



Staff Report

Applicant: Apache Canada Ltd.	
Location: Pointed Mountain, near Fort Liard, NT	Application: MV2014X0011
Date Prepared: January 25, 2016	Meeting Date: February 3, 2016
Subject: Type A Land Use Permit – Amendment Application	

1. Purpose/Report Summary

The purpose of this Report is to present to the Mackenzie Valley Land and Water Board (MVLWB/the Board):

- a) A Type A Land Use Permit (Permit) Amendment Application submitted by Apache Canada Ltd. (Apache) to amend the project schedule and types of equipment; and
- b) A draft preliminary screening report for consideration.

2. Background

- March 28, 2013 – Board approved the Assignment Application from BP to Apache for Permit MV2007X0007;
- June 5, 2014 – Permit MV2014X0011 issued for five years;
- June 19, 2014 – Permit MV2007X0007 expired;
- May 7, 2015 – Amendment to Permit MV2014X0011 approved;
- December 24, 2015 – Amendment Application received; Application deemed complete and sent for review;
- January 14, 2016 – Review comments due;
- January 20, 2016 – Responses to review comments due;
- January 25, 2016 – Update received from Apache;
- **February 3, 2016 – Amendment Application presented to the Board and 42-day timeline reached; and**
- June 4, 2019 – Permit MV2014X0011 expires.

3. Discussion

Apache holds Type A Permit MV2014X0011 to cover activities associated with reclamation of the gas plant and associated sites at Pointed Mountain, including work to decommission and dismantle all remaining facilities,

remediate any impacts to land and water, and reclaim all project sites to achieve final closure.

Apache's Application for Permit MV2014X0011 outlined a plan to conduct project activities between May and October. Apache is applying to amend the timeframe of planned activities to include work between the months of January and April.

Apache's rationale for the Amendment Application is to take advantage of the opportunity to access their project site this winter as a result of the construction of winter access roads by Westcoast Energy Ltd. (Westcoast) in January, February and March of 2016. Westcoast's winter access road construction will provide access between Fort Liard and Apache's Pointed Mountain Plant Site and is authorized under Permit MV2015X0016 and Water Licence MV2015L8-0007.

Apache's Amendment Application proposed the following work for the winter season:

- Excavation, transportation and off-site disposal of contaminated soil;
- Well inspection and abandonment at the Plant Site and other accessible well sites; and
- Road maintenance to support the winter work activities.

In an update to their Amendment Application, submitted January 25, 2016 (attached), Apache outlined a reduction in the scope of activities proposed for the winter season. The excavation and removal of contaminated soil will not be going ahead this winter as originally proposed. Winter work will consist of the abandonment, cutting and capping of C-1 well site, and the cutting and capping of previously abandoned wells: A-1, A-2, A-3 and A-4 (please refer to the attached project site overview map).

On January 26, 2016, Apache submitted a second update to their Amendment Application (attached). To support the winter work, the following additional equipment is required:

- a Bombardier snow cat or similar machine for clearing snow and travelling unplowed areas (8,200 kg);
- two additional water trucks (20,000 kg);
- a steamer truck (25,000 kg); and
- a grader (21,000 kg).

Apache stated that two trailers will be used on site, however as there are already 10 trailers included under the original application for summer work, these two trailers were not treated as additional equipment. No camp will be set up during the winter and fuel volumes have not changed from those in the original application.

Preliminary screening

Apache has proposed changes to the project schedule and equipment list. The Preliminary Screening conducted for the issuance of MV2014X0011 has been updated to include the changes proposed in the Amendment Application.

4. Comments

Further details regarding the remediation goals, strategies, and criteria for this site are presented in the Final Remediation Plan, which was submitted on June 30, 2015 in accordance with condition 61 of Apache's Permit. The Final Remediation Plan is out for review and will be presented to the Board for a decision.

