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November 28, 2024

File: S13L1-007

John Gregory
Conventional Oil and Gas Asset Manager
Imperial Oil Resources N.W.T. Limited
750 Mackenzie Drive, Bag 5000
Norman Wells, NT X0E 0V0

Sent by [email](#)

Re: Water Licence S13L1-007 for Norman Wells Operations – Upcoming Expiry Date

Dear John Gregory,

Thank you for Imperial Oil Resources NWT Limited (Imperial)'s letter of November 14, 2024, regarding the upcoming expiry of Water Licence S13L1-007 (Licence) on March 4, 2025. The Sahtu Land and Water Board (SLWB or Board) staff acknowledge Imperial's request for an "interim extension of the Licence expiry date until such time as the SLWB's renewal process is completed." We understand that this request is made to provide certainty that Imperial can continue its operations and avoid the necessity of a shut-in of the Norman Wells Operations (NWO).

As you are aware, Imperial's licence renewal application (S24L1-005) was referred to the Mackenzie Valley Environmental Impact Review Board (Review Board) by the Sahtu Secretariat Inc. (SSI) for environmental assessment (EA) under the Mackenzie Valley Resource Management Act (MVRMA) on September 30, 2024. The Review Board initiated EA2425-02 on October 3, 2024, to address this referral.

We understand that Imperial has challenged the initiation of the EA through a request for ruling submitted to the Review Board; however, the Review Board has not yet issued a ruling. Board staff note Imperial's concerns about risks to worker safety and the environment, and the difficult logistics associated with a winter shut in of the NWO; however, at this point, section 118 of the MVRMA prevents the SLWB from issuing a renewed licence, and the MVRMA does not grant the Board authority to issue interim licences.

The Review Board's ruling may, of course, change the options available to Imperial and the SLWB. Following the issuance of the ruling, Board staff will contact Imperial to discuss options for next steps.

It would nonetheless assist the Board if Imperial could provide additional information about the potential risks and effects of a winter shut in, particularly if these matters might be serious enough to constitute an emergency. The SLWB would welcome any additional information about these matters which Imperial could provide to fill out the record for the NWO licence renewal proceeding.

Yours sincerely,



Paul Dixon
Executive Director
Sahtú Land and Water Board

CC'd to: Valerie Gordon, Chairperson, SLWB
Ramona Sladic, Secretary of the Commission, CER
Charles McNeely, Chairperson, Sahtu Secretariat Inc.
Erin Kelly, Deputy Minister, GNWT Department of Lands
Lisa Dyer, Director General, CanNor – Northern Projects Management Office
Kim Pawley, Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)
Mike Roesch, Manager, Resource and Land Management, CIRNAC
Nathan Baines, Supervising Counsel, Imperial
Benjamin Fraser, Environment and Regulatory Technical Lead, Imperial
Jacki Costley, Environment and Regulatory Advisor
Brad Gilmour, Osler, Hoskin & Harcourt LLP
SLWB Distribution Lists – Délı̨ ne District, Imperial Oil Resources N.W.T. Limited, K'ahsho
Got'ine District, Tulit'a District

Attached: Imperial Letter Re: Interim Licence Extension for Upcoming Expiry Date for S13L1-007 –
November 14, 2024



John Gregory
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November 14, 2024

Sahtu Land and Water Board
Attn: Paul Dixon, Executive Director; Valerie Gordon, Chairperson
P.O Box 1
Fort Good Hope, NT
X0E 0H0

Sent via email

Dear Mr. Dixon and Ms. Gordon,

**Re: Water Licence S13L1-007
Norman Wells Operation
Upcoming Expiry Date**

As you are aware, Imperial Oil Resources N.W.T Limited's ("**Imperial**") Water License S13L1-007 ("**Licence**") will expire on March 4, 2025. Imperial sent a letter to SLWB in February 2024 seeking an efficient process to extend the term of the NWO giving consideration to the significant documentation on the record for Imperial's existing operations at NWO and a regulatory efficient approach allowing for focus on infrastructure replacement projects and closure preparation. Following these letters, Imperial submitted a Type A Renewal Application to the Sahtu Land and Water Board's ("**SLWB**" or "**Board**") in June 2024. Currently, the SLWB renewal process remains paused pending the outcome of Mackenzie Valley Environmental Impact Review Board ("**Review Board**") Proceeding EA2425-02.

