5)(d) of the [Waters Act](#), before the Board can issue the Licence, it must be satisfied that the Applicant’s financial responsibility is adequate to complete the Project, including any required mitigation measures, and the closure and reclamation of the site.

Imperial Oil Limited is a publicly traded company whose financial and operating data is available through its website or via external data providers such as SEDAR. Imperial Oil has operated in Canada for more than 130 years and is one of Canada’s largest integrated oil and gas companies with operations spanning across the country. With assets of \$41.9 billion, Imperial Oil is rated AA+ by Standard & Poor’s and AA by DBRS indicative of its financial strength and capacity to mitigate potential business, financial and liquidity

risks. Imperial's excellent financial standing and its firm commitment to its operating affiliates provides strong assurances of its abilities and willingness to meet future abandonment obligations associated with its Operations. Imperial Oil provided security to OROGO with the regulatory applications for this work. The combination of Imperial Oil's financial strength and security held by OROGO for these purposes demonstrates Imperial's financial responsibility in performing its obligations.

Part C and Schedule 2 of the Licence, and condition 48, SECURITY DEPOSIT in the Permit set out the security requirements for the Project, which must be met before Project activities begin. Under subsection 35(2) of the [Waters Act](#) and subsection 71(3) of the [MVRMA](#), the Minister can apply this security to carry out mitigations and remedial measures in the event of non-compliance with an Inspector's orders, or to carry out closure and reclamation if the site is abandoned. As detailed in [section 6.4](#) and [Appendix A](#) of these Reasons, the Board has established the security requirements based on the closure cost estimate information provided during this proceeding, so the Board is satisfied that adequate financial resources will be in place to ensure that the Project site can be restored.

As a result, and for the reasons set out above, the Board is satisfied that the legislated requirement to establish the financial responsibility of the Applicant for the Project has been met.

5.11 Minimization of Adverse Effects

With regards to subsection 27(2) of the [Waters Act](#), the Board must ensure that the licence conditions minimize potential adverse effects on other water and land users from the proposed use of water and deposit of waste. As discussed above in [section 5.1](#), the Applicant conducted pre-application engagement, and the Board also provided opportunities for potentially affected parties to make submissions to the Board during the regulatory proceeding. The Board did not receive notice of potentially adverse effects on other users of the water and lands in the Project area.

Regardless, as noted in sections 5.9 and 5.10, and as detailed in [section 6](#), the Board has set conditions in the licence to regulate waste management for the purpose of protecting the receiving environment. Additionally, as described in [section 6.5](#), based on the evidence, the Board has set conditions regarding the use of water for the Project, including limitations on the sources and volumes of water the Licensee can use. It is the opinion of the Board that compliance with the Licence conditions that have been set to protect the water sources and the receiving environment will also minimize any potential adverse effects on other water and land users in the Project area.

5.12 Time Limit

As required under section 48(1) of the [Waters Act](#) the Board made its decision on the Licence within nine months after receiving the complete Application.

As per section 22 of the [MVLUR](#), the Board is required to make its decision on a permit within 42 days of receiving a complete application.

5.13 Environmental Review (Part 5 of the MVRMA)

5.13.1 Preliminary Screening

On October 28, 2021, the Board met and The Board has reviewed all the evidence received during the regulatory process with respect to the Preliminary Screening of the proposed Project. Based on the evidence, it is the Board's opinion that the proposed Project will not have significant adverse impact on the environment or be of public concern, as set out in paragraph 125(1)(a) of the MVRMA. The Board has therefore decided not to refer the Project to Environmental Assessment.

In accordance with section 125 of the [MVRMA](#), the Board notified the Review Board of its preliminary screening determination. Following the Board's preliminary screening determination notification to the Review Board.

The Board is satisfied that the requirements of Part 5 of the [MVRMA](#) have been met for the Project.

