



Telephone: 867-678-6676
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August 14, 2017

Terence Hughes
Regulatory and Community Affairs Advisor
MGM Energy Corporation
#4700, 888 – 3rd Street SW
Calgary, AB T2P 5C5

Attention: Terence Hughes

File Number	N7L1 - 1797
Type of Operation	CLASS B - INDUSTRIAL
Location	Uniak – Burnt Lake

Dear Terence Hughes,

An inspection of the above noted operation was conducted on by Water Resource Officer Lloyd Gruben.

An inspection was conducted on August 2, 2017 for Water License N7L1 – 1797, Burnt Lake. While doing the inspection, noticed there is possibility of leaching from the sump. Along outer edges of the sump, there is significant amount of hydrocarbon sheen on the water source. There is also significant amount of dead vegetation. On the sump, there is long wide cracks running along the sump. A reassessment will need to be done on this sump as there is a possibility of the sump leaching, large wide cracks on the sump.

Enclosed is a copy of the INDUSTRIAL Water Use Inspection Report.

If you have any questions, please contact me at 867-678-6676.

Sincerely,

Philippe Thibert-Leduc
Water Resource Officer
Environment and Natural Resources
Beaufort Delta



«INSP_TYPE» WATER USE INSPECTION REPORT

Cc:

Norman Snowshoe – A/Superintendent, ENR, Inuvik Region
Mardy Semmler - Executive Director, Inuvialuit Water Board
Bijaya Adhikara – Science and Regulatory Coordinator, Inuvialuit Water Board
Freda Wilson – Inuvialuit Water Board

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«INSP_TYPE» WATER USE INSPECTION REPORT

LICENCE #:	N7L1 - 1797	EXPIRY DATE:	December 31, 2014
LICENCEE:	MGM Energy Corporation	PREVIOUS INSPECTION:	January 13, 2004
COMPANY REP:	Terence Hughes	INSPECTION DATE:	August 2, 2017

WATER SUPPLY

Source:		Quantity Used:	
Owner/Operator:		Meter Reading:	

Indicate: **A - Acceptable** **U - Unacceptable** **N/A - Not Applicable** **N/I - Not Inspected**

Intake Facilities		Storage Structures		Treatment Systems		Recycling	
Flow Meas. Device		Conveyance Lines		Pumping Stations		Chem. Storage	
						Modifications	

Water Supply Comments:

No Activity

WASTE DISPOSAL - WELL WASTE

Disposal Method									
Off-Site Removal	N	Drilling Sump	N	Downhole Injection	N	Treat and Landsread	N	Other	

Indicate: **A - Acceptable** **U - Unacceptable** **N/A - Not Applicable** **N/I - Not Inspected**

Sump Liners		Sump Treatment		Freeboard	
Erosion		Construction			
SNP Samples Collected					

Well Waste Comments:

Possible of leaching, No Activity

WASTE DISPOSAL - SEWAGE



«INSP_TYPE» WATER USE INSPECTION REPORT

Disposal Method							
Mechanical	N	Camp Sump	N	Natural Water Body	N	Wetland Treatment	N
Continuous Discharge	N	Intermittent Discharge	N	Seasonal Discharge	N	Land Spread	N
Accelerated Biological	N	Other					

Indicate: **A - Acceptable** **U - Unacceptable** **N/A - Not Applicable** **N/I - Not Inspected**

Discharge Quality		Decant Process & Structures		Discharge Measurement Device	
Freeboard		Sludge Disposal Method			
Periods Of Discharge				SNP Samples Collected	
Effluent Discharge Rates					

Sewage Comments:

No Activity

WASTE DISPOSAL - TAILINGS

Disposal Method							
Tailings Pond	N	Natural Lake	N	Underground	N	Other	

Indicate: **A - Acceptable** **U - Unacceptable** **N/A - Not Applicable** **N/I - Not Inspected**