5. Reviewer Comments

The Acho Dene Koe First Nation submitted comments on the Amendment Application. Environment Canada and the Office of the Regulator of Oil and Gas Operations (OROGO) submitted letters stating that they have no comments. The Lands Inspector stated he has no concerns with the Amendment Application.

The reviewer comment summary table (attached) presents the comments received during the review of the Application.

6. Security

A security of \$400,000 is required by the Permit. This has been posted and acknowledged by the GNWT (attached). Apache filled out a security deposit worksheet as part of their Amendment Application. Their estimate came to an additional \$8,309.81; however, this estimate was based on the amendment prior to the changes described in the January 25 and 26, 2016 project updates. Board staff has determined that the additional equipment required under the revised Amendment would result in \$7,171.88 additional security (please refer to the attached security template).

7. Conclusion

A draft amended Permit is attached. Several conditions have been added to mitigate potential impacts of the proposed winter activities.

8. Recommendation

Board staff recommends the Board:

- a) Approve the Preliminary Screening Report; and
- b) Approve the Amendment to Type A Land Use Permit MV2014X0011 as applied for by Apache.

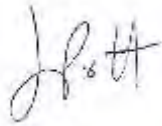
9. Attachments

- [Amendment application](#)
 - [Amendment application supporting documents](#)
 - [January 25, 2016 update to amendment application](#)
 - [January 26, 2016 update to equipment list](#)
- Review Comment Summary Table
- [Security posted – August 6, 2014](#)
- Draft preliminary screening
- Draft Land Use Permit Cover Page
- Draft Land Use Permit Conditions
- Draft Reasons for Decision
- Draft Decision Letter from the Board

Respectfully Submitted, Reviewed by,



Miki Ehrlich
Regulatory Officer



Jen Potten
Regulatory and Office Manager

Review Comment Table

Board:	MVLWB
Review Item:	Apache Canada Ltd. - Land Use Permit Amendment (MV2014X0011)
File(s):	MV2014X0011
Proponent:	Apache Canada Ltd.
Document(s):	MV2014X0011 - Apache Canada Ltd - Amendment Application (216 KB) MV2014X0011 - Apache Canada Ltd - Supporting information for amendment application (454 KB)
Item For Review Distributed On:	Dec 24 at 17:13 Distribution List
Reviewer Comments Due By:	Jan 14, 2016
Proponent Responses Due By:	Jan 20, 2016
Item Description:	<p>Apache Canada Ltd. has submitted a request for an amendment to Land Use Permit MV2014X0011, which covers activities associated with the decommissioning and reclamation of the Pointed Mountain gas plant and associated facilities. Apache has requested an amendment to their Land Use Permit in order to conduct operations in winter and use additional equipment.</p> <p>Please submit comments on this amendment request using the Online Review System. Please also submit any recommendations you may have on additional conditions or changes to existing conditions in the Land Use Permit.</p> <p>If you have any questions or comments regarding this amendment process or the Online Review System please contact Miki Ehrlich at (867)766-7469 or mehrllich@mvlwb.com.</p>
General Reviewer Information:	<p>In addition to the email distribution list, the following organizations received review materials by fax:</p> <p>Fort Liard Metis Local #67 - Ernie McLeod, President - (867)770-4573 Fort Simpson Métis Local #52 - Marie Lafferty, President - (867)695-2040 Hay River Metis Council - Wally Shuman, President - (867)874-4472 Liard First Nation - Daniel Morris, Chief - (867)536-7910</p>

	Northwest Territory Métis Nation - Garry Bailey c/o Tim Heron, NWTMN IMA Coordinator - (867)872-3586
Contact Information:	Jen Potten 867-766-7468 Miki Ehrlich 867-766-7469

