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www.mvlwb.com

November 12, 2021

File: MV2021X0019

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 – Land Use Permit MV2021X0019 – Re-Abandonment of Well – Jean Maire River, NT

The Mackenzie Valley Land and Water Board (Board) met on October 28, 2021 and considered the Application Package from Imperial Oil Limited (Imperial) for Land Use Permit (Permit) MV2021X0019 for the Well Re-Abandonment (Project) in accordance with the *Mackenzie Valley Resource Management Act* (MVRMA).

The Board has approved Land Use Permit MV2021X0019 (attached) for a term of five years, effective November 12, 2021 and expiring November 11, 2026. The Permit 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 commencement of Project activities, as per Permit Condition 48, SECURITY DEPOSIT and subsection 32(3) of the Mackenzie Valley Land Use Regulations. 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:

Patti Nightingale, Land Use Advisor
GNWT-Lands – North Slave Region – Yellowknife
140 Bristol Avenue
Yellowknife NT X1A 3T2
Phone: (867) 767-9187 (ext. 24194)

¹ See MLWB Online Registry www.mvlwb.com for [MV2021X0019](#)

Submission Requirements

Please refer to Annex B of the Permit for a complete summary and timetable of submissions required for the Permit. 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)
Condition 78, ENGAGEMENT PLAN	Engagement Plan (V1) ²
Condition 61, SPILL CONTINGENCY PLAN	Spill Contingency Plan (V1) ³

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 approved when the Permittee receives written confirmation of conformity.

Condition Number and Title	Title of Plan (Version)	Version and Date Revision Due
Condition 41, WASTE MANAGEMENT PLAN	Waste Management Plan (V1) ⁴	Version 1.1, Due by December 15, 2021

Inspectors

The Inspectors referred to in the Permit can be contacted at the regional GNWT-Lands offices.⁵

Permit Processes and Additional Information

Sections 5 and 6 of the Board's *Guide to the Land Use Permitting Process*⁶ (Guide) contain detailed information on permit 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 Permit.

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](#)

⁴See MLWB Online Registry for Imperial Oil Resources - [Waste Management Plan – Version 1 – Sept16 21](#).

⁵ See GNWT-Lands Inspection and Enforcement webpage (<https://www.lands.gov.nt.ca/en/services/inspections-and-enforcement>) for regional contact information.

⁶ See MLWB Policies and Guidelines webpage for MVLWB [Guide to the Land Use Permitting Process](#).

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 Land and Water Board

BCC'd to: Dehcho Distribution List
 Andrew Lirette – Inspector, GNWT-Lands
 Patti Nightingale, GNWT-Lands

Attached: Land Use Permit MV2021X0019
 Reasons for Decision



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Imperial Oil Limited
Land Use Permit MV2021X0019

Pursuant to the *Mackenzie Valley Resource Management Act* and Mackenzie Valley Land Use Regulations, the Mackenzie Valley Land and Water Board grants this Land Use Permit to:

Imperial Oil Limited
(Permittee)

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

hereinafter called the Permittee, to proceed with the following land-use operation, subject to the annexed definitions and conditions contained therein:

Location:	Jean Marie River – Well Abandonment
Purpose:	Miscellaneous – Well Abandonment
Type:	Type A
Effective Date:	November 12, 2021
Expiry Date:	November 11, 2026

Handwritten signature of Mavis Cli-Michaud in blue ink.

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

Handwritten signature of Amanda Gauthier in black ink.

Amanda Gauthier, Witness

Conditions Annexed to and Forming Part of Land Use Permit #MV2021X0019

Part A: Scope of Permit

1. This Permit entitles the Permittee to conduct the following land-use operation:
 - a) Suspension or abandonment, and reclamation of well site B-48 and related activities;
 - b) Construction, use, maintenance of an access winter road;
 - c) Construct, use, maintenance of a temporary watercourse crossing;
 - d) Use of a drill;
 - e) Use of equipment;
 - f) Establishment, use, reclamation of a camp;
 - g) Installation and maintenance of erosion and sediment control measures;
 - h) Fuel and hazardous materials storage; and
 - i) Progressive Reclamation and associated Closure and Reclamation activities.
2. This Permit is issued subject to the conditions contained herein with respect to the use of land for the activities and area identified in Part A, item 1 of this Permit.
3. Compliance with the terms and conditions of this Permit does not excuse the Permittee from its obligation to comply with the requirements of any applicable Federal, Territorial, Deline, Tł̓ch̓q, or Municipal laws.

