

**Imperial Oil Resources N.W.T. Limited (Imperial)  
Application for Variance of Operations Authorization 1210-001  
Application for Line 490 Replacement Activities  
Subsection 5(6) of the Canada Oil and Gas Operations Act (COGOA)**

**File 3430830 and 5612618  
Filed 1 November 2023 and 6 February 2024**

**Information Request No. 5**

**Indigenous Matters**

**5.1 Oral Indigenous Knowledge evidence**

- Reference:**
- i) OH-001-2023 Hearing, Oral Indigenous Knowledge (**OIK**) 15 May 2024 Session, Transcript Volume 1, PDF pages 1-126 of 126, [C29675-1](#)
  - ii) OH-001-2023 Hearing, OIK 16 May 2024 Session, Transcript Volume 2, PDF pages 1 to 223 of 223, [C29693-1](#)
  - iii) OH-001-2023 Hearing, OIK 17 May 2024 Session, Transcript Volume 3, PDF pages 1 to 141 of 141, [C29702-1](#)

**Preamble:** References i), ii) and iii) are transcripts from the OIK sessions in Fort Good Hope, Northwest Territories that took place on 15, 16, and 17 May 2024. In these sessions the presenters provided information related to, among other things, potential impacts of Imperial's applications for Operations Authorization Variance (**OA Variance Application**) and Line 490 Replacement Activities (**Replacement Activities Application**).

The excerpts below are representative of common threads or themes of knowledge shared, in different areas:

- a) the use, consumption and safe enjoyment of water from the Mackenzie River;

Buddy Gully: [my Grannie] used to tell us, she said, "As the years go by", she said, "When you make tea in your teapot, later on it's going to be covered with a film of oil on top of it". And I was just a little kid and I was wondering what she was talking about.

Later on, to this day, we make -- we always go hunting on the Mackenzie River and I see that what she said is true now. We make tea with the water of the Mackenzie River. And she said, "Later on you guys are going to see what I'm talking about".

And I see it now. We make tea with the Mackenzie River water, and she told me, she said, "You're going to see these peoples. Make that tea for them. Put it in front of them because they

should drink that same tea. Give them a cup. Ask them if they could drink it".

(Reference i), lines 22 to 25 and 1 to 14, PDF pages 78 and 79 of 126)

b) hunting:

Gordon Kelly: there used to be lots of rabbits and that, and now it's all gone, disappeared. We used to go hunting on the islands and that. Moose. But that's -- going away now. Last fall we trekked down the river and go hunting. But no successes. Looked around for moose. Go up and down. But that costs a lot of gas nowadays just to make a day trip. So it's kind of that living on the land was my store. I'd rather go to the island, check the river, instead of going to the Northern store here where it costs quite a bit.

(Reference ii), lines 23 to 25 and 1 to 9, PDF pages 9 and 10 of 223)

c) fishing;

Twyla Edgi Masuzumi: I work on dried fish and that's when my kids get so excited because they get to eat (Dene Kedə Spoken) that's their food. And to see my kids smile and want their food. But there was a spill that happened in Norman Wells where all of us had to pull our nets because we were scared what was going into the fish, and I've been seeing lately that there's more of these little white things that are coming on the guts. Like the guts are getting like so much little white lumps and stuff on their guts, and I'm seeing more of it happening lately. So it kind of makes me scared to work on fish and to feed my kids that. And it makes me sad that I have to restrict my kids (Dene Kedə Spoken) because of things that are happening in the water.

(Reference ii), lines 22 to 25, and 1 to 13, PDF pages 58 and 59 of 223)

d) reliance of country foods;

Arthur Tobac: Without food from the land, families would be hard-pressed to keep their children and themselves eating healthy meals. Food from the land is fresh, nutritious, and high quality, while the food we get from the stores is often expensive and it doesn't have the nutritional value found in country foods. People rely on good country foods to stay healthy. Food from the animals and the fish that we harvest from our land and our river.

And I wanted to bring this up because in my work with housing, we try to house people, but the high cost of fuel, the high cost of food is such an issue here in our community, and there are times when we are made aware that maybe young mothers are having to choose between food or fuel.

(Reference ii), lines 21 to 25 and 1 to 12, PDF pages 129 and

130 of 223)

e) monitoring and the Guardians Program;

Twyla Edgi Masuzumi: And I'm so grateful that we have a guardians program here. We protect the protected area but also we work in the community and around the community. We work with other organizations, and I have another video to show what the Guardians do.

(Reference ii), lines 4 to 8, PDF page 62 of 123)

f) economic benefits;

Joe Grandjambe: We know that the water licence is going to be approved sooner or later, but let's not forget we've never -- I mentioned the amount of dollars that went from Norman Wells south. We haven't had our share.

... the reason that I talked about benefit is that we got very little for the amount of money, the lower figure and the high figure. We've had very little benefit. Even your Esso pamphlet there states \$175 million that were spent on a Sahtu Indigenous Company. Well, there's no company from Good Hope that benefitted.

