



October 8, 2021

Bonnie Bergsma
Sahtu Land and Water Board
Box 1, Fort Good Hope
NWT X0E 0H0

Dear Ms. Bergsma –

RE: Sahtu Land and Water Board Direction RE: Updated Closure and Reclamation Plan for the Norman Wells Operation pursuant to Water Licence S13L1-007

Imperial has received the letter from the Sahtu Land and Water Board (SLWB) dated August 3, 2021. Thank you for the follow-up teleconference on September 1, 2021, which was a constructive dialogue and provided us with good and helpful guidance on next steps.

As discussed, Imperial has now finalized the updated amendment application to the Type A Water Licence S13L1-007 to the SLWB and the amendment application to the federal Operations Authorization OA-1210.004 to the Canada Energy Regulator (CER) to include a Waste Management Facility (WMF) at Imperial's Norman Wells Operation (the Operation). There have been a number of challenging global circumstances for our industry over the past year, including energy industry economic conditions and the COVID-19 pandemic, and Imperial appreciates the support of the SLWB as Imperial has worked through these in tandem with our Norman Wells Operation to meet the requirements and conditions of the Water Licence.

Imperial recognizes the point raised by the SLWB that the window of time available to complete the regulatory review process for the WMF amendment application and to begin the renewal process for the current Licence, which expires on March 4, 2025, is narrowing. Imperial has submitted both applications for the WMF on September 30, 2021.

S13L1-007 Licence Conditions

Since the approval of the Interim Closure and Reclamation Plan (ICRP), required by Part J Condition 1 of the Licence, on January 5, 2017, Imperial has remained in compliance with the Licence and the ICRP.

Water Licence Part J, Condition 2 states:

The Licensee shall adhere to the approved Closure and Reclamation Plan 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.

There has not been a change to the ICRP that would warrant a revision since 2017 and Imperial has adhered to the approved Plan by reviewing the Plan on an annual basis in order to steward its annual Progressive Reclamation activities, in accordance with Part J, Condition 3. An Annual Closure and Reclamation Plan Progress Report is submitted on May 31 each year following the calendar year being reported, in accordance with Schedule 7, Item 1, and thus meeting Part J, Condition 4.

Water Licence Part J, Condition 5 states:

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

Currently, Norman Wells Operation is not within 24 months prior to the end of Commercial Operations. Therefore, it is Imperial's understanding that this Condition remains a future requirement.

When Imperial circulated the ICRP update letter on September 27, 2019, it was to provide the Board and the Working Group members with a status report and proposed plan for next steps. Imperial planned for Working Group Meeting #5 in late-2020 with an updated ICRP to follow in 2021. The rationale was that this would follow the submission of the Amendment Application to the Water Licence to include a WMF at the Operation, which if approved, would prompt an update to the Plan. As noted below, several unforeseen events occurred during 2020 that influenced the original planned timelines.

- 1) COVID-19 restrictions terminated the ability to travel, complete field work, and conduct in-person meetings. Additionally, it took some time early in the pandemic to implement the use of virtual meeting platforms for these types of meetings, which were uncommon historically;
- 2) There was a legal challenge from the Government of the Northwest Territories (GNWT) over regulatory jurisdiction with a potential split-interest overlap with the Federal Government-Crown Indigenous Relations and Northern Affairs Canada (CIRNAC), which took several months to resolve;
- 3) The amendment application for the WMF, which was delayed by the potential split-interest issue, was deemed incomplete. Imperial is grateful to the SLWB for the detailed guidance on how to correct this deficiency, but nevertheless, the process to refine and update the engagement plan and records required several months of virtual meetings with community members, and follow-up documentation to ensure the completeness of its second submission.
- 4) The CER notified Imperial that the Operations Authorization would now require an amendment application, in addition to the Water Licence amendment, triggering a parallel regulatory process.

