



November 30, 2000

Mr. Randy H. Hetman
Construction Manager
SHELL CANADA
400-4th Ave. S.W.
PO Box 100, Station M
CALGARY, ALBERTA T2P 2H5

Dear Mr. Hetman

ISSUANCE OF A "B" TYPE LICENCE

Attached is a duplicate of Licence No. N7L1-1762 granted to SHELL CANADA. by the Northwest Territories Water Board in accordance with the *Northwest Territories Waters Act*. The other original of this Licence has been filed with the Department of Indian Affairs and Northern Development in Yellowknife, Northwest Territories.

Also attached are general procedures for the administration of licences in the Northwest Territories. I request that you review these and address any questions to the Board's office.

In conclusion, please be advised that this letter with attached procedures, all inspection reports, and correspondence related thereto are part of the public Water Register, and are intended to keep all interested parties informed of the manner in which the Licence requirements are being met. All Water Register material will be considered when the Licence comes up for renewal or amendment.

The full cooperation of SHELL CANADA is anticipated.

Sincerely,

Gordon Wray
Chairman
N.W.T. Water Board

Attachments (2)

**GENERAL PROCEDURES FOR THE ADMINISTRATION OF LICENCES
ISSUED UNDER THE NORTHWEST TERRITORIES WATERS ACT
IN THE NORTHWEST TERRITORIES**

1. At the time of issuance, a copy of the Licence is placed on the Water Register in the Office of the Northwest Territories Water Board in Yellowknife, and is then available to the public.
2. To enforce the terms and conditions of the Licence, the Minister of Indian Affairs and Northern Development has appointed Inspectors in accordance with Section 35(1) of the *Northwest Territories Waters Act*. The Inspectors coordinate their activities with officials of the Water Resources Division of the Department of Indian Affairs and Northern Development. The Inspector responsible for Licence No. N7L1-1762 is located in the North Mackenzie- Inuvik District.
3. To keep the Water Board and members of the public informed of the Licensee's conformity to Licence conditions, the Inspectors prepare reports which detail observations on how each item in the Licence has been met. These reports are forwarded to the Licensee with a covering letter indicating what action, if any, should be taken. The inspection reports and covering letters are placed on the public Water Register, as are any responses received from the Licensee pertaining to the inspection reports. It is therefore of prime importance that you react in all areas of concern regarding all inspection reports so that these concerns may be clarified.
4. If the renewal of Licence No. N7L1-1762 is contemplated it is the responsibility of the Licensee to apply to the Water Board for renewal of the Licence. The past performance of the Licensee, new documentation and information, and points raised during a public hearing, if required, will be used to determine the terms and conditions of any Licence renewal. Please note that if the Licence expires and another has not been issued, then water and waste disposal must cease, or you, the Licensee, would be in contravention of the *Northwest Territories Waters Act*. It is suggested that an application for renewal of Licence No. N7L1-1762 be made at least eight months in advance of the Licence expiry date.
5. If, for some reason, Licence No. N7L1-1762 requires amendment, then a public hearing may be required. You are reminded that applications for amendments should be submitted as soon as possible to provide the Water Board with ample time to go through the amendment process. The process may take up to six (6) months or more depending on the scope of the amendment requested.

The Surveillance Network Program annexed to the Licence can be modified at the discretion of the Board and does not require a public hearing. A request for any proposed change to the Surveillance Network Program should be forwarded to the Board in writing, including a rationale for the change.

6. Specific clauses of your Licence make reference to the Board, Analyst or Inspector. The contact person, address, phone and fax number of each is:

BOARD: Executive Assistant
Northwest Territories Water Board
P.O. Box 1500
YELLOWKNIFE, NT X1A 2R3

Phone No: (867) 669-2772

Fax No: (867) 669-2719

ANALYST: Analyst
Water Laboratory
Northern Affairs Program
Department of Indian Affairs
and Northern Development
Box 1500
4601 - 52nd Avenue
YELLOWKNIFE, NT X1A 2R3

Phone No: (867) 669-2780

Fax No: (867) 669-2718

INSPECTOR: Inspector
Inuvik District Office
Northern Affairs Program
Department of Indian Affairs
and Northern Development
P.O. Box 2100
INUVIK, NT X0E 0T0

Phone No: (867) 777-3361

Fax No: (867) 777-2090

NORTHWEST TERRITORIES WATER BOARD

Pursuant to the Northwest Territories Waters Act and Regulations the Northwest Territories Water Board, hereinafter referred to as the Board, hereby grants to

SHELL CANADA
(Licensee)
400-4th Avenue S.W.
PO BOX 100, STATION M
of Calgary, Alberta T2P 2H5
(Mailing Address)

hereinafter called the Licensee, the right to alter, divert or otherwise use water subject to the restrictions and conditions contained in the Northwest Territories Waters Act and Regulations made thereunder and subject to and in accordance with the conditions specified in this Licence.