(Reference i), lines 25 to 29, PDF page 109 of 126; lines 3 to 10, PDF page 112 of 126)

g) the ongoing relationship between Indigenous Peoples and Imperial;

Edwin Erutse: Now, let me speak briefly on that Line 490. I should say this first. In terms of a relationship, the K'asho Got'ine's relationship with Imperial Oil, right now there's no trust. I know we are working on it. But there's poor transparency and communication.

(Reference iii), lines 4 to 9, PDF page 112 of 141)

h) Relationship with Canada and the United Nations Declaration;

Daniel T'Seleie: I want to speak a little bit more about the other aspects of free, prior, and informed consent beyond the consent part being a mandatory requirement. In this doctrine, the consent that we either give or withhold has to be free, freely given. So that means it's given by us to Canada without any kind of duress, or coercion, or other influence on our decision. People have to be free to say yes or no.

The consent needs to be prior to the actual decision that's made. So we need to give our consent to Canada before Canada makes a decision and before any approvals are given or before any work starts.

The consent also needs to be informed. So we have to have all the information and all the resources needed to make an informed decision. And those resources include time.

(Reference iii), lines 7 to 25, PDF page 80 of 141)

**Request:** Regarding each of the topic areas described in a) to h), describe Imperial's responses to date to the concerns raised, plans or mitigations that Imperial has identified for future implementation and/or other submissions Imperial wishes the Commission to consider.

**Response:** Imperial recognizes that it has a responsibility to learn from the experiences of Indigenous peoples in Canada. Imperial has listened and is empathetic to the messages shared through the OIK sessions in Fort Good Hope describing changes that are taking place in the north and the impacts on Indigenous People. Imperial works to avoid or reduce any risks of adverse human rights or socioeconomic impacts from NWO through comprehensive planning, effective mitigation, monitoring and other measures. Our socioeconomic management practices are guided by our corporate Environmental Aspects Guide (EAG) and consistent with our Environment Policy and Operations Integrity Management System (OIMS). It is Imperial's view that the complex issues being faced by many in the North, including the Fort Good Hope community, have many causes broader than the NWO. Imperial is committed to mitigating its effects within its control.

Imperial's monitoring and testing have not detected downstream effects from NWO. Investigations of the community's continuing concerns about water quality and fish health using traditional knowledge and western science are incorporated into the Aquatic Effects Monitoring Plan (AEMP).

Imperial is interested in being responsive to concerns raised and offers the following with respect to the specific areas raised above.

a) the use, consumption and safe enjoyment of water from the Mackenzie River:

Water is an essential resource for all of us and we recognize the role Imperial plays in preserving water quality and the supply of freshwater where we operate. Imperial works to carefully manage the water it uses in its operations. The following reports are submitted with regards to water use, monitoring and closure and reclamation under the existing water licence (S13L1-007) for NWO and are stewarded by the SLWB:

- Annual Water Use Reports, as per Part E Conditions 2 to 4 and Schedule 4, submitted to the SLWB March 31st annually; summarizes water usage, effluent monitoring, reportable releases, groundwater and surface water monitoring and waste generated.
- Annual AEMP summary reports, per Part I Condition 3, submitted to the SLWB March 31st annually; provides updates on water quality and/or quantity, aquatic habitats, and aquatic life
- Annual Closure and Reclamation Program Reports, as per Part J, Condition 4, submitted to the SLWB annually on May 31st; provides updates of closure and reclamation activities at the

NWO.

NWO routinely completes environmental evaluation work and studies related to surface and ground water quality management and aquatic monitoring. Below highlights related action to demonstrate our commitment and to respond to water related concerns:

- Established two working groups in 2013 – a Closure and Reclamation working group (2014-2018) and an AEMP led by the Sahtu Land and Water Board (SLWB). Both groups are involved in obtaining and considering of traditional knowledge in developing the AEMP and closure plans. Imperial is committed to enhancing its communication with respect to these programs.
- Imperial has made significant efforts to ensure that implementation of AEMP Version 4, which began in 2023, satisfies the direction and input from the SLWB, WG and technical experts for two of the main components: water quality monitoring and the small-bodied fish study. The large-bodied fish will be assessed from a Traditional Knowledge and western science perspective and is anticipated to be completed with collaboration of the WG. For the large fish sampling component, the program will rely on fish caught by community members. The sample fish will be dissected and recorded by a team consisting of local community members with traditional expertise working alongside Tłegóhł Reclamation Services Advisian (TRSA) staff with a western science background.
- For more information regarding the AEMP and the large fish study, see Imperial's response to KGC's IRs 1.1 and 1.2. Continued implementation of the Surveillance Network Program. As part of the program, water samples include testing of Mackenzie River water inlet and outlet<sup>1</sup> and testing of all surface water prior to releasing off-site at NWO. Imperial also conducts live continuous discharge monitoring of its NWO effluent. This testing is designed to confirm that water from NWO complies with regulatory criteria.
- In addition to ongoing, routine monitoring in support of operations, should NWO experience a release or incident, it escalates frequency of monitoring in the affected area. Following the Line 490 flow line event in 2022, Imperial implemented a river sampling program near Fort Good Hope with Guardian representatives. Results showed no indication of risk to public health or freshwater life downstream due to the release.