6.0 Decision – Water Licence MV2021L1-0009

Having due regard to the facts, circumstances, and the merits of the submissions made to it, and to the purpose, and provisions of the [MVRMA](#) and the [Waters Act](#), the Board has determined that Licence MV2021L1-0009 should be issued, subject to the scope, defined terms, conditions, and term contained therein. The Board's determinations and reasons for this decision are set out below.

The Licence has been developed to address the Board's statutory responsibilities; to protect the receiving environment and minimize potential adverse effects on other water users; and to address issues within the Board's jurisdiction that were identified and investigated during the regulatory proceeding.

In developing the Licence, the Board considered the MVLWB [Standard Water Licence Conditions Template](#) (Standard Licence Conditions) and included a number of these standard conditions that are relevant to the Project. The Standard Licence Conditions have been established by the Land and Water Boards (LWBs) based on information from LWB policies and guidelines, other applicable guidelines and best practices, meetings with Inspectors, input from LWB staff, and feedback from a public review. Each standard condition has been evaluated against the following characteristics of an ideal condition:

- Clearly part of LWBs' authority;
- Has a clear purpose and rationale;
- Is practical and enforceable; and
- Does not conflict with existing legislation (i.e., is not less stringent).

The Standard Licence Conditions include general rationale for each standard condition, and as such, the language of standard conditions is only discussed in detail in these Reasons for Decision when the conditions specifically relate to concerns or recommendations raised during the regulatory proceeding. The Board's reasons for developing and including Project-specific conditions are detailed in the relevant sections below.

6.1 Term of Licence

The Applicant has applied for a term of 7 years for the Licence. Subsection 26(2) of the [Waters Act](#) allows for a licence term of not more than 25 years (type B) or the duration of the undertaking (type A). After reviewing the submissions made during this regulatory process, and taking into consideration the closely linked Permit, the Board has determined an appropriate term for the Licence is 7 years.

The Board decided to continue the practice of setting the Licence term to coincide with that of the Permit, and therefore set the term of the Licence for seven years from the date of issuance which takes into account the five-year term of the Permit, plus the possibility of a two-year extension of the Permit's term.⁸ This will allow the Board and all parties to consider any future permit or licence renewal application in the context of the intricately linked nature of the two authorizations.

6.2 Part A: Scope and Defined Terms

Part A of the Licence contains the scope and the defined terms used throughout the Licence.

6.2.1 Scope

The scope of the Licence is written to ensure the Licensee is entitled to conduct activities which have been applied for and have been subject to Part 5 of the [MVRMA](#). In setting out the scope of the Licence, the Board endeavoured to provide enough detail to identify and describe the authorized activities, without being unduly restrictive or prescriptive, and to allow for project flexibility, as contemplated in the Application, throughout the term of the Licence.

The conditions in Part A are consistent with the Standard Licence Conditions. These conditions ensure that the scope of the authorization includes withdrawal of water for construction and abandonment purposes, depositing of waste, construction operation and maintenance of watercourse crossings, construction, operation and maintenance of winter access roads, well site B-48, camps, remote sumps and progressive reclamation associated with the Project, and reflect and comply with all applicable legislation for the life of the authorization.

6.2.2 Defined Terms

The Board defined certain terms in the Licence to ensure a common understanding of the conditions, to avoid future differences in interpretation of the Licence, to reflect Project-specific evidence, and to support consistency across licences and permits issued by the LWBs. The Board selected applicable definitions relevant to the Project from the Standard Licence Conditions.

⁸ See MVLWB Policies and Guidelines webpage to access the MVLWB [Reasons for Decision on the Interpretation of Subsection 26\(6\) of the Mackenzie Valley Land Use Regulations](#).

6.3 Part B: General Conditions and Schedule 1

Part B and Schedule 1 of the Licence primarily contain general administrative conditions regarding compliance and conformity with the [MVRMA](#) and [Waters Act](#) as well as LWB policies and procedures. These conditions are consistent with the Standard Licence Conditions and are applicable to all licences.