Part B: Definitions (defined terms are capitalized throughout the Permit)

Act - the *Mackenzie Valley Resource Management Act*.

Board - the Mackenzie Valley Land and Water Board established under Part 4 of the Act.

Borehole - a hole that is made in the surface of the ground by drilling or boring.

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, human activities, and the surrounding environment.

Dogleg - the clearing of a line, trail, or right-of-way that is curved sufficiently so that no part of the clearing beyond the curve is visible when approached from either direction.

Drilling Fluid - any liquid mixture of water, sediment, drilling muds, chemical additives or other wastes that are pumped down hole while drilling and are specifically related to drilling activity.

Drilling Waste - all materials or chemicals, solid or liquid, associated with drilling, including drill cuttings and Drilling Fluids.

Durable Land - land that is able to withstand repeated use, such as gravel or sand with minimal vegetative cover.

Engagement Plan - a document, developed in accordance with the Board's *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.

Flowing Artesian Well - a well in which water:

- a) Naturally rises above the ground surface or the top of any casing; and
- b) Flows naturally, either intermittently or continuously.

Fuel Storage Container - a container for the storage of petroleum or allied petroleum products with a capacity of less than 230 litres.

Fuel Storage Tank - a closed container for the storage of petroleum or allied petroleum products with a capacity of more than 230 litres.

Greywater - all liquid wastes from showers, baths, sinks, kitchens, and domestic washing facilities but not including toilet wastes.

Habitat - the area or type of site where a species or an individual of a species of wildlife naturally occurs or on which it depends, directly or indirectly, to carry out its life processes.

Inspector - an Inspector designated by the Minister under the Act.

Minister - the Minister of Indian Affairs and Northern Development Canada or the Minister of the Government of the Northwest Territories – Department of Lands, as the case may be.

Ordinary High-Water Mark - the usual or average level to which a body of water rises at its highest point and remains for sufficient time so as to change the characteristics of the land. In flowing waters (rivers, streams) this refers to the "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 predominately aquatic vegetation to terrestrial vegetation (excepting water tolerant species). For reservoirs, this refers to normal high operating levels (full supply level).

Permittee - the holder of this permit.

Professional Engineer - a person registered with the Northwest Territories and Nunavut Association of Professional Engineers and Geoscientists to practice as a Professional Engineer in the Northwest Territories as per the territorial *Engineering and Geoscience Professions Act*, and whose professional field of specialization is appropriate to address the components of the Project at hand.

Progressive Reclamation - Closure and Reclamation activities conducted during the operating phase of the project.

Secondary Containment - containment that prevents liquids that leak from Fuel Storage Tanks or containers from reaching outside the containment area and includes double-walled Tanks, piping, liners, and impermeable barriers.

Sewage - all toilet wastes and Greywater.

Spill Contingency Plan - a document, developed in accordance with Aboriginal Affairs and Northern Development Canada's *Guidelines for Spill Contingency Planning* that describes the set of procedures to be implemented to minimize the effects of a spill.

Spring Break-up – April 15 each year, for the purpose of this operation.

Safety Data Sheet - a technical document, typically written by the manufacturer or supplier of a chemical, that provides information about the hazards associated with the product, advice about safe handling and storage, and emergency response procedures.

Sump - a human-made pit or natural depression in the earth's surface used for the purpose of depositing Waste that does not contain Toxic Material, such as non-toxic Drilling Waste or Sewage, therein.