In addition, drinking water oversight is managed by the Government of the Northwest Territories, which conducts regular monitoring of drinking water quality across the territory, including Fort Good Hope. The results of the monitoring program are regularly posted on the government website. The SLWB regulates the water license for Fort Good Hope.<sup>2</sup>

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<sup>1</sup> See OA Variance Application ([C27037-6](#)), sections D-1.1.3.5 to D-1.1.3.7 at PDF 10-13.

<sup>2</sup> <https://slwb.com/registry/s2013-003>

b) hunting:

Imperial appreciates practicing traditional ways of hunting and trapping is important to the community. We appreciate the knowledge shared with us from Indigenous leaders and communities with a strong connection to the land, air and water.

Imperial operates in a variety of ecosystems across different regions in Canada, some with sensitive characteristics. Through progressive reclamation and habitat restoration, Imperial considers the rarity of individual species – their vulnerabilities and cultural significance – and areas of importance to Indigenous communities.

The OA Variance Application does not include a request to expand the operational footprint of the NWO. Therefore, incremental impacts to hunting activities are not anticipated.

Below are examples from Imperial's NWO EPP and Wildlife Management Plan of specific action we take to minimize impacts from our development, operations and reclamation work:

- **Mitigation strategies for wildlife encounters** including moose, rabbits and species at risk such as Woodland caribou, wolverine, grizzly bear, peregrine falcon and short-eared owl.
- **Wildlife monitoring**
  - Imperial engages closely with GNWT ECC related to any aggressive animals or beaver dams impacting operations
  - Imperial completes wildlife sweeps in advance of any ground disturbances
  - Bird nests are monitored where required in compliance with the Migratory Birds Convention Act
- **Incorporating traditional knowledge** See Imperial's response to Tłegóhłı́ Got'ı́nę Government Inc. IR No. 2 ([C29630-2](#)), Sahtu Renewable Resources Board IR No. 1.1(b) ([C29629-4](#)) and Deline Got'ı́ne Government IR No. 1 ([C29624-2](#)).

c) fishing;

Imperial recognizes the importance of preserving ecosystem health and limiting the impacts of its operation. In areas of high biodiversity, Imperial follows a mitigation hierarchy, a best-practice decision making process that helps us avoid, minimize, restore and, in cases of disturbance to fisheries habitat, offset impacts. Currently, none of Imperial's operating sites are located near protected areas.

NWO routinely completes environmental evaluation work and studies related to surface and ground water quality management and aquatic monitoring. Our AEMP continues to work with the SLWB to finalize the large fish component. For sampling, the AEMP will rely on fish caught by community members. The sample fish will be dissected and recorded by a team consisting of local community members with traditional

expertise working alongside Tłegóhł Reclamation Services Advisian (TRSA) staff with a western science background.

Imperial acknowledges community concerns about the line 490 release. The release was fully investigated with relevant results and data shared with the community (see response to DGG IR No. 2, “Communication about Release”) and a copy of the investigation report provided to the CER. There is no indication of downstream environmental effects. Imperial is committed to enhancing its communication protocols and Imperial continues to evaluate claims related to this matter.

d) reliance of country foods;

As stated with respect to item b) above, Imperial appreciates that practicing traditional ways of hunting and trapping is important to the community.

Through our environmental aspects and business planning processes, Imperial considers factors such as avoiding and minimizing our footprint in sensitive environments, the rarity of individual species – their vulnerabilities and cultural significance, and areas of importance to Indigenous communities. We work with Indigenous communities to incorporate Indigenous knowledge into our project plans.

Imperial supports land management programs that enhance wildlife habitats. We invest in implementing mitigation strategies to reduce wildlife encounters, participate in ongoing monitoring programs in partnership with government and incorporate traditional knowledge in our programs.

The OA Variance Application does not include a request to expand the operational footprint of the NWO. Therefore, incremental impacts to reliance on country foods are not anticipated.

e) monitoring and the Guardians Program;

Imperial greatly appreciates and respects the work of the K’ahsho Got’ine Foundation – the Guardians program. Imperial recognizes the importance of incorporating Indigenous knowledge and local perspectives in our land use and biodiversity programs.

As a recent example, when sampling in the Fort Good Hope area, members of the Guardians accompanied our third-party environmental consultant TRSA, a Sahtu Joint Venture business. The Guardians were part of the entire sampling process. Within the working group, there is a standing offer for laboratory results to go directly to members, in addition to TRSA. Imperial is committed to continuing to work with the Guardians in water sampling and analysis exercises.

f) economic benefits;

Imperial has contributed more than \$1.8M to local communities over the past decade including our Partnering Today for Tomorrow Grants to the

Sahtu Communities. Grants support programing such as the Sahtu Divisional Education Council (SDEC) literacy, Fort Good Hope Renewable Resources Council's country food processing project, Sahtu search and rescue and SDEC's heritage fairs.