Comment Summary

Acho Dene Koe First Nation: Alexander Fanni				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Response
1	Apache Canada Ltd. Land Use Permet Amendment (MV2014X0011)	<p>Comment After review of the documents related to Apache Canada Ltd. - Land Use Permit Amendment (MV2014X0011) the ADK Lands and Resources Department has the following comments: ADK Lands and Resources Department has no major issues with the LUP and supports the application in its entirety.</p> <p>Recommendation 1) ADK requests that Apache Canada contact President and CEO of ADK Holdings Ltd. Barney Dohm to inquire about construction, as well as camps and catering services ADK business ventures are able to provide for the duration of this project:</p>	<p>Jan 20: Apache Canada thanks the ADK Lands and Resources Department for the recommendations and the support. We have contacted Mr. Barney Dohm and will continue to engage with ADK Holdings for business opportunities related to the Site. We will also contact Ivy Marcellais, the ADK Community Liaison Officer to help make public any work and business opportunities related to activities at the Site.</p>	Noted.

		Barneydohm@adkcorporate.ca 2) ADK requests that Apache Canada make public anticipated activities and associated employment for local individuals as well as private business owners who are interested in providing services during the various phases of this project. ADK Community Liaison Officer Ivy Marcellais will be able to assist Apache Canada with this task: ivymarcellais@adkfirstnation.ca		
Environment Canada: Melissa Pinto				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Response
1	General File	Comment (doc) EC No Comments Recommendation		N/A
GNWT - Lands: Jarret Hardisty				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Response
1	No concerns	Comment Inspectors have no concerns with Land Use Permit Amendment Recommendation Accept Land Use Permit Amendment	Jan 20: Thank-you for the recommendation.	N/A
GNWT: Pauline de Jong				

ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Response
1	General File	Comment (doc) Please see attached letter. Recommendation N/A		N/A

Land Use Permit Security Worksheet

Application Number:

	Input Amount	Multiplier	
Camp (C1)			
Temporary Structures DRAFT			
Input number of tent frames or weatherhaven (3.5m x 4.2m)	0	\$200.00	\$0.00
Input number of trailers (3.5m x 15.2m)	12.5	\$300.00	\$3,750.00
Input total square metres of other temporary structures (i.e. core shacks)	0	\$2.50	\$0.00
Fixed Structures			
Input total square metres of fixed structures	0	\$25.00	\$0.00
Solid Waste COPY			
For non-burnable material, input # of person days per season	7497	\$1.00	\$7,497.00
For burnable material, input # of person days per season	7497	\$0.50	\$3,748.50
Total C1			\$14,995.50

mehrlich:
Apache's 10 trailers are 3.7x18.3 m; added 2.5 trailers to make up the difference

Staff - MVLWB:
Dec-15 amendment: 2 trailers will be used for winter work; these are considered to be included in the trailers already applied for

mehrlich:
May-Oct. 1 for 49 people

Regulated / Hazardous Materials (R1)			
Based upon on site volume			
Explosives; up to 500 kg (~pallet) dry explosives input 1, if none, input 0	0	\$500.00	\$0.00
Additional Explosives; input total kg >500	0	\$0.50	\$0.00
Drilling Muds (oil based); enter number of 63 m ³ (or equivalent) containers	0	\$1,000.00	\$0.00
Used Oil, Lubes and Antifreeze: enter number of pieces of heavy equipment	25	\$500.00	\$12,500.00
Other;			
Total R1			\$12,500.00

Staff - MVLWB:
Dec-15 amendment: 5 pieces of heavy equipment added

Hydrocarbon Storage and Transfer (H1)			
Based upon on site volume			
Gasoline and Diesel			
Enter total volume of gasoline&diesel <25,000 L	25000	\$0.50	\$12,500.00
Enter total volume of gasoline&fuel > 25,000 L	16500	\$0.25	\$4,125.00
Total Gasoline and Diesel			\$16,625.00
When fuel is within bermed site or has other safety feature, enter 1, otherwise enter 0	0	25%	\$0.00
Aviation Fuel			
Enter total volume of aviation fuel < 25,000 L	0	\$0.50	\$0.00
Enter total volume of aviation fuel > 25,000 L	0	\$0.25	\$0.00
Total Aviation Fuel			\$0.00
When fuel is within bermed site or has other safety feature, enter 1, otherwise enter 0	0	25%	\$0.00
Total H1			\$16,625.00