Toxic Material - any substance that enters or may enter the environment in a quantity or concentration or under conditions such that it:

- a) Has or may have an immediate or long-term harmful effect on the environment or its biological diversity;
- b) Constitutes or may constitute a danger to the environment on which life depends; or
- c) Constitutes or may constitute a danger in Canada to human life or health.

Waste - any garbage, debris, chemical, or Toxic Material to be used, stored, disposed of, or handled on land, and also as defined in section 51 of the Act.

Waste Management Plan - a document, developed in accordance with the Board's Guidelines for Developing a Waste Management Plan, that describes the methods of Waste management from Waste generation to final disposal.

Watercourse - a natural body of flowing or standing water or an area occupied by water during part of the year, and includes streams, springs, swamps and gulches but does not include groundwater.

Part C: Conditions Applying to All Activities (headings correspond to subsection 26(1) of the Mackenzie Valley Land Use Regulations)

Condition	Category
26(1)(a) Location and Area	
1. The Permittee shall only conduct this land-use operation on lands designated in the application.	LOCATION OF ACTIVITIES
2. The Permittee shall locate all camps on Durable Land or previously cleared areas, and a minimum of 100 metres from the Ordinary High Water Mark.	CAMP SETBACK
3. The Permittee shall not locate any Sump within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector.	SUMP SETBACK
4. The Permittee shall locate all lines, trails, and right-of-ways to be constructed parallel to any Watercourse a minimum of 100 metres from the Ordinary High Water Mark, except at crossings.	PARALLEL WATERCOURSE SETBACK
5. The Permittee shall not construct parallel lines or roads, unless an existing line or road cannot be used.	PARALLEL ROADS
6. The Permittee shall confine the width of the right-of-way to a maximum of 8 metres.	WIDTH RIGHT-OF-WAY
26(1)(b) Time	
7. At least 48 hours prior to the initial commencement of the land-use operation, the Permittee's Field Supervisor shall notify the Board and contact an Inspector at (867) 695-2626.	INITIAL NOTIFICATION – CONTACT INSPECTOR
8. At least 48 hours prior to returning to the worksite following a seasonal shut down period, the Permittee's Field Supervisor shall notify the Board and contact an Inspector at (867) 695-2626.	SEASONAL NOTIFICATION – CONTACT INSPECTOR
9. At least 48 hours prior to commencement of the land-use operation, the Permittee shall provide the following information, in writing, to the Board and an Inspector: a) the name(s) of the person(s) in charge of the field operation; b) alternates; and c) all methods for contacting the above person(s).	IDENTIFY AGENT

10.	At least ten days prior to a seasonal shut down period or Spring Break-up, the Permittee shall advise an Inspector of:	REPORTS BEFORE SEASONAL REMOVAL
	<ul style="list-style-type: none"> a) the plan for removal or storage of equipment and materials; and b) when cleanup and Progressive Reclamation of the land used will be completed. 	

11.	At least ten days prior to the completion of the land-use operation, the Permittee shall advise an Inspector of:	REPORTS BEFORE FINAL REMOVAL
	<ul style="list-style-type: none"> a) the plan for removal or storage of equipment and materials; b) when final cleanup and reclamation of the land used will be completed; and c) when the Final Plan will be submitted. 	

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

12.	The Permittee shall only use equipment of a similar type, size, and number to that listed in the complete application.	USE APPROVED EQUIPMENT
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26(1)(d) Methods and Techniques

13.	The Permittee shall Dogleg lines, trails and right-of-ways that approach Watercourses or public roads.	DOGLEG APPROACHES
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14.	Prior to the movement of any vehicle that exerts pressure on the ground in excess of 35 kPa, the Permittee shall scout proposed lines and routes to select the best location for crossing streams and avoiding terrain obstacles.	DETOURS AND CROSSINGS
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15.	Immediately upon completion of operations at each Borehole, the Permittee shall remove or cut off and seal each drill casing below ground level.	OIL AND GAS DRILL CASINGS
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16.	The Permittee shall construct and maintain the overland portion of winter roads with a minimum of 10 cm of packed snow and/or ice at all times during this land-use operation.	WINTER ROADS
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17.	The Permittee shall not erect camps or store material, other than that required for immediate use, on the ice surface of a Watercourse.	STORAGE ON ICE
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26(1)(e) Type, Location, Capacity, and Operation of All Facilities