Imperial has also been an employer in the region for more than 100 years, and currently has 14 Sahtu beneficiaries employed at NWO. Many of the individuals providing evidence in Fort Good Hope hearing indicated they had worked for Imperial or one of its contractors over the years.

Local and Indigenous participation is considered an asset in our procurement contracts and Indigenous communities have repeatedly told us that one of the most meaningful contributions our company can make on the journey of economic reconciliation is to grow healthy partnerships with Indigenous businesses.

Over the past three years, 37% of total goods & services procured by Imperial for Norman Wells was sourced from Sahtu Indigenous suppliers.

A great example of a successful business partnership is our Tlegothi Joint Venture. The joint venture is co-owned by Fort Good Hope Metis Land Corporation and three other Sahtu Land Corporations. Tlegothi provides equal opportunity to train and participate in Imperial's environmental assessment and remediation work.

Under chapter 10 of the Sahtu Dene and Metis Comprehensive Land Claim Agreement, 7.5% on the first \$2M of resource royalties and 1.5% on any additional royalties collected in the year from NWO are to be remitted by the federal government to the Sahtu Tribal Council. (Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC), 2021 Chapter 9 presentation)

g) the ongoing relationship between Indigenous Peoples and Imperial;

Imperial is fully committed to its reconciliation journey and strives to build strong and lasting relationships with Indigenous Peoples built on mutual trust, respect and shared prosperity.

In Norman Wells, over the last 100 years, Imperial's relationships with Indigenous Peoples have evolved, particularly as Imperial, like most Canadian companies, has recognized its role in reconciliation.

Imperial has more to learn and can do better every day. This priority is grounded in a commitment to listen, understand and collaborate as we work together.

Imperial's aim is to create a community centric approach focused on collaboration and co-creation as it relates to investment in business partnerships, career readiness, consultation and community relations.

In particular, Imperial is working to formalize its relationships through the development of formal agreements for engagement and business development within the Sahtu region.



h) Relationship with Canada and the United Nations Declaration;

Imperial seeks to be a constructive and supportive partner in reconciliation and supports the implementation of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) in a way that preserves and enhances economic, social and environmental benefits for Indigenous peoples and communities.

This hearing process is an important part of Imperial's desire to continue to have a role in advancing reconciliation, and Imperial encourages and appreciates Indigenous-led dialogue that adds to improved clarity of expectations and what matters to the community.

While the Government of the Northwest Territories has passed legislation that creates action plan requirements for its implementation of UNDRIP, Imperial appreciates that longer term resourcing is needed for communities to participate in engagement, consultation and collaboration on a variety of matters in particular in respect of closure. Accordingly, Imperial is working to formalize relationships through the development of formal agreements within the Sahtu region. These proposed agreements include provisions for identifying long term resource requirements and capacity solutions to support communities' engagement to supplement existing funding programs with a focus on closure matters.

During the oral Indigenous Knowledge sessions in Fort Good Hope, the community's chief negotiator on self-government negotiations, Daniel T'Seleie, gave testimony on the K'asho Got'ine's ongoing negotiations and on the K'asho Got'ine's rights and goals for self-determination.<sup>3</sup> Mr. T'Seleie explained among other things his experience on the lands and waters in the region as a K'asho Got'ine person,<sup>4</sup> and gave testimony on the history of the K'asho Got'ine's relationship with Canada<sup>5</sup> and its negotiating position in establishing a new relationship with Canada.<sup>6</sup> These negotiations are conducted through a process that is separate from the CER's process for the present applications, and Imperial is not involved in those negotiations between the K'asho Got'ine and government.

Mr. T'Seleie stated that the K'asho Got'ine's current position in these negotiations with government "is based around the concept of free, prior and informed consent", using UNDRIP as "a very useful framework for implementing our right to free, prior, and informed consent as a way to advance on our goals around self-determination about what happens on our land."<sup>7</sup> Mr. T'Seleie provided his views on what free, prior, and informed consent would require in this context, and stated that there is currently no legal requirement on the Commission to obtain communities' free, prior and informed consent to the Applications, though in his view there may be a legal requirement on the Canadian government to make

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<sup>3</sup> Transcript, vol 3 (C29702-1) at 401-402 / PDF 67-68.

<sup>4</sup> Transcript, vol 3 (C29702-1) at 402-403 / PDF 68-69.

<sup>5</sup> Transcript, vol 3 (C29702-1) at 406-411 / PDF 72-77.

<sup>6</sup> Transcript, vol 3 (C29702-1) at 411-415 / PDF 77-81.