Licence Number	<u>N7L1-1762</u>
Licence Type	<u>"B"</u>
Water Management Area	<u>NORTHWEST TERRITORIES 07</u>
Location	<u>LATITUDE 69°12'30" N. AND</u> <u>LONGITUDE 135°06'04" W.</u> <u>NORTHWEST TERRITORIES</u>
Purpose	<u>WATER USE AND WASTE DISPOSAL</u> <u>FOR MUNICIPAL UNDERTAKINGS</u>
Quantity of Water Not To Be Exceeded	<u>150 CUBIC METRES DAILY</u>
Effective Date of Licence	<u>DECEMBER 1, 2000</u>
Expiry Date of Licence	<u>NOVEMBER 30, 2005</u>

This Licence issued and recorded at Yellowknife includes and is subject to the annexed conditions.

NORTHWEST TERRITORIES WATER BOARD

Witness



Chairman

PART A: SCOPE AND DEFINITIONS

1. Scope

- a) This Licence entitles Shell Canada to use water and dispose of waste for municipal undertakings in oil and gas exploration and associated uses at Camp Farewell in the MacKenzie River Delta, located at Latitude 69°12'30" N. and Longitude 135°06'04" W., Northwest Territories;
- b) This Licence is issued subject to the conditions contained herein with respect to the taking of water and the depositing of waste of any type in any waters or in any place under any conditions where such waste or any other waste that results from the deposits of such waste may enter any waters. Whenever new Regulations are made or existing Regulations are amended by the Governor in Council under the *Northwest Territories Waters Act*, or other statutes imposing more stringent conditions relating to the quantity or type of waste that may be so deposited or under which any such waste may be so deposited this Licence shall be deemed, upon promulgation of such Regulations, to be automatically amended to conform with such Regulations; and
- c) Compliance with the terms and conditions of this Licence does not absolve the Licensee from responsibility for compliance with the requirements of all applicable Federal, Territorial and Municipal legislation.

2. Definitions

In this Licence: **N7L1-1762**

"Act" means the *Northwest Territories Waters Act*;

"Board" means the Northwest Territories Water Board established under Section 10 of the *Northwest Territories Waters Act*;

"Inspector" means an Inspector designated by the Minister under Section 35(1) of the *Northwest Territories Waters Act*;

"Licensee" means the holder of this Licence;

"Maximum Average Concentration" means the moving average of any four (4) consecutive analytical results submitted to the Board in accordance with the sampling and analysis requirements specified in the "Surveillance Network Program";

"Minister" means the Minister of Indian Affairs and Northern Development;

"Regulations" mean Regulations proclaimed pursuant to Section 33 of the *Northwest Territories Waters Act*;

"Waste" means waste as defined by Section 2 of the *Northwest Territories Waters Act*;

"Waters" mean waters as defined by Section 2 of the *Northwest Territories Waters Act*;

PART B: GENERAL CONDITIONS

1. The Licensee shall file an Annual Report with the Board not later than March 31 of the year following the calendar year reported which shall contain the following:
 - a) the total quantities in cubic metres of fresh water obtained from all sources;
 - b) the total quantities in cubic metres of each and all waste discharged;
 - c) the results of sampling carried out under the Surveillance Network Program;
 - d) a summary of any modifications carried out on the Water Supply and Waste Disposal Facilities, including all associated structures;
 - e) a list of any spills and unauthorised discharges; and
 - f) any other details on water use or waste disposal requested by the Board within forty-five (45) days before the annual report is due.

2. The Licensee shall comply with the "Surveillance Network Program" annexed to this Licence, and any amendment to the said "Surveillance Network Program" as may be made from time to time, pursuant to the conditions of this Licence.
3. The "Surveillance Network Program" and compliance dates specified in the Licence may be modified at the discretion of the Board.
4. Meters, devices or other such methods used for measuring the volumes of water used and waste discharged shall be installed, operated and maintained by the Licensee to the satisfaction of an Inspector.
5. The Licensee shall, within thirty (30) days of the issuance of this Licence, post the necessary signs, to identify the stations of the "Surveillance Network Program". All postings shall be located and maintained to the satisfaction of an Inspector.
6. Prior to the use of water for municipal undertakings or the disposal of waste and pursuant to Section 17(1) of the *Act* and Section 12 of the Regulations, the Licensee shall have posted and shall maintain a security deposit of Two Hundred Fifty Thousand dollars (\$250,000.00) in a form suitable to the Minister.
7. The Licensee shall ensure a copy of this Licence is maintained at the site of operation at all times.

PART C: CONDITIONS APPLYING TO WATER USE

1. The Licensee shall obtain water the Mackenzie River or the unnamed lake as described in the project description or as otherwise approved by an Inspector.
2. The daily quantity of water used for all purposes shall not exceed 150 cubic metres.
3. The water intake hose used on the water pumps shall be equipped with a screen with a mesh size sufficient to ensure no entrainment of fish.