Land Disturbance (L1)			
Disturbed Surface Area			
<i>(Developed surface area that may require restoration through the use of scarification, reseeding, fertilizing or other similar techniques)</i>			
Enter number of hectares disturbed	72	\$1,000.00	\$72,000.00
Other Land Disturbances			
Creek Crossings; enter number of creek crossings	20	\$500.00	\$10,000.00
Off-Road Activities; if any activities are likely, enter 1	1	\$500.00	\$500.00
Sump Factor; enter total area occupied by sumps in m ²	10140	\$10.00	\$101,400.00
Well Factor; enter number of wells.	7	\$25,000.00	\$175,000.00
Total L1			\$358,900.00

mehrlich:
2 crossings are on existing bridges, 1 bridge will be built

mehrlich:
Area figure has been calculated based on Table 1 - Estimated Volumes of Impacted Materials & Landfill Debris taken from the 2011 Supplemental Site Assessment

Land Use Permit Security Worksheet (continued)

Application Number:

	Input Amount	Multiplier	
Equipment (E1)			
Based upon type of equipment			
Enter number of pieces of heavy equipment (i.e. dozer, forklift, large gensets)	25	\$1,000.00	\$25,000.00
Enter number of drills	3	\$1,000.00	\$3,000.00
Enter number of light vehicles (trucks, atvs, snowmobiles, boats)	21	\$250.00	\$5,250.00
Enter number of small generators or pumps	0	\$100.00	\$0.00
Enter number of empty fuel storage tanks	0	\$500.00	\$0.00
Total E1			\$33,250.00

mehrlich:
Area figure has been calculated based on Table 1 - Estimated Volumes of Impacted Materials & Landfill Debris taken from the 2011 Supplemental Site Assessment

mehrlich:
Application states that there are 6 gas wells, 1 disposal well, 5 water supply wells and numerous groundwater monitoring wells

Staff - MVLWB:
Dec-15 amendment: 5 pieces of heavy equipment added

Security Calculation			
Preliminary Calculation			
Enter amount from C1			\$14,995.50
Enter amount from R1			\$12,500.00
Enter amount from H1			\$16,625.00
Enter amount from L1			\$358,900.00
Enter amount from E1			\$33,250.00
Preliminary Calculation, total of above	A		\$436,270.50
Multipliers			
Site Access Multiplier. If the project has all weather road access enter 1, if ice road access enter 1.5, if air access enter 2	B	1.5	
Performance Multiplier. If applicant has successfully completed the terms of a LUP enter 0.85, otherwise enter 1	C	0.85	
Environmental Risk Factor. If location has high environmental value or unusual environmental risk enter 2. If location is previously disturbed enter 0.75. Otherwise enter 1.	D	0.75	
Calculated Security			
Multiply preliminary calculation (A) by performance multipliers (B, C and D)	E		\$417,183.67
Existing Securities			
List existing associated permits and amount of overlapping security			
Permit: _____			
Permit: _____			
Permit: _____			
Permit: _____			
Overlapping Securities, total of above	F		\$0.00
Final Security Determination			
Subtract overlapping securities (F) from calculated security (E)			\$417,183.67

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mehrlich:
Barge access

mehrlich:
Location is previously disturbed but also has been identified as an Important Wildlife Area by ENR and is a known glacial refugium, with recorded occurrences of rare plants and animals.

Staff - MVLWB:
The security estimate calculated for issuance totalled 410,011.79. The Board rounded the security to \$400,000. Therefore, the security required for the amendment is \$417,183.67 minus \$410,011.79 which totals \$7,171.88

Comments