



Sahtu Land and Water Board

Staff Report

Division: Land and Water Program	File No. S02A-004 / S02L1-003
Permit Type: Oil and Gas Exploratory Drilling	Licence Type: Industrial
Date Prepared: August 12, 2021	Meeting Date: September 23, 2021
Subject: Final Plan for Land Use Permit S02A-004 – Exploration Licence EL 397 - Summit Creek B-44 and Stewart Lake Airstrip Campsite – 60 km SSW of Tulit'a, NWT	

1.0 Purpose/Report Summary

To present the Final Plan submitted by Husky Oil Operations Limited (Husky) for Board approval and clearance (Attachment 1).

2.0 Background

The original Permit was issued to Northrock Resources Ltd. (Northrock) on October 13, 2003, after the project had undergone an Environmental Assessment by the Mackenzie Valley Environmental Impact Review Board.

Northrock constructed the B-44 wellsite and remote drilling sump, B-44 campsite and camp sump, Stewart Lake Airstrip campsite and storage/staging area, and 74.51 km of access road and drilled the B-44 well during the winter of 2003/2004.

In 2004, Husky assumed operations of the Northrock holdings and completed two more seasons of exploratory drilling and seismic operations. The Permit and Licence were assigned to Husky by the Board on July 12, 2005. Following completion of Husky's exploratory drilling program in 2006, the B-44 wellhead remained suspended until the wellbore was abandoned in August 2010.

2.1 Project Overview

The Project used the Keele River Staging Area (approved under separate permit S02T-002, to mobilize road building equipment, tow cats, bulldozers, and drill rig components. The Project also used approximately 56 km of access previously developed for the Tertiary Creek 2D Seismic Program (recorded in the winter of 2001). Approximately 18.5 km of new road access 10 to 15 m wide was constructed for this Project. The access was cleared using bulldozers equipped with shoes to prevent ripping and tearing to reduce the potential for damage to the ground vegetation. An ice road was constructed on the cleared access for movement of heavy equipment. Slash was windrowed with 7 m breaks every 400 m to permit the passage of wildlife.

The B-44 wellsite was not stripped but was constructed using an ice pad and minimal disturbance techniques. All slash was cleared by hand. A sewage trench was dug on the west side of the lease to accept waste from the well site trailers. The sump was used for one season (2003/04) with subsequent seasons (2004/05 and 2005/06) using a portable sewage treatment system.

Husky conducted well abandonment in 2010 and reclamation activities from 2010 to 2018, including:

- Infilling the sewage trench with clean, existing on-site material and recontouring into the lease to prevent further slumping,
- Re-contouring the remote sump to address slumping issues, and monitoring vegetation regrowth,
- Collecting soil samples from the well cellars and initiating a soil monitoring program to identify and delineate the extent and concentration of contaminants of potential concern (COPCs) – in this case, petroleum hydrocarbons (PHCs) were found at concentrations in exceedance of CCME guidelines,
- Ongoing monitoring to confirm natural attenuation of COPC over time – in 2014 the analyses indicated that light end hydrocarbons were degraded and below CCME criteria,

The most recent Inspection Report dated July 15, 2019, indicated that all permit conditions had been met, with no signs of contamination or slumping on the well pad and lush vegetation regrowth across the site. A recommendation for file closure was made (Attachment 2).

2.2 Process Requirements

Permit Start Date: October 13, 2003

Expiry Date: October 12, 2010

Final Plan Submitted: January 25, 2021

A Type A Land Use Permit was required for the following activities: Use and operation of heavy equipment, construction of an access road, and operation of a camp.

A Type B Water Licence was required for the use of water for winter access road construction, drill rig operation, and deposit of waste.

3.0 Comments

3.1 Land Use Fees

In total Northrock submitted fees of \$4,222.00 of which \$30.00 was for the Licence application fee. A total of \$4,192.00 was allocated to the Land Use Permit, including the \$150.00 non-refundable application fee and \$50.00 assignment fee. The actual area of Federal Land used for the Summit Creek B-44 Drilling Program was 9.14 ha. The Project used 82.5 ha of Sahtu Private Settlement Lands. Schedule 1 of the MVLUR states that a Land Use Fee for federal public lands of \$50.00/hectare will be made if lands proposed to be used exceed two hectares. In the MVLUR there is no distinction for parts of a hectare.

	Hectares	Land Use Fee (\$)
Submitted with Original Application	79.84	\$3,992.00
Actual Crown Land Used	9.0 - *2.0 ha = 7.0 ha	\$350.00
Total Owing/Refund		\$3,642.00

*Note: The original application fee includes two hectares free under the MVLUR

There has been an overpayment of land use fees of \$ 3,642.00. Since the Permit was issued prior to devolution of the NWT on April 1, 2014, the land use fees will be refundable from Canada.

3.2 Security Deposit

No security deposit was required for this Project.

3.3 Other Agency Comments

The Manager, Resource Management for the GNWT – Department of Lands, Sahtu Region has confirmed that they have no concerns with the file and recommend File Closure (Attachment 2).

4.0 Conclusion and Recommendation

Section 33 of the MVLUR states: *When a permittee has complied with all conditions of the permit and with these Regulations, the Board shall issue a letter of clearance to the permittee with a copy to the federal Minister.”*

Board staff recommend that the Board:

- Make a motion to accept the Final Plan and issue a letter of clearance (Attachment 3) to the Permittee with copy to the Government of Canada for the refund of land use fees.
- Make a motion to close the accompanying Water Licence S02L1-003.

5.0 Reference Material Attached

- 5.1 Husky Oil Operations Ltd. Final Plan with location maps
- 5.2 Inspection Report from GNWT-Lands recommending file closure
- 5.3 Draft Letter of Clearance

Respectfully submitted,



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