Part B: ANNUAL WATER LICENCE REPORT

The requirements for the Annual Water Licence Report are outlined in Part B: ANNUAL LICENCE REPORT, and Schedule 1, Condition 17. The purpose of the Annual Water Licence Report is to provide the Board and all interested parties the opportunity to be annually updated on Project components and activities and compliance with Licence conditions, and to provide a platform for interested parties to submit comments, observations, feedback, and questions as necessary. The Report is also an important tool for evaluating the effectiveness of the Licence conditions.

In establishing the Annual Report requirements in the Licence, the Board primarily included requirements from the Standard Licence Conditions that are applicable to the Project and reflect the Licence conditions. All of these requirements are intended to provide clarity and summarize information already captured through existing submissions; they are not meant to be onerous. The Board organized these requirements to coincide with the layout of the Licence and to be consistent with the Standard Licence Conditions.

For clarity, Annual Water Licence Reports are required each year, regardless of whether the Licensee has conducted any activity during the reporting year.

Part B: ENGAGEMENT PLAN

The Board assesses engagement adequacy of applications through the MVLWB [Engagement and Consultation Policy](#), and [Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits](#). As required, the Applicant included an Engagement Record and Plan in the Applications,⁹ and these documents were distributed for public review with the Applications.

The Board has approved the Engagement Plan, Version 1 because it meets the Policy and Guidelines and is appropriate for the proposed activities.

6.4 Part C: Conditions Applying to Security Requirements and Schedule 2

Under subsection 35(1) of the [Waters Act](#), the Board is authorized to require the Licensee to provide security to the Minister. Subsection 35(2) of the [Waters Act](#) specifies how the security may be applied.

⁹ See MLWB Online Registry for [Imperial Oil Limited – Engagement Plan V1 – Engagement Record V1 – Sept10_21](#).

Part C of the Licence, by reference to Schedule 2, sets the amount of security to be maintained by the Licensee and sets out requirements related to posting and updating security. The conditions in this Section are consistent with the Standard Licence Conditions.

Based on the evidence regarding closure cost estimates for the Project, the Board has determined that the total security deposit amount shall be \$3,790,944.00

Consistent with recent Board practice, the Board has placed the land-related liability amounts under the Land Use Permit and the water-related liability amounts under the Water Licence: \$2,512,462.00 is required under the Permit, as described in [section 7.4](#) of these Reasons, and \$1,278,482.00 is required under the Licence.

Table 1: Security Deposit Requirements

	Total	Land	Water
Total	\$3,790,944	\$1,278,482.00	\$2,512,462.00

A detailed explanation of how the Board determined the security deposits for these two instruments is provided in [Appendix A: Detailed Reasons for Decisions for Project Security Determination](#)

As in other licences, the Board may request an updated Closure Cost Estimate from the Licensee at any time, and may adjust the security amount at any time, based on available information. The Board expects the Licensee to work with the landowner during the development of any closure cost estimate revisions, to ensure their concerns and recommendations are addressed.

The Board is satisfied that the security requirements it has imposed ensure that sufficient financial resources will be in place in advance of any liabilities that will be incurred.

6.5 Part D: Conditions Applying to Water Use

Part D of the Licence contains conditions related to water use for the Project. These are consistent with the Standard Licence Conditions.

The maximum quantity of water that can be withdrawn from is 3000m³/year with a maximum of 299m³/day

6.6 Part E: Conditions Applying to Construction

Part E of the Licence contains conditions applying to Construction activities for the Project. These are consistent with the Standard Licence Conditions.

6.7 Part F: Conditions Applying to Waste and Water Management

Part F of the Licence contain conditions applying to Waste and Water management activities for the Project. These are consistent with the Standard Licence Conditions.