18.	The Permittee shall ensure that the land use area is kept clean at all times.	CLEAN WORK AREA
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26(1)(f) Control or Prevention of Ponding of Water, Flooding, Erosion, Slides, and Subsidence of Land

19.	The land-use operation shall not cause obstruction to any natural drainage.	NATURAL DRAINAGE
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20.	The Permittee shall install and maintain suitable erosion control structures as the land-use operation progresses.	PROGRESSIVE EROSION CONTROL
21.	The Permittee shall apply appropriate mitigation at the first sign of erosion.	REPAIR EROSION
22.	The Permittee shall, where flowing water from a Borehole is encountered: a) plug the Borehole in such a manner as to permanently prevent any further outflow of water; and b) immediately report the occurrence to the Board and an Inspector.	FLOWING ARTESIAN WELL
23.	The Permittee shall only conduct off-road vehicle travel on snow-covered surfaces.	OFF-ROAD VEHICLE TRAVEL
24.	The Permittee shall prepare the site in such a manner as to prevent rutting or gouging of the ground surface.	PREVENTION OF RUTTING
25.	The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting or gouging.	SUSPEND OVERLAND TRAVEL
26.	The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging.	VEHICLE MOVEMENT FREEZE-UP
27.	The Permittee shall only use clean water and snow in the construction of ice bridges and snow fills.	CONSTRUCT ICE BRIDGES SNOWFILLS
28.	Prior to Spring Break-up or completion of the land-use operation, the Permittee shall clean up and either remove or v-notch all ice bridges and snowfills from stream crossings, unless otherwise authorized in writing by an Inspector.	REMOVE ICE BRIDGES/ SNOWFILLS
29.	The Permittee shall not cut any stream bank, unless otherwise authorized in writing by an Inspector.	STREAM BANKS
30.	The Permittee shall minimize approach grades on all Watercourse crossings.	MINIMIZE APPROACH
31.	The Permittee shall not excavate land within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector.	EXCAVATION SETBACK
26(1)(g) Use, Storage, Handling, and Ultimate Disposal of Any Chemical or Toxic Material		
32.	The Permittee shall only use Drilling Fluids that were identified in the complete application, unless the Safety Data Sheets are provided to the Board and Inspector and usage of the chemical(s) is approved by the Board.	OIL AND GAS DRILLING CHEMICALS

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| 33. | At least seven days prior to the use of any chemicals that were not identified in the complete application, the Safety Data Sheets must be provided to the Board and an Inspector. | CHEMICALS |
| 34. | The Permittee shall remove all Drilling Waste to an approved disposal facility. | DRILLING WASTE DISPOSAL |
| 35. | The Permittee shall not allow any Drilling Waste to spread to the surrounding lands or Watercourses. | DRILLING WASTE CONTAINMENT |
| 36. | Prior to rig removal, the Permittee shall supply, to the Board and an Inspector, a list of mud components used during the drilling operation. | OIL AND GAS MUD COMPONENTS |
| 37. | The Permittee shall dispose of all Toxic Material as described in the approved Waste Management Plan. | WASTE CHEMICAL DISPOSAL |
| 38. | The Permittee shall dispose of all combustible Waste petroleum products by removal to an approved disposal facility. | WASTE PETROLEUM DISPOSAL |
| 39. | The Permittee shall provide written notification to the Board and Inspector a minimum of 10 days prior to the initial deposit of Waste, demonstrating that the licenced disposal facility has agreed to accept the Waste and has the capacity to receive the volumes of Waste requested. | NOTIFICATION OF SOLID WASTE DISPOSAL |