<sup>7</sup> Transcript, vol 3 (C29702-1) at 412 and 413 / PDF 78 and 79.

legislative amendments to that effect.<sup>8</sup>

Nonetheless, Imperial's engagement efforts are reflective of UNDRIP's principles. Imperial has stated publicly that reconciliation is the responsibility of all Canadians, including businesses. Imperial's commitment to positive and progressive Indigenous relations is supported by its guiding principles and four Indigenous pillars of engagement, focused on consultation, workforce development, business development and community relations. Imperial has provided detailed information during these proceedings concerning how it has worked to meet these commitments in respect of these Applications, the on-going operations at NWO and in respect of future processes for the ultimate decommissioning of NWO.<sup>9</sup>

In line with its commitment to undertake engagement in a manner consistent with UNDRIP, Imperial has undertaken, and continues, significant efforts to provide Sahtu communities with timely information about the Applications.

Imperial initially provided information about plans to extend permits for the Norman Wells Operations in person during Neighbour Week meetings in January of 2023.<sup>10</sup> Imperial has followed up to provide information and to discuss the Applications and communities' knowledge, views and concerns in person or in the forum requested by the community.

This has included update letters concerning the regulatory process sent to all communities, in addition to in person meetings, phone calls and emails between Imperial and community representatives.<sup>11</sup> To strengthen relationships and provide the best information, Imperial personnel knowledgeable about technical aspects of the Applications have visited concerned communities, including Fort Good Hope,<sup>12</sup> and met to discuss the Applications directly with community leaders and members both in person and virtually.<sup>13</sup>

The timelines Imperial requested for the regulatory process reflect Imperial's assessment of the timing requirements for successful completion of the line 490 replacement activities, as well as the OA's current expiry date while allowing time for communities to understand, consider and provide their positions on the Applications.

Imperial engages regularly with communities about its NWO. As the process for the Applications continues, Imperial continues to reach out to

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<sup>8</sup> Transcript, vol 3 (C29702-1) at 420 / PDF 86.

<sup>9</sup> <https://www.imperialoil.ca/-/media/imperial/files/publications-and-reports/sustainability-report-2022-published-2023.pdf> at 59/ PDF 61.

<sup>10</sup> See OA Variance Application (C27037-2), section 3.3 at PDF 30.

<sup>11</sup> See Imperial Response to CER IR No. 1.7 – Attachment 4, Engagement Log (C28800-24) and Imperial Response to CER IR No. 4 – Attachment 1, Updated Issue Summary Log – May 2024 (C29876-3).

<sup>12</sup> See Imperial Response to CER IR No. 1.7 – Attachment 4, Engagement Log (C28800-24) ROCs 531, 652, 655, 659.

<sup>13</sup> See e.g., Imperial Response to CER IR No. 1.7 – Attachment 4, Engagement Log (C28800-24) ROCs 776, 773, 780, 781, 784, 785, 859 meetings with Fort Good Hope organizations.

request meetings with Sahtu communities in order to answer questions, provide information, discuss proposals and better understand concerns. Most recently an update was provided in a response to the CER's IR No. 4, summarizing the most recent reach outs, since the applications were filed. After this update, an email was sent to Tulit'a asking to arrange a community visit, and Imperial communicated with Fort Good Hope contacts about technical questions raised in the May OIK session.

## 5.2 Benefits Plan

- Reference:**
- i) Imperial, OA Variance Application, Section 3.1, Recent Highlights - Economic and Social Benefits of Norman Wells Operations (**NWO**), PDF page 29 of 83, [C27037-2](#)
  - ii) Imperial, Additional Written Evidence, Section 2.3, The Continued Social and Economic Effects of the OA Variance, PDF pages 6 to 8 of 20; [C28710-2](#)
  - iii) Imperial, Response to Deline Gotine Government IR No. 3, PDF page 9 of 12, [C29624-2](#)
- Preamble:**
- Reference i) states that Imperial is committed to making a positive and lasting contribution to Canadians and as such, NWO continues to support programming, events and education initiatives throughout the Sahtu region.
- Reference ii) describes the continued social and economic effects of the OA Variance, including in relation to Training Programs, Employment, Local Contractors, Community Benefits and Housing in Norman Wells.
- Reference iii) notes that there are more economic benefits associated with the Norman Wells Operations (**NWO**) which are presented by Crown-Indigenous Relations and Northern Affairs Canada (**CIRNAC**) during the Chapter 9 meetings.
- Subsection 5.2(2) of the *Canada Oil and Gas Operations Act (COGOA)* states, among other things, that no authorization of any work or activity shall be issued under paragraph 5(1)(b), until the Minister [of CIRNAC] has approved, or waived the requirement of approval of, a benefits plan in respect of the work or activity.
- Request:**
- a) The date on which the Benefits Plan was approved or the waiver obtained from CIRNAC in accordance with subsection 5.2(2) of the COGOA, together with confirmation that any Benefits Plan or waiver remains valid;
  - b) A description of how the social and economic effects and benefits noted in references i) and ii) may relate to any Benefits Plan, approved or otherwise developed (i.e, are they part of the Benefits Plan or supplemental to that plan); and
  - c) Details of the additional economic benefits associated with the NWO, detailed in reference iii).
- Response:**
- a) A Benefits Plan is intended to be prepared prior to a proposed oil or gas activity occurring. As confirmed in CIRNAC guidance, section 5.2 of COGOA establishes the requirement for a Benefits Plan and a Benefits Plan approval or waiver concurrent with an application for approval of a development plan under subsection 5.1(1) or an application for an authorization of any work or activity under