Part F: WASTE MANAGEMENT PLAN - REVISED

All applicants must submit detailed waste management information, identifying all types of waste that will be produced by the project (including quantity and quality) and describing the disposal methods that are proposed for each type of waste. For most applicants, this will be in the form of a Waste Management Plan, developed in accordance with the MVLWB [Guidelines for Developing a Waste Management Plan](#), and licences and permits will include standard conditions regarding compliance with the Plan, as approved by the Board. The Guidelines can be applied to a wide range of projects and are intended to ensure that all waste management activities are carried out in a way that is consistent with best practices and applicable guidelines to minimize waste released from a project.

The Licensee included a Waste Management Plan in the Applications.¹⁰ The Board considered this Plan as part of the Application Package.

The Board requires that the Licensee revise the Waste Management Plan and submit Version 1.1, within 30 days of the effective date of the Licence, to reflect updates as agreed to during the regulatory proceeding, to reflect the proposed activities, to meet the applicable guidelines, and to include information relating to the disposal of sewage.

The Plan will be considered approved when the Licensee receives written confirmation of conformity from Board staff.

6.8 Part G: Conditions Applying to Aquatic Effects Monitoring Program

Intentionally left blank

6.9 Part H: Conditions Applying to Contingency Planning

Part H of the Licence contains conditions related to spill contingency planning and reporting, reclamation of spills and unauthorized discharges, and emergency response for the Project. These conditions are consistent with the Standard Licence Conditions.

The Licensee included a Spill Contingency Plan in the Applications.¹¹ The Board considered this Plan as part of the Application Package.

¹⁰ See MLWB Online Registry for [Imperial Oil Limited – Waste Management Plan V1 – September 20 21](#).

¹¹ See MLWB Online Registry for [Imperial Oil Limited – Spill Contingency Plan V1 – Sept10 21](#).

The Board has approved the Spill Contingency Plan, Version 1 because it meets the requirements of the Guidelines and is appropriate for the proposed activities.

6.10 Part I: Conditions Applying to Closure and Reclamation and Schedule 3

Part I of the Licence contain conditions applying to Closure and Reclamation, including Progressive Reclamation of the Project. These are consistent with the Standard Licence Conditions.

The conditions in this Section are closely related to the conditions applying to the security deposit (Part C of the Licence); the closure cost estimate and the security deposit are directly related to the activities described in the Closure and Reclamation Plan, and updates to the Plan may result in updates to the closure cost estimate and the security deposit.

Part I: CLOSURE AND RECLAMATION PLAN

The Board has approved the Closure and Reclamation Plan, Version 1 because it meets the requirements of the MVLWB/AANDC [Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories](#) (Closure Guidelines) and is appropriate for the proposed activities.

6.11 Annex A: Table of Submissions

Annex B of the Licence contains a table that summarizes the submissions required by the Licence conditions.

6.12 Annex B: Table of Revision History

Annex C of the Licence contains a table which identifies updates and tracks changes made to the Licence. This table is currently blank because this is a new Licence, but it will be updated throughout the life of the Licence.

7.0 Decision – Land Use Permit MV2021X0019

Having due regard to the facts, circumstances, and the merits of the submissions made to it, and to the purpose, scope, and intent of the [MVRMA](#), the Board has determined that Permit MV2021X0019 should be issued, subject to the scope, defined terms, conditions, and term contained therein. The Board's determinations and reasons for this decision are set out below.

The Permit has been developed to address the Board's statutory responsibilities, to protect the receiving environment, and to address issues within the Board's jurisdiction that were identified and investigated during the regulatory proceeding.

In developing the Permit, the Board considered the MVLWB [Standard Permit Conditions Template](#) (Standard Permit Conditions) and included a number of these standard conditions that are relevant to the Project. The Standard Permit Conditions have been established by the LWBs based on information from LWB policies and guidelines, other applicable guidelines and best practices, meetings with Inspectors,

input from LWB staff, and feedback from a public review. Each standard condition has been evaluated against the following characteristics of an ideal condition:

- Clearly part of LWBs' authority;
- Has a clear purpose and rationale;
- Is practical and enforceable;
- Matches the scale of the project; and
- Does not conflict with existing legislation (i.e., is not less stringent).