All of these events, combined with the inability to hold a Working Group meeting in the Sahtu Region, resulted in an update to the ICRP not being triggered in 2021. Imperial is familiar with the new Mackenzie Valley Land and Water Board (MVLWB) Standard Water Licence Conditions Template, approved in April 2020, and understands the new requirements for resubmission of a CRP "*Every three years following the previous approval, or as directed by the Board, for approval, a revised Closure and Reclamation Plan*". Imperial notes that although this is a new standard condition, it is not a condition of the current Water Licence.

Working Group Meetings

Imperial benefits greatly from these collaborative sessions as they allow valued perspectives to help guide the planning and progression of Closure and Reclamation, while ensuring ongoing alignment from all stakeholders – both within the Communities, and with the Regulatory members of the Working Group.

Working Group Meeting #5 would be most welcome at the earliest opportunity. Imperial has either completed or made progress on all seven of the Action Items identified in italics in the Meeting Minutes from April 4, 2018.

The action Items listed by the SLWB in the August 3, 2021 letter differ somewhat from these Minutes (for example, it was noted in the Minutes that the CER – the NEB at the time – had commented that power would need to be considered in future updates of the ICRP, but this was not an Action Item agreed by the Working Group.) In any case, working through these differences in expectation and understanding are surely why the Working Group is such a beneficial forum.

The Terms of Reference for the Working Group from August 26, 2014 recognize the SLWB as the Role of the Convener/Facilitator. In that role, the SLWB convenes meetings of the Working Group, or as required to meet the goals set by the Working Group, and facilitates the Working Group sessions. Imperial is prepared and very much looking forward to Working Group Meeting #5 – either in person, when it is permitted to do so again, or virtually in a group conference setting. Imperial is committed to working with the SLWB to find the best solution during the pandemic-related restrictions.

Summary and Proposed Next Steps

The Board's Direction to submit an updated version and revised Interim Closure and Reclamation Plan (version 2.0) prior to March 4, 2022 is understood, and it is clear that the SLWB would like more information and better communication from Imperial regarding the Closure and Reclamation planning process for the Norman Wells Operation. Given that the Amendment Application to the Water Licence to include a WMF at the Operation has been submitted to the SLWB, including much of the requested detail that the Board has asked for, and while considering the new full Water Licence application process getting underway in the next six months, Imperial respectfully proposes the alternative timeline and action items below for the Board's consideration, as this will result in a much more thorough and higher quality submission:

- September 30, 2021 (done): Submit updated amendment application to the Type A Water Licence S13L1-007 to the SLWB to include the WMF.
- November/December 2021 or January/February 2022: Working Group Meeting #5 – earlier is preferable, but a 2021 date would have to be a virtual meeting. If pandemic restrictions are lifted in the New Year, a face-to-face meeting in the Sahtu Region would be an important opportunity to meet in person. From a planning perspective, consideration could be given to combining this meeting with the WMF Technical Sessions and/or a Norman Wells AEMP (version 4.0) Working Group Meeting.
- Estimated year-end 2022: Submit updated ICRP if the WMF Regulatory Process is complete. This submission of the ICRP could then incorporate detailed engineering and design refinements as required and approved by the Board and confirm the WMF as an approved part of the broader C&R Plan.
- Mid-year 2023: Update reclamation Liability/Security Estimate – following approved updated ICRP. This could be submitted with the Water Licence Renewal Application, or ahead of the renewal.
- Approximately year-end 2023: Submit Water Licence Renewal Application – to meet March 4, 2025 Licence expiry.
- Post-2025: Final Closure and Reclamation Plan as required to be submitted a minimum of 24 months prior to end of Commercial Operations.
- Annual Closure and Reclamation Plan Progress Report: May 31 annually.

Imperial requests that the Board consider this proposed submission timing plan going forward. As indicated above, Imperial is committed to working with the SLWB and communicating actively on this and other matters related to Norman Wells Operation. As such, Imperial also proposes, for consideration by the board, a semi-annual meeting to provide updates related to the Licence, the Norman Wells Operation, and upcoming application work to facilitate regular communications about the Operation as a whole.

Please contact the undersigned or Jody Crawford should you have any questions or concerns.

Yours truly,

Heather MacPherson

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