26(1)(h) Wildlife and Fish Habitat

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| 40. | The Permittee shall take all reasonable measures to prevent damage to wildlife and fish Habitat during this land-use operation. | HABITAT DAMAGE |
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26(1)(i) Storage, Handling, and Disposal of Refuse or Sewage

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| 41. | The Permittee shall dispose of all Waste as described in the Waste Management Plan , once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval. | WASTE MANAGEMENT |
| 42. | The Permittee shall keep all garbage and debris in a secure container until disposal. | GARBAGE CONTAINER |
| 43. | The Permittee shall dispose of all Sewage and Greywater into a Sump at least 100 metres from the Ordinary High Water Mark of any Watercourse. | SEWAGE DISPOSAL – SUMP SETBACK |
| 44. | The Permittee shall dispose of all Sewage and Greywater as described in the approved Waste Management Plan. | SEWAGE DISPOSAL - PLAN |

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

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| 45. | The Permittee shall not operate any vehicle or equipment within 150 metres of a known or suspected historical or archaeological site or burial ground. | ARCHAEOLOGICAL
BUFFER |
| 46. | The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site. | SITE DISTURBANCE |
| 47. | The Permittee shall, where a suspected archaeological or historical site, or burial ground is discovered:

a) immediately suspend operations on the site; and
b) notify the Board at (867) 669-0506 or an Inspector at (867) 695-2626, and the Prince of Wales Northern Heritage Centre at 767-9347 ext. 71251 or ext. 71255. | SITE DISCOVERY AND
NOTIFICATION |

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

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26(1)(l) Security Deposit

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| 48. | Prior to the commencement of the land-use operation, the Permittee shall deposit with the Minister a security deposit in the amount of \$1,278,482.00. | SECURITY DEPOSIT |
| 49. | All costs to remediate the area under this Permit are the responsibility of the Permittee. | RESPONSIBILITY FOR
REMEDICATION COSTS |

26(1)(m) Fuel Storage

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| 50. | The Permittee shall:

a) examine all Fuel Storage Containers and Tank for leaks; and
b) repair all leaks immediately. | REPAIR LEAKS |
| 51. | The Permittee shall place Fuel Storage Containers and or Tanks a minimum of 100 metres from the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. | FUEL STORAGE
SETBACK |
| 52. | The Permittee shall ensure that all fuel caches have adequate Secondary Containment. | FUEL CACHE
SECONDARY
CONTAINMENT |
| 53. | The Permittee shall set up all refueling points with Secondary Containment. | SECONDARY
CONTAINMENT –
REFUELING |
| 54. | The Permittee shall not allow petroleum products to spread to surrounding lands or Watercourses. | FUEL CONTAINMENT |

- | | | |
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| 55. | The Permittee shall locate mobile fuel facilities on land when the facilities are stationary for more than 12 hours. | FUEL ON LAND |
| 56. | The Permittee shall mark all Fuel Storage Containers and Tanks with the Permittee's name. | MARK CONTAINERS AND TANKS |
| 57. | The Permittee shall mark all stationary fuel caches and fuel storage facilities with flags, posts, or similar devices so that they are at all times plainly visible to local vehicle travel. | MARK FUEL LOCATION |
| 58. | The Permittee shall have a maximum of 22,000 litres of fuel stored on the land use site at any time, unless otherwise approved by the Board. | MAXIMUM FUEL ON SITE |
| 59. | Within ten days of the establishment of any fuel cache, the Permittee shall report the location and quantity of the cache in writing to the Board and an Inspector. | REPORT FUEL LOCATION |
| 60. | The Permittee shall seal all outlets of Fuel Storage Containers and store the containers on their sides with the outlets located at 3 and 9 o'clock, except for containers currently in use. | SEAL OUTLET |
| 61. | The Permittee shall comply with the Spill Contingency Plan , once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval. | SPILL CONTINGENCY PLAN |
| 62. | Prior to commencement of the land-use operation the Permittee shall ensure that spill-response equipment is in place to respond to any potential spills. | SPILL RESPONSE |
| 63. | All equipment that may be parked for two hours or more, shall have a haz-mat/drip tray under it or be sufficiently diapered. Leaky equipment shall be repaired immediately. | DRIP TRAYS |
| 64. | The Permittee shall clean up all leaks, spills, and contaminated material immediately. | CLEAN UP SPILLS |
| 65. | <p>During the period of this Permit, if a spill occurs or is foreseeable, the Permittee shall:</p> <p>a) implement the approved Spill Contingency Plan;</p> <p>b) report it-immediately using the NU-NT Spill Report Form by one of the following methods:</p> <ul style="list-style-type: none"> • Telephone: (867) 920-8130 • Fax: (867) 873-6924 • E-mail: spills@gov.nt.ca • <u>Online: Spill Reporting and Tracking Database</u> <p>c) within 24 hours, notify the Board and an Inspector; and</p> | REPORT SPILLS |