The Standard Permit Conditions include general rationale for each standard condition, and as such, the language of the standard conditions is only discussed in detail in these Reasons for Decision when the conditions specifically relate to concerns or recommendations raised during the regulatory proceeding. The Board's reasons for developing and including project-specific conditions are detailed in the relevant sections below.

7.1 Term of Permit

The Applicant has applied for a term of 5 years for the Permit. Subsection 26(5) of the [MVLUR](#) allows for a Permit term of not more than five years. After reviewing the submissions made during the regulatory proceeding, the Board has determined an appropriate term for the Permit is 5 years.

7.2 Part A: Scope of Permit

The scope of the Permit ensures the Permittee is entitled to conduct activities which have been applied for and which have been subject to Part 5 of the [MVRMA](#). In setting out the scope of the Permit, the Board endeavoured to provide enough detail to identify and describe the authorized activities, without being unduly restrictive or prescriptive, and to allow for project flexibility, as contemplated in the Application, throughout the life of the Permit.

7.3 Part B: Definitions

The Board defined certain terms in the Permit to ensure a common understanding of the conditions, to avoid future differences in interpretation of the Permit, to reflect Project-specific evidence, and to support consistency across licences and permits issued by the LWBs. For the most part, the Board selected applicable definitions relevant to the Project from the Standard Permit Conditions.

7.4 Part C: Conditions Applying to All Activities

The subheadings below correspond to the headings in the conditions section of the Permit, as outlined in subsection 26(1) of the [MVLUR](#).

26(1)(a) Location and Area

The conditions included in this section are all consistent with the Board's Standard Permit Conditions.

26(1)(b) Time

The conditions included in this section are all consistent with the Board's Standard Permit Conditions.

26(1)(c) Type and Size of Equipment

The conditions included in this section are all consistent with the Board's Standard Permit Conditions.

26(1)(d) Methods and Techniques

The conditions included in this section are all consistent with the Board's Standard Permit Conditions.

26(1)(e) Type, Location, Operation of All Facilities

The conditions included in this section are all consistent with the Board's Standard Permit Conditions.

26(1)(f) Control or Prevention of Ponding of Water, Flooding, Erosion, Slides, and Subsidence of Land

The conditions included in this section are all consistent with the Board's Standard Permit Conditions.

26(1)(g) Use, Storage, Handling, and Ultimate Disposal of Any Chemical or Toxic Material

The conditions included in this section are all consistent with the Board's Standard Permit Conditions.

26(1)(h) Wildlife and Fish Habitat

The [MVLUR](#) includes provisions related to the protection of wildlife habitat; however, impacts to wildlife and requirements for Wildlife Management and Monitoring Plans (WMMPs) are under the jurisdiction of the GNWT through the *Wildlife Act*. Accordingly, all applicants are directed to contact the GNWT-ENR to determine whether a WMMP is required for the project and should be submitted to the Board with a permit and/or licence application.

The Board included conditions in the Permit, which requires the Permittee to prevent damage to wildlife and fish habitat. This is a condition from the Board's Standard Permit Conditions and is intended to ensure the Permittee conducts their land-use operation in such a way as to minimize disturbance to wildlife habitat.

26(1)(i) Storage, Handling, and Disposal of Refuse or Sewage

A Waste Management Plan is a standard requirement for land use permits issued by the Board. This Plan is intended to ensure that all waste management activities are carried out in a way that is consistent with best practices and applicable guidelines to minimize waste released from the Project. This Plan is also required under Part F of the Licence, and the Board's reasons for decision regarding this Plan are described above in [section 6.7](#). The Board mirrored these Licence and Permit conditions as much as possible to ensure one submission will satisfy conditions of both the Licence and Permit.

The conditions included in this section are all consistent with the Board's Standard Permit Conditions.

