



# Sahtu Land and Water Board

## Staff Report: Response Extension Request

<b>Type of Application:</b> Type A Permit/Type B Licence	<b>File No.</b> S22A-002 / S22L1-002
<b>Date Prepared:</b> November 27, 2022	<b>Meeting Date:</b> December 7, 2022
<b>Subject:</b> Land Use Permit Application – Additional time required for Proponent responses – Staff recommendation for invoking section 22 (2) (b)	
<b>Project:</b> MGM’s I-78 East Mackay Well Abandonment Project, near Tulita, NT	

### 1. Purpose/Report Summary

The purpose of this report is to request that the Sahtu Land and Water Board (SLWB or the Board) consider that further studies or investigations be made for Type A Land Use Permit (LUP or Permit) Application S22A-002 as per paragraph 22(2)(b) of the *Mackenzie Valley Land Use Regulations* (MVLUR). This will allow additional time for MGM Energy (MGM or the Applicant) to respond to reviewer comments and recommendations and provide additional information as identified in submissions. The Permit and associated Type B Water Licence applications were submitted by MGM for the abandonment of I-78 East Mackay well site.

### 2. Background

#### 2.1 Process Requirements

**Applications Received:** June 29, 2022

**Additional Information Requested and Received:** July 13, 2022

**Applications Deemed Incomplete:** August 2, 2022

**Additional Information Received:** October 26, 2022

**Applications Complete and Distributed for Review:** October 26, 2022

**Review Period End Date:** November 9, 2022

**Proponent Response End Date:** November 15, 2022

**Proponent Request to Extend Response End Date:** November 10, 2022, request to extends to January 6, 2023

**Staff Response to Extension Request:** November 25, 2022

**Proponent Request for Additional Time to Respond and Submit Information:** November 28, 2022, request to extend to February 15, 2023

**End of 42-day Timeline for LUP Application:** December 7, 2022

**Board Meeting:** December 7, 2022 - recommendation to invoke paragraph 22(2)(b) of the MVLUR

### 3. Discussion

MGM Energy submitted Applications for a Type A Permit S22A-002 (Attachment 1) and a Type B Licence S22L1- 002 for abandonment of the I-78 East Mackay well site. The purpose of these Applications is to obtain new Land Use Permit and Water Licence for well abandonment and site reclamation of the oil exploration well site.

Activities under the original exploration and drilling permit and licence were conducted during the 2012-2013 winter season, and the well has remained suspended since. The Permit and Licence were extended in 2017 to 2019, after which both expired. The new Permit and Licence are being sought so that MGM can comply with the Office of the Regulator of Oil and Gas Operations (“OROGO”) Oil and Gas Operations Act (OGOA) and Oil and Gas Drilling and Production Regulations (OGDPR). The winter road/lease construction and abandonment operations are anticipated to occur during the winter 2023-2024 season.

The scope of activities includes use of water to construct winter roads and ice pads at the well sites, well abandonment operations, reclamation, remediation, camps, and monitoring activities. MGM has requested the permit and licence to be valid for five years. The activities for abandonment and closure and reclamation and camp-sites trigger a Type A Permit as per MVLUR sections 4 a (ii, iii, iv, and v) and 4 b (i, ii, iii and iv), and a Type B Licence for use of water for road and lease construction, watercourse crossings, well abandonment and camp activities per Schedule D of the Water Regulations for Industrial Undertakings.

The Applicant requested an exemption from preliminary screening in accordance with the Exemption List Regulations because all activities under the new Permit and Licence applications were previously screened when the original Permit and Licence were acquired, and the Project has not been modified.

The Applications were distributed for review on the Online Review System on October 26, 2022 with an end date for reviewer comments on November 9, 2022 (Attachment 2). Reviewers were asked to comment on the Preliminary Screening exemption request. Draft Permit and Licence conditions were included in the initial distribution to seek reviewer and Applicant comments on the conditions. The deadline for proponent response was November 15, 2022. On November 10, MGM requested a response extension to January 6, 2023, given the number and depth of reviewer submissions. This extension request is beyond end of the 42-day legislated timeline for decision of the Type A Permit.

Board staff responded to MGM on November 25, 2022 to explain the regulatory process requirements for the extension request, noting that the extension could only be granted to December 7, 2022, the date the Board is required to make a decision on the Permit. Board staff explained that they would be recommending the Board approve a 22(2)(b) decision to permit the additional time required by the applicant. MGM responded on November 28, 2022 and requested additional time until February 15, 2023 to respond to comments and prepare submissions requested by reviewers.

Board staff recommends the Board to invoke section 22(2)(b) of the MVLUR that allows for further studies or investigations to be completed on the I-78 East Mackay (Tulita) Project Land Use Permit (S22A-002) application. This would allow MGM additional time beyond December 7, 2022 to respond to submissions and provide information requested during the review process.

Section 22(2) and paragraph 22(2)(b) of the MVLUR read as follows:

*(2) Subject to sections 23.1 and 24, if the Board does not return an application under paragraph (1)(a), it shall, within 42 days after receipt of the complete application:*

*(b) conduct a hearing under section 24 of the Act or **require that further studies or investigations be made** respecting the lands proposed to be used in the land use operation and notify the applicant in writing of the reasons for the hearing, studies or investigations.*

#### 4. Conclusion

To accommodate the additional time requested by the Applicant to respond to the number and depth of submissions during the review of the Permit and Licence Applications, the 42-day timeline for processing a Type A Permit would be exceeded. The Board may wish to invoke paragraph 22(2)(b) of the MVLUR, to allow further study and investigation be provided through the Applicant responses to ensure all reviewer comments and recommendations have been adequately addressed.

#### 5. Recommendation

Board staff recommend:

- The Board makes a motion to invoke paragraph 22(2)(b) of the MVLUR to allow for additional time for MGM to respond to reviewer comments and recommendations for the Type A Permit S22A-002 and the associated Type B Licence S22L1-002 submitted during the regulatory process and approves the draft Reasons for Decision (Attachment 4) and draft Decision Letter (Attachment 5).
- The applicant has requested until February 15, 2023. The Board may choose this time as requested or give the applicant additional time.

#### 6. Attachments

- [Land Use Permit Application](#) (hyperlink only)
- [Review Submissions Page](#) (hyperlink only)
- MGM Requests for Extension
- Draft Reasons for Decision
- Draft Decision Letter from the Board.

Respectfully submitted,

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