PART D: CONDITIONS APPLYING TO WASTE DISPOSAL

1. The Licensee shall within one (1) year of the issuance of this Licence, submit to the Board for approval an Operation and Management Plan for the Sewage and Solid Waste Treatment Facilities. This plan shall include but not necessarily be limited to details on the design, operational capacity, management and maintenance, and disposal of sludges.
2. The Licensee shall direct all piped and pumpout sewage to the Sewage Treatment Facilities or as otherwise approved by the Board.
3. The Licensee shall provide at least five (5) days notice to an Inspector prior to commencement of any discharges to the Mackenzie River.
4. All Sewage effluent discharged by the Licensee from the Sewage Treatment Facilities at "Surveillance Network Program" Station Number 1762-1 shall meet the following effluent quality requirements:

<u>Sample Parameter</u>	<u>Maximum Average Concentration</u>
BOD ₅	30.0 mg/L
Total Suspended Solids	35.0 mg/L
Faecal Coliforms	250 CFU/dL
Oil and Grease	5.0 mg/L

The Waste discharged shall have a pH between 6 and 9.

5. The Licensee shall maintain the Sewage Treatment Facilities to the satisfaction of and Inspector.
6. The Licensee shall dispose of all solid wastes in a manner acceptable to the Inspector.

PART E: CONDITIONS APPLYING TO MODIFICATIONS

1. The Licensee may, without written approval from the Board, carry out modifications to the Water Intake and Waste Treatment Facilities provided that such modifications are consistent with the terms of this Licence and the following requirements are met:
 - a) the Licensee has notified the Board in writing of such proposed modifications at least forty-five (45) days prior to beginning the modifications;
 - b) such modifications do not place the Licensee in contravention of either the Licence or the Act;
 - c) the Board has not, during the forty-five (45) days following notification of the proposed modifications, informed the Licensee that review of the proposal will require more than forty-five (45) days; and
 - d) the Board has not rejected the proposed modifications.
2. Modifications for which all of the conditions referred to in Part E, Item 1 have not been met may be carried out only with written approval from the Board.
3. The Licensee shall provide to the Board as-built plans and drawings of the modifications referred to in this Licence within ninety (90) days of completion of the modifications.

PART F: CONDITIONS APPLYING TO CONTINGENCY PLANNING

1. The Licensee shall submit to the Board for approval within thirty (30) days of issuance of this Licence, a Contingency Plan in accordance with the Board's "Guidelines for Contingency Planning, January 1987," or subsequent edition.
2. If, during the period of this Licence, an unauthorised discharge of waste occurs, or if such a discharge is foreseeable, the Licensee shall:
 - a) employ the appropriate contingency plan;

- b) report the incident immediately via the 24 Hour Spill Report Line. The current telephone number is (867) 920-8130; and
- c) submit to an Inspector a detailed report on each occurrence not later than thirty (30) days after initially reporting the event.

PART G: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION

- 1. The Licensee shall submit to the Board for approval within one year of issuance of this Licence, an Interim Abandonment and Restoration Plan in accordance with the Board's "Guidelines for Mines in the Northwest Territories," September 1980, or subsequent edition.
- 2. The Licensee shall implement the Plan specified in Part G, Item 1 as and when approved by the Board.
- 3. The Licensee shall review the Abandonment and Restoration Plan every two years and shall modify the Plan as necessary to reflect changes in operations, technology. All proposed modifications to the Plan(s) shall be submitted to the Board for approval.

NORTHWEST TERRITORIES WATER BOARD

Witness



Chairman

NORTHWEST TERRITORIES WATER BOARD

LICENSEE: SHELL CANADA
LICENCE NUMBER: N7L1-1762
EFFECTIVE DATE OF LICENCE: DECEMBER 1, 2000
EFFECTIVE DATE OF
SURVEILLANCE NETWORK PROGRAM: DECEMBER 1, 2000

SURVEILLANCE NETWORK PROGRAM

A. Location of Sampling Stations

<u>Station Number</u>	<u>Description</u>
1762-1	Treated Effluent Discharge Prior to Entering the Mackenzie River

B. Sampling and Analysis Requirements

1. Water at Station Number 1762-1, shall be sampled every two weeks, and analysed for the following parameters:

BOD ₅	Total Suspended Solids
Oil and Grease	Faecal Cloiforms
Ammonia	

2. More frequent sample collection may be required at the request of an Inspector.
3. All sampling, sample preservation, and analyses shall be conducted in accordance with methods prescribed in the current edition of "Standard Methods for the Examination of Water and Wastewater", or by such other methods approved by an Analyst.
4. All analysis shall be performed in a laboratory approved by an Analyst.
5. The Licensee shall, by January 31, 2001, submit to an Analyst for approval a Quality Assurance/Quality Control Plan.
6. The plan referred to in Part B, Item 5 shall be implemented as approved by an Analyst.

C. Reports

1. The Licensee shall, within thirty (30) days following the month being reported, submit to the Board all data and information required by the "Surveillance Network Program" including the results of the approved Quality Assurance Plan.

NORTHWEST TERRITORIES WATER BOARD

Witness



Chairman