With March 2025 approaching, there is now a material risk that the Licence will not be renewed in time for Imperial to continue its Norman Wells Operation ("**NWO**") beyond March 2025. To provide the certainty needed to continue its operations through the winter of 2024/2025, while required regulatory processes take place, Imperial is requesting an interim extension of the Licence expiry date until such time as the SLWB's renewal process is completed. Such an extension is necessary to prevent an early and unnecessary shut-in of the NWO. Imperial requires several months lead-time to prepare for a shut-in, or to secure logistics for continued operation beyond March 4, 2025.

As communicated to the Review Board in the Request for Ruling Letter, the most recent Decision to conduct an EA for the Application subjects the NWO to significant immediate-term uncertainty and risk, specifically an accelerated shut-in of the NWO. There are significant logistical and safety concerns with a rushed shut-in of NWO. These challenges are magnified if the shut-in occurs during winter or other suboptimal seasons. A winter shut-in creates heightened risks to worker safety and the environment, and significant logistical challenges. A shut-in of the NWO would also have significant consequences for the Sahtu Region. Shutting in the NWO would disrupt businesses and employment in Norman Wells and the Sahtu region broadly. The NWO has been operating within its current scope since the early 1980s and is integral to the economy of the region.

The Review Board is presently considering Imperial's Request for Ruling regarding Proceeding EA2425-02. Imperial strongly believes, for reasons set out in its Request, that Part 5 of the *Mackenzie Valley Resource Management Act* ("**MVRMA**") is not applicable to a renewal of its Licence which contemplates no significant alteration to the current approved operations that have been ongoing at the NWO for decades.

Imperial notes that the Canadian Energy Regulator ("**CER**") has issued an interim extension of Imperial's Operations Authorization to provide time for the Review Board's regulatory processes to be completed, under its general discretion to make directions in the public interest under paragraph 5.31(1)(b) of the *Canadian Oil and Gas Operations Act*. In doing so, the CER recognized that "[a]llowing the current OA 1210-001 to expire on 31 December 2024 would not be in the public interest, as the facility would not be able to operate without authorization and ceasing operations would necessitate an abrupt and unplanned winter shut-in, without appropriate planning for closure activities."

Imperial submits section 72.12 of the MVRMA provides the SLWB with similarly broad discretion to renew or amend a licence where it appears to the Board to be in the public interest, upon application or on its own initiative. Considering the Board's authority to act in the public interest in these unique circumstances, Imperial respectfully requests that the Board amend the Licence pursuant to section 72.12(b)(iii) to allow for a temporary extension of the expiration date until such time as the Board can complete its consideration of Imperial's renewal application.¹ As the proposed amendment to the expiration date of the Licence contemplates no alteration to the use, flow or quality of waters, section 72.15(2) does not direct a mandatory hearing and allows the Board to issue the amendment on an expedited basis in the public interest, as is required in the present circumstances.

We look forward to a response from SLWB at the earliest convenience which to inform next steps regarding permitting of the ongoing NWO.

Sincerely,



John Gregory

Conventional Oil & Gas Asset Manager
Imperial

cc:

Valerie Gordon, Chair, SLWB
Paul Dixon, Executive Director, SLWB
Ramona Sladic, Secretary of the Commission, CER
Charles McNeely, Chairperson, Sahtu Secretariat Inc.
Erin Kelly, Deputy Minister, GNWT Department of Lands

¹ *MVRMA*, s 72.12(1)(b)(iii): "Subject to subsections (2) and (3), a board may, in respect of a federal area... amend, for a specified term or otherwise, any condition of a licence... if the amendment appears to the board to be in the public interest."

Lisa Dyer, Director General, CanNor – Northern Projects Management Office
Kim Pawley, Crown-Indigenous Relations and Northern Affairs Canada
Mike Roesch, Manager, Resource and Land Management, CIRNAC
Nathan Baines, Supervising Counsel, Imperial
Jaclyn Mersereau, Environment and Technical Lead, Imperial
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