paragraph 5(1)(b).<sup>14</sup> Imperial notes that the variance of an authorization pursuant to section 5(6) of the COGOA and section 383 of the Canadian Energy Regulator Act does not trigger the Benefits Plan requirement in section 5.2 of COGOA.<sup>15</sup>

Moreover, the Minister of Crown-Indigenous Relations and Northern Affairs Canada determines whether a Benefits Plan is required and is responsible for approving Benefits Plans (where required). Under the Canada Petroleum Resources Act (CPRA) section 114(5), the Norman Wells Agreement of 1944 and the Norman Wells Expansion Agreement of 1983 continue in force as amended by the Norman Wells Amending Agreement of 1994 and as such a Benefits Plan as per section 21 of the CPRA does not apply.

Section 21 of the CPRA states as follows:

“No work or activity on any frontier lands that are subject to an interest shall be commenced until the Minister has approved, or waived the requirement of approval of, a benefits plan in respect of the work or activity pursuant to subsection 5.2(2) of the Canada Oil and Gas Operations Act.”

Section 114(5) of the CPRA explicitly excludes the Norman Wells Agreement of 1944 and the Norman Wells Expansion Agreement of 1983, as amended by the Norman Wells Amending Agreement of 1994, from the application of provisions of the CPRA including section 21. CIRNAC's view with regards to the application for the 2014 OA was that Imperial does not require an approval or waiver of a Benefits Plan under 5.2(2) of COGOA for operations in the Norman Wells Proven Area. Imperial agrees with CIRNAC's interpretation of the legislation which has not been amended in any material way since the OA was approved in 2014.

- b) As described in a) above, no Benefits Plan is required for the NOW. However, Imperial is working to formalize relationships through the development of formal agreements within the Sahtu region to address long term capacity building. These proposed agreements include provisions for identifying resource requirements and capacity solutions to support communities' engagement with a focus on closure matters.
- c) In addition to proceeds from one third production, the Government of Canada receives monthly royalties (5% royalty rate) from Imperial on its two-thirds share of petroleum produced by the Norman Wells operations.

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<sup>14</sup> Crown-Indigenous Relations and Northern Affairs Canada, “Benefits Plan Guidelines for the North” (September 2013) at s 1.2, online: <https://www.rcaanc-cirnac.gc.ca/eng/1321288048056/1538589222061>.

<sup>15</sup> The Commission has confirmed that it is considering both Applications in this proceeding under subsection 5(6) of the COGOA: CER Letter to All parties to the OH-001-2023 proceeding re Summary of applications before the Commission (20 February 2024) [C28441-1](#) at 2: “the Commission is further satisfied that the Replacement Activities can be considered under subsection 5(6) of the COGOA”.

CIRNAC is responsible for the administration of these royalties but following devolution, CIRNAC remits the Norman Wells royalties collected to the Government of the Northwest Territories who will make royalty payment as per chapter 10 of the Sahtu Dene and Metis Comprehensive Land Claim Agreement.

Under the Sahtu Dene and Metis Comprehensive Land Claim Agreement, 7.5% on the first \$2M of resource royalties and 1.5% on any additional royalties collected in the year is payable to the Sahtu Secretariat Incorporated (formerly, the Sahtu Tribal Council).

Attachment 1 provides the presentation from the last Chapter 9 meeting in March 2021.