26(1)(j) Protection of Historical, Archaeological, and Burial Sites

The conditions included in this section are all consistent with the Board's Standard Permit Conditions.

26(1)(k) Objects and Places of Recreational, Scenic, and Ecological Value

This section was intentionally left blank, because the Board did not require conditions in this section to satisfy its mandate and did not receive any recommendations related to this section during the review of the draft Permit.

26(1)(l) Security Deposit

The Board has included a requirement for a security deposit of \$1,278,482.00 in the Permit. The Board's reasons associated with this requirement are described above in [section 6.4](#) in conjunction with its reasons for the security required in the Licence. The security deposits required by these two instruments are discussed together since the estimates deal with the same Project and are intimately linked.

The conditions included in this section are all consistent with the Board's Standard Permit Conditions.

26(1)(m) Fuel Storage

A Spill Contingency Plan is a standard requirement for land use permits issued by the Board. This Plan is intended to ensure that an action plan(s) for responses to spills and Unauthorized Discharges has been established to effectively control and clean up spills and Unauthorized Discharges, with the goal of preventing or limiting damage to the receiving environment. This Plan is also required under Part H of the Licence, and the Board's reasons for decision regarding this Plan are described above in [section 6.9](#). The Board mirrored these Licence and Permit conditions as much as possible to ensure one submission will satisfy conditions of both the Licence and Permit.

The conditions included in this section are all consistent with the Board's Standard Permit Conditions.

26(1)(n) Methods and Techniques for Debris and Brush Disposal

The conditions included in this section are all consistent with the Board's Standard Permit Conditions.

26(1)(o) Restoration of the Lands

The conditions included in this section are all consistent with the Board's Standard Permit Conditions.

26(1)(p) Display of Permits and Permit Numbers

The conditions included in this section are all consistent with the Board's Standard Permit Conditions.

26(1)(q) Biological and Physical Protection of the Land

An Engagement Plan is a standard requirement for land use permits issued by the Board. This Plan is intended to ensure adequate and effective engagement with potentially affected parties has occurred prior to the submission of the Applications (in the form of the Engagement Record) and is planned for throughout the life of the Project. This Plan is also required under Part B of the Licence, and the Board's reasons for decision regarding this Plan are described above in [section 6.3](#). The Board mirrored these Licence and Permit conditions as much as possible to ensure one submission will satisfy conditions of both the Licence and Permit.

The conditions included in this section are all consistent with the Board's Standard Permit Conditions.

7.5 Annex A: Table of Submissions

Annex A of the Permit contains a table that summarizes the submissions required by the Permit conditions.

7.6 Annex B: Table of Revision History

Annex B of the Permit contains a table which identifies updates and tracks changes made to the Permit. This table is currently blank because this is a new permit, but it will be updated throughout the life of the Permit.

8.0 Conclusion

Subject to the scopes, definitions, conditions, and terms set out in the Licence and Permit, and for the reasons expressed herein, the MLWB is of the opinion that the activities, land and water use, and waste disposal associated with the Project can be completed by Imperial Oil Limited while providing for the conservation, development, and utilization of waters in a manner that will provide the optimum benefit for all Canadians and in particular for the residents of the Mackenzie Valley.

Water Licence MV2021L1-0009 and Land Use Permit MV2021X0019 contain provisions that the Board deems necessary to ensure and monitor compliance with the MVRMA, *Waters Act*, and the Regulations made thereunder, and to provide appropriate safeguards in respect of Imperial Oil Limited's use of the water and land as authorized by the Licence and Permit.

SIGNATURE

Mackenzie Valley Land and Water Board



October 28, 2021

Mavis Cli-Michaud, Chair

Date

Appendices and Annexes

Water Licence and Land Use Permit Applications	
File Number	MV2021L1-0009 MV2021X0019
Company	Imperial Oil Limited
Project	Well Re-Abandonment
Location	Jean Maire River, NT
Activity	Industrial and Miscellaneous

Appendix A: Detailed Reasons for Decisions for Project Security Determination

This Appendix provides a detailed explanation of how the Board determined the security requirements for the Project as discussed in the main body of the Reasons for Decision ([section 6.4](#)), set out in the Licence and Permit conditions, and presented in Table 1 below.

