



Aboriginal Affairs and
Northern Development Canada

Affaires autochtones et
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North Mackenzie District
P.O. Box 2100
Inuvik, NT X0E 0T0

Telephone: 867-777-8900
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March 29, 2014

Northwest Territories Water Board
P.O. Box 2531
Inuvik, NT X0E 0T0

Attn: Freda Wilson, Office and Finance Administrator

**RE: INDUSTRIAL Water Use N7L1-1797
CLASS B – INDUSTRIAL
Burnt Lake/ Umiak N-16
Mackenzie River and various lakes**

Dear Ms. Wilson,

Please find the enclosed Inspection Report for your review and records.

An electronic copy (un-editable Adobe pdf.) has also been provided by e-mail.

If you have any questions or concerns regarding the enclosed, and/or if additional information is required please contact me at (867) 777-8909.

Sincerely,

Jan Davies
Water Resource Officer

Cc: Conrad Baetz, District Manager, North Mackenzie District, Inuvik, NT

Enclosure: Industrial Water Use Inspection Report and Cover Letter (4 pages)



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March 29, 2014

MGM Energy Corp.
4100, 350 7th Ave S.W.
Calgary, AB T2P 3N9

Attn: Shirley Maaskant

**RE: INDUSTRIAL Water Use N7L1-1797
CLASS B – INDUSTRIAL
Burnt Lake/ Umiak N-16
Mackenzie River and various lakes**

Dear Ms. Maaskant,

An inspection of the MGM Energy Corp. Water Licence N7L1-1797 (expiry on December 31, 2014) was conducted on August 26, 2013. The operation under the above mentioned Industrial Water Use was inspected to assess compliance and ensure that the terms and conditions were met. Enclosed is a copy of the Inspection Report (3 pages) for your review and records.

There were no violations identified during the course of this Inspection. Please review and address the concerns and other items throughout the Inspection Report.

Please note that it is the Licensee's responsibility to ensure compliance with all of the terms and conditions of its Water Licence. A copy of this report will be sent to the Northwest Territories Water Board for their review and public records.

If you have any questions regarding the enclosed and/or if additional information is required, please do not hesitate to contact me at (867) 777-8900.

Sincerely,

Jan Davies
Water Resource Officer

Cc: Conrad Baetz, District Manager, North Mackenzie District, Inuvik, NT

Enclosure: Industrial Water Use Inspection Report (3 pages)



INDUSTRIAL WATER USE INSPECTION REPORT

LICENCE #:	N7L1-1797, Burnt Lake/ Umiak N-16	EXPIRY DATE:	December 31, 2014
LICENCEE:	MGM Energy Corp.	PREVIOUS INSPECTION:	October 2, 2012
COMPANY REP:	Shirley Maaskant	INSPECTION DATE:	August 26, 2013

WATER SUPPLY

Source:	Mackenzie River and various lakes	Quantity Used:	N/A, See Annual Reports
Owner/Operator:	MGM Energy Corp.	Meter Reading:	N/A

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

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

Water Supply Comments:
N/A

WASTE DISPOSAL – WELL WASTE

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

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

Sump Liners	N/A	Sump Treatment	N/A	Freeboard	N/A
Erosion	N/A	Construction	N/A		
SNP Samples Collected	N/A				

Well Waste Comments:

- Greater prominent polygon line through east corner of sump.
- Good sloped sump and well drained.
- Polygons all integrating with sump and water present in some polygons. The presence of water ponding could affect the sump integrity. This polygon influence and water presence should continue to be monitored to ensure stability.

WASTE DISPOSAL – SOLID WASTE

Disposal Method	Landfill						
Open Dump	N	Landfill	Y	Burn & Landfill	N	Underground	N
Offsite Removal	N	Other	N/A				
Owner / Operator	MGM Energy Corp.						

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

Runoff Diversion	N/A	SNP Samples Collected	N/A
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INDUSTRIAL WATER USE INSPECTION REPORT

Solid Waste Comments:

- Site was clean of debris

GENERAL CONDITIONS/REPORTS/PLANS

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

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


General Condition Comments:

- Disturbance beyond the southside of the sump. It is thought there must have been some kind of disturbance such as where soil/overburden was piled during construction. There was enough of an impact that re-seeding of grass (similar to the sump) occurred.
- Thermistors still on site.
- Vegetation growth at 90-95%, well established.
- Polygons re-integrating into sump cap predominantly on northside of sump.

NON-COMPLIANCE/VIOLATIONS OF ACT OR LICENCE

N/A

Inspector's Signature:





INDUSTRIAL WATER USE INSPECTION REPORT

Inspection Images:

Figure 1
East side of sump with two very large intersecting polygon troughs.



Figure 2
North side of sump with polygons integrating into side.



Figure 3
Water ponding in close proximity to sump on the northside of the sump.



Figure 4
Deep polygon troughs along the northside of sump. Good thick and healthy vegetation cover.

