

## **ENVIRONMENTAL IMPACT SCREENING COMMITTEE**

Submission Number: [05/08-03]

June 27, 2008

**MGM Energy Corp.**

Suite 4100  
350- 7th Avenue SW  
Calgary AB T2P 3N9

**ATTENTION: MR. PETER JALKOTZY, GENERAL MANAGER**

Dear Sir:

**RE: MGM ENERGY CORP. (MILLER) CUTTINGS AND FLUIDS INJECTION FACILITY AT  
APUT C-43, WINTER 2008-2011**

During a meeting held June 18-20, 2008 the Environmental Impact Screening Committee (EISC) screened the above noted project description to determine if the proposed development could have a significant negative environmental impact. Based on the information provided, the EISC concluded that the development, if authorized subject to the environmental terms and conditions recommended by the Screening Committee, will have no significant negative impact on the environment or on Inuvialuit wildlife harvesting in the Inuvialuit Settlement Region [IFA Section 11(17)b]. A copy of the decision is attached.

Subject to a final decision by the licensing or permitting authority, the issuance of appropriate permits and approvals may proceed.

In rendering its decision the EISC made the following recommendation:

- Polar bears are listed by the Committee on the Status of Endangered Wildlife in Canada (COSEWIC) and the harvest is regulated under quota to the Inuvialuit communities. The loss of a polar bear due to a defence kill is considered a significant negative impact on wildlife harvesting. The developer has stated that a wildlife monitor will be employed at the development site during the construction and installation period and employed as required during the re-completion and operation phases. To avoid any significant impact on polar bears or the harvest, it is recommended that a wildlife monitor be employed during the re-completion and operation phases of the development.

As the use of a cutting and fluids injection facility in the Mackenzie Delta is a first, the EISC would appreciate receiving a report on the operation of this facility at the end of the 2008/2009 drilling season.

Attached for your information and consideration is the advice the EISC received from Fisheries and Oceans Canada, the Fisheries Joint Management Committee and Environment and Natural Resources (GNWT).

If you have any questions on the above decision, please contact the EISC office.

Sincerely,



Barb Chalmers  
Environmental Assessment Coordinator

Attached: Letter from Fisheries and Oceans Canada  
Letter from Fisheries Joint Management Committee  
Email from the Aklavik Hunters and Trappers Committee

c.c. Fisheries and Oceans Canada  
Fisheries Joint Management Committee  
National Energy Board  
Indian and Northern Affairs Canada, Inuvik Office  
Environment and Natural Resources (GNWT)  
Tuktoyaktuk Hunters and Trappers Committee  
Inuvik Hunters and Trappers Committee  
Aklavik Hunters and Trappers Committee



## ENVIRONMENTAL IMPACT SCREENING COMMITTEE

**NAME OF PROPONENT:** MGM Energy Corp. (MILLER)

**PROJECT DESCRIPTION:** Cuttings and Fluids Injection Facility at APUT C-43,  
Winter 2008-2011 [05/08-03]

### **DECISION OF THE SCREENING PANEL (circled):**

1. The development will have no such significant negative impact and may proceed without environmental impact assessment and review under the Inuvialuit Final Agreement. [IFA s. 11. (17) (a)]
- ② 2. The development if authorized subject to environmental terms and conditions recommended by the screening committee, will have no such significant negative impact and may proceed without environmental assessment and review under the Inuvialuit Final Agreement. [IFA s. 11(17)(b)]
3. The development could have significant negative environmental impact and is subject to assessment and review under the Inuvialuit Final Agreement. [IFA s. 11. (17) ( c)]
4. The development proposal has deficiencies of a nature that warrant a termination of its consideration and the submission of another project description. [IFA s. 11. (17) (d)]

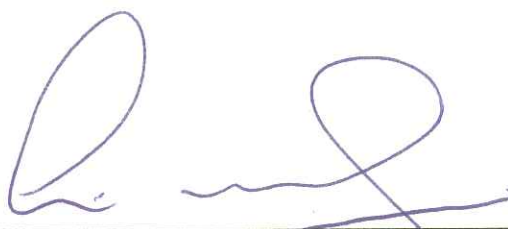
Signed on the 20 day of June, 2008.


  
Fred McFarland, Chair

  
Albert Ruben, GNWT Member

  
Ron Gruben, Inuvialuit Member

  
Morris George, YTG Member

  
Eric Cockney, Inuvialuit Member

  
Johnny Lennie, Canada Member



P. O. Box 1871  
Inuvik, Northwest Territories  
X0E 0T0

Your file      Votre référence

June 13, 2008

Our file      Notre référence  
08-HCAA-CA6-00065

Ms. Barb Chalmers  
Environmental Impact Screening Committee  
P.O. Box 2120  
Inuvik, Northwest Territories  
X0E 0T0

Dear Ms. Chalmers:

**Subject: Cuttings & Fluids Injection Facility, Aput C-43, 2008-2011**

Fisheries and Oceans Canada - Fish Habitat Management Program (DFO) received the above proposal, put forth by MGM Energy Corp., on May 26, 2008. The proposal has been reviewed to determine whether it is likely to result in impacts to fish and fish habitat which are prohibited by the habitat protection provisions of the *Fisheries Act* or those prohibitions of the *Species at Risk Act* that apply to aquatic species.\*

We understand that the proponent plans to:

- Mobilize and set drill rig equipment, injection equipment, camp facilities, fuel storage, and support equipment to the site via ice roads to be made along river channels.
- Re-enter the well-bore and perforate the steel casing approximately 1400 metres below the surface and install and injection tube down the casing.
- Truck the cuttings and drill fluids from active well sites to the injection site. Cuttings and fluids will be held in temporary storage areas or tanks pending processing.
- Process the cuttings and fluids to reach the proper consistency and held in tanks awaiting injection.
- Inject approximately 94 cubic metres of cuttings over an eight hour period.
- Store and use approximately 140,000 litres of fuel for the total of operations, including the camp.
- Withdraw and use approximately 54,000 cubic metres of water in total for construction, camp, and processing.