### 5.3 Monitoring by Indigenous Peoples for Replacement Activities

- Reference:**
- i) Imperial, Response to CER Information Request (**IR**) No 3.3 (b) – Field activities with Indigenous personnel, PDF page 6 of 25, [C29304-2](#)
  - ii) Imperial, Response to Tłegóhłı Got'ıne Government Inc. (**Tlegohli Got'ine**) IR No. 5 Mitigation of Impacts to rights, PDF page 9 of 12, [C29630-2](#)
  - iii) Imperial, Response to CER IR No 4.1, PDF page 6 of 26, [C29876-2](#)
- Preamble:**
- Imperial stated in reference i) that it anticipates a six (6) week construction period for the Replacement Activities with three (3) weeks specifically allocated to complete the horizontal directional drilling (**HDD**).
- Reference ii) indicates that [should the Commission approve the application for] the Replacement Activities, Imperial plans to reach out to the communities' Renewable Resource Councils (**RRCs**) to determine if they are interested in providing oversight of the drilling activities. The scope of the Environmental Monitor role will be developed jointly with Imperial and the participating RRCs based on their capabilities and interests.
- In reference iii), Imperial states that, at the Oral Indigenous Knowledge sessions in Fort Good Hope, on May [14 – 17], 2024, it asked community members how to engage the Guardians and Renewable Resource Council as monitors for Line 490 Replacement Activities.
- Request:**
- a) A summary of any preliminary plan for Indigenous monitoring of drilling or construction activities in relation to the Replacement Activities, that has been developed to date by Imperial;
  - b) Indicate whether Imperial has contacted directly impacted Indigenous communities (beyond the communications noted in reference iii)), to commence the joint development, or otherwise discuss a plan for monitoring by Indigenous communities for the Replacement Activities that would commence in 2025, if approval is received.
    - b.1) If yes, the response should include an update on the discussions to date; and
    - b.2) If no, an update on when Imperial expects to meet with directly impacted Indigenous communities to gauge interest and jointly develop the role, and how the timing of those meetings will allow for the monitoring activities to commence in a timely manner, in advance of construction activities.
- Response:**
- a) Imperial plans to develop the Indigenous monitoring scope jointly with communities as contracts are finalized with a vendor for the HDD activity and prior to HDD activities commencing in the summer of 2025.
  - b) Imperial has not yet commenced joint development of an Indigenous environmental monitoring plan. However, should the requested

approvals be granted, it plans to do so after approvals have been received. Emails have been sent out to the communities' Renewable Resource Councils to confirm they are the right starting point to initiate these conversations.

Imperial has successfully deployed Indigenous environmental monitoring programs on other Imperial projects and is confident that it can collaborate with the Renewable Resource Councils to develop and deploy a successful program for the HDD activity. The first half of 2025 would be used to finalize this scope.

In addition, Imperial already utilizes the services of two land-corporation owned companies to perform environmental services including groundwater monitoring, remediation and reclamation work. One company is owned by a single Land Corporation and the other is co-owned between other Land Corporations, meaning that 5 of 7 Land Corporations are already participating in our environmental work at NWO.

Imperial has approached all seven Land Corporations about economic opportunities on the Replacement Activities. In addition to subcontracting and employment on the project itself under the general contractor, Imperial has proposed a direct partnership with the general contractor for the project. The first meeting to discuss this economic partnership between communities was on September 21, 2023 and Imperial has held multiple meetings since to continue to advocate for community participation on this and future scopes.



## Environment Matters

### 5.4 Progressive Reclamation – Vegetation Monitoring

- Reference:**
- i) Imperial, OA Variance Application, Response to CER IR No. 1, Attachment 8 - Environmental Protection Plan 2024 (**EPP**), PDF pages 32-33 of 116, [C28800-16](#)
  - ii) Imperial, OA Variance Application, PDF page 48 of 83 [C27037-2](#)
  - iii) Imperial response to Tlegohli Got'ine IR No.5 Mitigation of Impacts to rights, PDF page 9 of 12, [C29630-2](#)

**Preamble:** Reference i) states that Imperial will continue vegetation monitoring on various closure and reclamation sites and that Imperial will monitor vegetation on historic sumps as per closure and reclamation (**C&R**) plans and standards (re-seeding where necessary). It further states that Imperial will “progressively reclaim sites as they become inactive phased approach is used for C&R work”.

Reference ii) states that the Norman Wells Operations (**NWO**) progressive reclamation work is described in the annual closure and reclamation report provided to the Chief Conservation Officer and the Sahtu Land and Water Board (**SLWB**).

Reference iii) states that Imperial intends to allow the work areas [in the NWO] to revegetate naturally, except where vegetation regrowth may be controlled on pads and over the RoW in line with current practice.

- Request:** Provide:
- a) A list of all closure and reclamation sites that are undergoing vegetation monitoring;
  - b) The standards being used to monitor the success of vegetation re-growth; and
  - c) Details on any engagement with Indigenous communities, or potential opportunities for Indigenous monitors, regarding revegetation activities, vegetation monitoring, and the effectiveness of reclamation activities, including monitoring the progress

- Response:**
- a) Two sites are currently undergoing vegetation trials, the Assessment and Restoration Biocell (ARB) area; and the Bosworth Creek east bank. Details of the activities are provided in our Annual C&R report submitted to CER.
  - b) The objective of the interim reclamation activities at the ARB is to establish vegetation coverage to reduce erosion and maintain soil integrity in the short term before final site reclamation activities take place as part of final closure activities.

The objectives of the reclamation activities in the Bosworth Creek reclamation area include: maintaining water quality by preventing surface water runoff and siltation to the creek; and re-establishing vegetation cover and species composition to match the vegetation in the surrounding areas.

- c) These are small scope reclamation projects relating to ongoing NWO focused on addressing specific erosion issues. Along with near term erosion mitigation, these projects also provide useful information to support longer term reclamation that will be required for closure. As indicated in the material provided in support of the Applications, Imperial will engage with the community and incorporate traditional knowledge into reclamation planning as part of the future closure process.

