



Resource & Land Management

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November 7, 2014

Paul Dixon
Executive Director
Sahtu Land and Water Board
P.O. Box 1, Fort Good Hope
Northwest Territories
X0E 0H0

RE: AANDC Comments on the Draft Water Licence for Imperial Oil Resources Limited's Norman Wells Operations

Dear Mr. Dixon;

Please find enclosed, AANDC's review of the Draft Water Licence for Imperial Oil Resources Limited's (IORL) Norman Wells Operations as sent out by the Sahtu Land and Water Board (the Board) on October 27, 2014 for comment as part of the Water Licence renewal process.

Suggested wording for the licence:

Part B:

5. The Licensee shall comply with the Schedules, which are annexed to and form part of the Licence, and any amendments to the Schedules as may be made from time to time by the Board *and approved by the Minister*.
6. The Licensee shall comply with the Surveillance Network Program, which is annexed to and forms part of this Licence, and any amendments to the Surveillance Network Program as may be made from time to time by the Board *and approved by the Minister*.
7. The Schedules, the Surveillance Network Program, and any compliance dates specified in this Licence, may be amended at the discretion of the Board.

Part C:

3. The amount of the security deposit required by Part C: Item 1 and Schedule 2: Item 1 may be revised by the Board and recommended to the Minister for approval (or) through a water licence amendment process based on estimates of the current Reclamation liability referred to in Part C: Item 2 of this Licence or based on such other information as may be available to the Board.

Rationale for comments on Part B and C:

The draft licence indicates that the Schedules "are annexed to and form part of the Licence". As such, the schedules are integral to the implementation and function of the licence. Therefore, following any approval of the licence, any amendments that are proposed to the Schedules should be treated similarly to changes to the body of the licence. This is to say that those changes would trigger an amendment process which means that the Minister needs to approve it as per section 72.13 of the MVRMA.

Comments on Part H:

3. The Licensee shall carry out field and communication exercises *annually* to demonstrate the capability to contain, recover and report spills under a variety of environmental conditions, such as early and late winter ice conditions, and moderate and high flow conditions.
5. If, during the period of this Licence, an unauthorized discharge of Waste(s) occurs, or if such a discharge is foreseeable, the Licensee shall:
 - c) submit to the Board and an Inspector, a detailed report on each occurrence *as soon as possible or not later than 14 days* after initially reporting the event.

Rationale for comments on Part H:

Carrying out Field and communication exercises should have specified timing as the current wording would only require them to carry out the exercise once during 10 period of the licence. We feel that 30 days is too long to wait for a detailed report related to an unauthorized discharge.

Comments on Part J:

5. A minimum of 24 months prior to the end of commercial operations, the Licensee shall submit a Final Closure and Reclamation Plan to the Board for approval.

As the term and condition reads now, the approval is at the discretion of the Board. We would prefer a term and condition that requires the licensee to submit an application requesting an amendment to the licence that reflects the change in purpose \ scope of the work. This would allow for a full review of the plans for the site by all stakeholders and the Minister to make a decision on whether that is acceptable or not.

Comments on Annex A, D. 1. d):

- d) While discharging water volumes greater than 10 m³, the discharge shall be monitored by obtaining a Representative Grab Sample(s) and conducting subsequent analyses as outlined in SNP Part D: Items 1 (a) or (b), from before, the middle, and the end of the discharge. For water volumes less than 10 m³, a single Representative Grab Sample will be collected and analyzed *from the middle of discharge*.

Sampling from the middle of discharge (mixing zone) will provide the most accurate results.

Comments on Schedule 1 of Water Licence S13L1-007:

- q) An annual summary of all spill reports submitted for the site.

Comments on Schedule 2 of Water Licence S13L1-007:

1. The Licensee shall post and maintain a security deposit of CDN \$178,321,052.00 for the Imperial Oil Resources Norman Wells Operation, in accordance with Section 17 of the Act and Part C of this Licence.

AANDC appreciates and welcomes the Boards efforts in co-ordinating a whole of project security amount. To better articulate this approach, AANDC recommends the Board consider an additional clause to recognize the potential for future discounting of this amount as securities are entered into under other regulatory instruments such as land leases in order to clearly recognize this possibility.

Additional Comments:

The Board should include a term and condition that requires the licensee to submit by a specific date that is 15-16 months prior to the expiry of the water licence for an application to the Sahtu Land and Water Board either renewing or canceling their water licence. This term and condition would give certainty to the system in terms of planning as well as ensuring that enough time is available for the Board and Minister to respect the regulatory review timelines. It would also allow the inspector to take action if an application is not submitted on time in order to try and avoid having to make accommodations for a rapidly approaching expiry date or an expired licence.

AANDC notes there is a security amount of CDN \$178,321,052.00 currently in the draft water licence. While AANDC has provided comments on the security amount in previous correspondence, we understand as part of the work plan for the water licence renewal that there will be a response to all the reviewers comments from the company on November 14, 2014 as per the work plan. To this end, AANDC may have some additional comments on the security amount after reviewing any potential material from the company in our closing arguments from the Interveners due on November 21, 2014.

We thank the Board for the opportunity to provide comments and will continue to work with the Board and all parties in working towards the renewal of the water licence.

Regards,



Michael Roesch
A/Manager, Resource and Land Management