\*Those sections most relevant to the review of development proposals include 20, 22, 32 and 35 of the *Fisheries Act* and sections 32, 33 and 58 of the *Species at Risk Act*. For more information please visit [www.dfo-mpo.gc.ca](http://www.dfo-mpo.gc.ca).

- Mobilization, operations, and decommissioning are scheduled for November 2008 through to April 2009.
- Continue the same work with the same schedule for the years 2008 to 2011.

To reduce potential impacts to fish and fish habitat we are recommending the following mitigation measures be included into the proposed plans:

1. Equipment operating near any water body should be free of external fluid leaks, grease, oil, and mud. All activities including maintenance procedures and vehicular refuelling should be controlled to prevent the entry of petroleum products, debris, and other deleterious substances into any water body.
2. Excessive winter water withdrawals can lead to the loss of fish and fish habitat. Please refer the DFO Protocols for Winter Withdrawal in the Northwest Territories (January 2005) for methods to evaluate available water capacity in lakes and for mitigation methods. The proponent should contact DFO if they do not have access to these protocols. DFO does not recommend the use of streams as a water source.
3. Water intakes should be properly screened and be equipped with fine mesh of 2.54 mm (1/10") to prevent the entrainment and/or impingement of fish. Please refer to the Freshwater Intake End-of-Pipe Fish Screen Guideline (DFO, 1995) which is available upon request.
4. The construction of temporary crossings over ice-covered streams is conducted as specified in the attached Ice Bridges Operational Statement. This Operational Statement provides specific advice on ice bridge construction, maintenance and removal. If it is determined that the conditions and measures described in the Operational Statement can not be complied with, DFO should be contacted with the details of the project.
5. DFO encourages the use of bio-degradable, non-toxic drill additives.
6. All wastes, drill cuttings, stockpiled materials, fuel caches, sewage and other containments and storage areas should be located above the high water mark of any water body including ephemeral drainages, and be sufficiently bermed or otherwise contained to ensure that these substances do not enter any water body.
7. All drill cuttings, muds, and similar by-products in temporary storage from the drilling process and/or exploration activities should be collected and kept on land and suitably contained/stabilized to prevent them from being a potential source of sediment for any water body.

8. All wastes, including sanitary wastes and hydrocarbons, and oily waste water, are to be disposed of in a manner approved by appropriate authorities (i.e., Environment Canada).
9. The treated waste water should be discharged on land in a dispersed application rather than directly onto the Mackenzie River or other water bodies.
10. Fuel storage should have secondary containment (such as double walled tanks, berms, etc.) that is sufficient to ensure that fuel will not be able to enter any water body.
11. A spill contingency plan should be made available to all persons required to work on site and followed in the event of a spill. All persons required to work on site should be familiar with the clean up equipment available and well as how to use it.
12. Spills of oil, fuel, or other deleterious materials should be reported immediately, as per existing reporting protocols, to the NWT/Nunavut 24-Hour Spill Report Line at (867) 920-8130, including all spills near or into a water body.

Provided that the additional mitigation measures described above are incorporated into the proposed plans, DFO has concluded that the proposal is not likely to result in impacts to fish and fish habitat.

The proponent will not need to obtain a formal approval from DFO in order to proceed with the proposal.

DFO would like to be informed 10 working days prior to the start of work. DFO would appreciate being informed of the progress of the project throughout its lifespan via regular information updates.

If the plans have changed or if the description of the proposal is incomplete the proponent should contact this office to determine if the advice in this letter still applies.

Please be advised that any impacts to fish and fish habitat which result from a failure to implement the proposal as described or incorporate the additional mitigation measures included in this letter could lead to corrective action such as enforcement.

If you have any questions please contact the undersigned at (867) 777-7516, by fax at (867) 777-7501, or by email at Erica.Wall@dfo-mpo.gc.ca.

Yours sincerely,

*Erica Wall*

Erica Wall  
Habitat Biologist

Cc: Shirley Maaskant, MGM Energy Corp.  
Conrad Baetz, INAC Inuvik  
John Korec, NEB Calgary  
Derrick Moggy, DFO Yellowknife  
Larry Dow, DFO Inuvik  
Terry Stein, C&P, DFO Inuvik

**From:** [Aklavik Community Corporation](#)  
**To:** [EISC;](#)  
**Subject:** MGM Energy Corp - Cuttings and Fluids Injection Facility at Aput c-43, Winter 2008-2011  
**Date:** Thursday, June 19, 2008 10:01:15 AM

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Hi Barb

One of the Directors of the AHTC briefly reviewed the submission and stated that they AHTC is opposed to Cutting and Fluids Injection Facility. They discussed this with MGM when they were going through their winter works project and at the end of the meeting the MGM crew stated that they might be injecting the fluids back into the ground. The AHTC opposed this and stated that we did not get any information on this before the meeting and would like time to review before making any comments. AHTC would prefer them to ship the cuttings and fluids south to proper facilities. They did not get back to the AHTC about this.

The AHTC is still having difficulty getting a quorum to have this position clarified.

Eugene Pascal  
Finance Officer  
ACC/AHTC

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