Table A1: Security Deposit Requirements

	Total	Land	Water
Total	\$3,790,944.00	\$1,278,482.00	\$2,512,462.00

Consistent with recent Board practice, the Board adopted the split between land and water security estimates in RECLAIM and has placed the land-related liability amounts under the Land Use Permit and the water-related liability amounts under the Water Licence.

1.0 Evidence Submitted to the Board

The Applicant completed a RECLAIM estimate for the Project and calculated a total closure and reclamation cost of \$\$3,663,034.00. GNWT - ENR also completed a RECLAIM estimate for the Project and calculated a total closure and reclamation cost of \$\$3,790,944.00. Table A2 below compares these estimates.

Table A2: Closure Cost Estimates Submitted to the Board

Capital Cost Item	Imperial Oil Limited			GNWT- ENR		
	Cost	Land Liability	Water Liability	Cost	Land Liability	Water Liability
Wells and Facilities	\$1,308,278	\$0	\$1,308,278	\$1,308,278	\$0	\$1,308,278
Buildings and Equipment (Construction Execution)	\$605,725	\$605,725	\$	\$605,725	\$605,725	\$
Chemicals and Contaminated Soil Management	\$60,000	\$60,000	\$	\$60,000	\$60,000	\$

Capital Cost Item	Imperial Oil Limited			GNWT- ENR		
	Cost	Land Liability	Water Liability	Cost	Land Liability	Water Liability
Surface and Groundwater Management	\$	\$	\$	\$	\$	\$
Interim Care and Maintenance	\$	\$	\$	\$	\$	\$
Inflation – 0%	\$	\$	\$	\$	\$	\$
Subtotal: Capital Costs	\$1,974,003	\$665,725	\$1,308,278	\$1,974,003	\$665,725	\$1,308,278
Indirect Cost Item	Cost	Land Liability	Water Liability	Cost	Land Liability	Water Liability
Mobilization/Demobilization	\$766,920	\$258,641	\$508,279	\$766,920	\$258,641	\$508,279
Post-Closure Monitoring and Maintenance	\$0	\$0	\$0	\$102,328	\$34,510	\$67,818
Engineering	\$98,700	\$33,286	\$65,414	\$98,700	\$33,286	\$65,414
Project Management	\$98,700	\$33,286	\$65,414	\$98,700	\$33,286	\$65,414
Health and Safety Plans/Monitoring & QA/QC	\$19,740	\$6,657	\$13,083	\$19,740	\$6,657	\$13,083
Bonding/Insurance	\$19,740	\$6,657	\$13,083	\$19,740	\$6,657	\$13,083
Contingency (20%*)	\$493,501	\$166,431	\$327,069	\$493,501	\$166,431	\$327,069
Contingency – Mobilization and Accommodations	\$191,730	\$64,660	\$127,070	\$217,312	\$73,288	\$144,024
Market Price Factor Adjustment	\$0	\$0	\$0			
Inflation**	\$0	\$0	\$0	\$	\$	\$
Subtotal: Indirect Costs	\$1,689,031	\$569,618	\$1,117,412	\$1,816,941	\$612,757	\$1,204,184
TOTAL COSTS	\$3,663,034	\$1,235,343	\$2,427,690	\$3,790,944	\$1,278,482	\$2,512,462

2.0 Board Analysis and Determinations

To better understand the closure cost estimates, the Board considered the breakdown of the estimates by component. Table A2 above compares the estimates. The Board’s decision was to go with the estimate provided by the GNWT as it includes Post-Closure Monitoring and Maintenance as the site is currently needing to be re-abandoned.