Conveyance Lines		Runoff Diversion		Dams, Dykes	
Freeboard		Seepages		Dyke Inspection	
Erosion		Pond Treatment		Construction	
Periods Of Discharge				SNP Samples Collected	

Tailings Comments:

No Activity

WASTE DISPOSAL - MINING - OTHER

Indicate: **A - Acceptable** **U - Unacceptable** **N/A - Not Applicable** **N/I - Not Inspected**

Ore & Waste Rock Stockpiles		Chemical Storage	
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«INSP_TYPE» WATER USE INSPECTION REPORT

Ground Water Discharge		Mine Water Discharge	
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Mining-Other Comments:

No Activity

WASTE DISPOSAL – SOLID WASTE

Disposal Method							
Open Dump	N	Landfill	N	Burn & Landfill	N	Underground	N
Offsite Removal	N	Other					
Owner / Operator							

Indicate: **A - Acceptable** **U - Unacceptable** **N/A - Not Applicable** **N/I - Not Inspected**

Runoff Diversion		SNP Samples Collected	
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Solid Waste Comments:

No Activity

FUEL STORAGE

Indicate: **A - Acceptable** **U - Unacceptable** **N/A - Not Applicable** **N/I - Not Inspected**

Owner:		Operator:		Condition of tanks:	
Berms & Liners		Water within Berm:		Evidence of Leaks:	

Drainage Pipes		Pump Station and Catchment Berm		Runoff Diversion	
Pipeline Condition					

Fuel Storage Comments:

No Activity

DAM – STRUCTURAL CONDITION OF DAM

Dam	
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«INSP_TYPE» WATER USE INSPECTION REPORT

Indicate: A - Acceptable U - Unacceptable N/A - Not Applicable N/I - Not Inspected

Required Freeboard									
Crest	Cracking		Subsidence		Heaving		Wave Erosion		Brushing Required
Upstream Face	Cracking		Surface Erosion		Gullying		Wave Erosion		Brushing Required
Downstream Face	Cracking		Surface Erosion		Gullying		Wave Erosion		Brushing Required

Structural Condition Of Dam Comments:

No Activity

DAM - SPILLWAYS and DISCHARGE STRUCTURES

Indicate: A - Acceptable U - Unacceptable N/A - Not Applicable N/I - Not Inspected

Intake Structures		Discharge Structures	
Seepage		Erosion	
Downstream Discharge		Stage Discharge Curves	
Forebay Level		Tail Race Level	
Flow rate (Power House)			
Flow rate (Spillway)			
Power Production			
Forebay Max Level			
Forebay Min Level			

Spillways and Discharge Structures Comments:

No Activity

SURVEILLANCE NETWORK PROGRAM

Samples Collected Licencee	
Samples Collected ENR	

Signs Posted: SNP		Warning	
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Surveillance Network Program Comments:

No Activity

GENERAL CONDITIONS/REPORTS/PLANS

Indicate: A - Acceptable U - Unacceptable N/A - Not Applicable N/I - Not Inspected

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«INSP_TYPE» WATER USE INSPECTION REPORT

C &R Plan		Records & Reporting		Final Report	
Geotechnical Inspection		Posting, Signage		Contingency Plan	
Restorations Activities		Spills		O&M Plan	
Maintenance		Modifications		Annual Report	

General Condition Comments:

Weather during the inspection was +28C, clear sunny skies, hot. Winds westerly 30 km’s/hr gusting 50 km’s/hr.

ADDITIONAL COMMENTS/REMARKS

During the inspection of the sump, large, wide cracks along the sump. Good possibility of hydrocarbon leaking from the sump. Significant amount of hydrocarbon was noticed in water and ditches edge of the sump. Significant amount of dead vegetation was also visible. Before a final inspection is conducted, this sump will require a reassessment.

MATTERS FOR FOLLOW UP

NON-COMPLIANCE/VIOLATIONS OF ACT OR LICENCE

Inspector’s Signature: 