- d) within 30 days of initially reporting the incident, 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. Any updates to this report shall be provided to the Board and an Inspector in writing as changes occur.

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

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| 66. | The Permittee shall progressively dispose of all brush and trees; all disposal shall be completed prior to the end of this land use operation. | BRUSH DISPOSAL/
TIME |
| 67. | The Permittee shall not clear areas larger than identified in the complete application. | MINIMIZE AREA
CLEARED |

26(1)(o) Restoration of the Lands

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| 68. | All areas affected by construction or removal activities shall be stabilized and landscaped in accordance with the Closure and Reclamation Plan, unless otherwise authorized in writing by an Inspector. | PRE-CONSTRUCTION
PROFILES |
| 69. | The Permittee shall dispose of all overburden as approved by the Board, or as otherwise authorized in writing by an Inspector. | DISPOSAL OF
OVERBURDEN |
| 70. | The Permittee shall save the organic soil stripped from the land use area and shall use the organic soil for reclamation as approved by the Board, or otherwise authorized in writing by an Inspector. | SAVE AND PLACE
ORGANIC SOIL |
| 71. | Prior to the end of the land-use operation, the Permittee shall complete all cleanup and restoration of the lands used. | FINAL CLEANUP AND
RESTORATION |
| 72. | Prior to the end of the land-use operation, the Permittee shall prepare the site in such a manner as to facilitate natural revegetation. | NATURAL
VEGETATION |
| 73. | The Permittee shall carry out Progressive Reclamation of disturbed areas as soon as it is practical to do so. | PROGRESSIVE
RECLAMATION |

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

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| 74. | The Permittee shall display a copy of this Permit in each campsite established to carry out this land-use operation. | DISPLAY PERMIT |
| 75. | The Permittee shall keep a copy of this Permit on hand at all times during this land-use operation. | COPY OF PERMIT |

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

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| 76. | If nesting areas are encountered during the course of operations, the Permittee shall minimize all activity so as to not disturb them. | MIGRATORY BIRD
NEST DISTURBANCE |
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| 77. | If any plan is not approved by the Board, the Permittee shall revise the plan according to the Board’s direction and re-submit it to the Board for approval. | RESUBMIT PLAN |
| 78. | The Permittee shall comply with the Engagement Plan , once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval. | ENGAGEMENT PLAN |
| 79. | All revised plans submitted to the Board shall include a brief summary of the changes made to the plan. | SUMMARY OF CHANGES |

Annex A: MV2021X0019 – Submission Requirements

Condition Name	Item	When Required
Waste Management Plan	26(1)(i) Storage, Handling, and Disposal of Refuse or Sewage Condition 41	The Permittee shall dispose of all Waste as described in the Waste Management Plan , once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval.
Engagement Plan	26(1)(q) Biological and Physical Protection of the Land Condition 78	The Permittee shall comply with the Engagement Plan , once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval.

Annex B: MV2021X0019 – Revision History

Date	Change	Date Approved



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

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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.onlinereviewssystem.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, Tthets'ehike'deli First Nation, Deh Gáh Got'ie First Nation, Ka'a'gee Tu First Nation, Łíídlı́ 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.