## 5.5 Progressive Reclamation – Historic Sumps

- Reference:** Imperial, OA Variance Application, Response to CER IR No. 1, Attachment 8 - EPP, PDF pages 32-33 of 116, [C28800-16](#)
- Preamble:** The reference states that Imperial will monitor vegetation on historic sumps as per C&R plans and standards (re-seeding where necessary) and will “progressively reclaim sites as they become inactive phased approach is used for C&R work”.
- Request:** Provide:
- a) Clarification as to whether monitoring vegetation on historic sumps refers to both the mainland sumps and Bear Island sumps; and
  - b) Confirmation whether Imperial has assessed any potential contamination and whether or not Imperial is planning further remedial work that involves disturbance of soils and/or vegetation on the sumps.
- Response:**
- a) Vegetation monitoring is currently planned for the Mainland Sumps and not for Bear Island Sumps.
  - b) Imperial has done some assessment work on the sumps and the details are reported in the Annual Closure and Reclamation report submitted to CER. Conceptual Site Models for Mainland Sumps and Bear Island Sumps are shown in the 2019 Annual Closure and Reclamation report.

## 5.6 EPP – Erosion Management Plan and Aquatic Effects Monitoring Program

- Reference:**
- i) Imperial, OA Variance Application, Response to CER IR No. 1, Attachment 8 - EPP, PDF page 34 of 116, [C28800-16](#)
  - ii) Imperial, OA Variance Application, Response to CER IR 1, Attachment 8 - EPP, PDF pages 55-56 of 116, [C28800-16](#)

**Preamble:** Reference i) describes aspects of the Erosion Management Plan and states that Imperial implements erosion control measures to avoid, prevent, reduce and manage erosion across the NWO. Reference i) further states that Imperial completes annual inspections of riverbeds, channels and banks of the Mackenzie River and Bosworth Creek in the vicinity of any flowlines to detect any potential erosion posing significant risk to operating infrastructure and the environment.

Reference ii) refers to the Aquatic Effects Monitoring Program (**AEMP**), which started in 2002, with numerous water quality and fish health field program studies completed on the Mackenzie River. The annual AEMP report is submitted to the SLWB per Water License S13L1-007 Part I, Condition 3, outlining results and findings from the annual monitoring programs.

- Request:** Provide:
- a) Further details and information on the Erosion Management Plan that includes measures to avoid, prevent, reduce, and mitigate erosion and sedimentation throughout the entire NWO (not just the Mackenzie River and Bosworth Creek areas);
  - b) Confirmation as to whether the annual inspections to detect erosion, as described in reference i), are limited to areas in the vicinity of flowlines, or if they are conducted more broadly; and
  - c) The most recent version of the AEMP submitted to the SLWB.

- Response:**
- a) The existing Erosion Management Plan focuses on locations known to have a potential to affect infrastructure, fish, or fish habitat. Temporary work areas where erosion and sedimentation are found to have a potential effect are managed as they arise. The management, testing, and release of surface water runoff is described in the Quality Assurance & Quality Control Manual (May 1, 2024), the de facto surface water management plan, submitted to the SLWB.
  - b) The annual inspections cover areas in the vicinity of flowlines in addition to a broader inspection scope including a number of locations across the operation such as Artificial and Natural islands, riverbanks on the Mackenzie River and Bosworth Creek. Further requirements of the inspections are outlined in S13L1-007 Schedule 5, Part F. As outlined in the EPP, daily surveillance rounds completed by Operators assess all areas of the operation for potential erosion concerns.
  - c) The most recent version of the AEMP is included as Attachment 2. From the preamble to this request, Imperial understands that the

Commission may be requesting the AEMP results and monitoring, which are included in the annual reports. The most recent annual report is included for completeness as Attachment 3.

## 5.7 Environmental Evaluations

- Reference:** Imperial, Application for Variance of Operations Authorization OA 1210-001, PDF pages 25-26 of 83, [C27037-2](#)
- Preamble:** The reference states that NWO routinely completes environmental evaluation work as part of its ongoing operations and commitments to the CER and SLWB for the S13L1-007 Water Licence (SLWB, 2015). Table 1-4 of the reference, highlights selected current and ongoing environmental evaluations at NWO, as follows:
- Surface and Groundwater Management;
  - Progressive Reclamation work;
  - Differentiation of Natural Seeps vs Spills;
  - Fish Health and Aquatic Effects Monitoring Program; and
  - Special Effects Studies
- Request:** Provide in a table:
- a) A list of the departments, agencies or organization(s) (federal, territorial, SLWB, or other) responsible for receiving and monitoring the environmental evaluation work listed above, and the legislative framework and/or process under which each evaluation is completed; and
  - b) A list of any additional reports or studies developed regarding the environmental evaluation of Imperial's operations at the NWO (not already included); the response should include which departments, agencies or organization(s) (federal, territorial SLWB, or other) are responsible for receiving and monitoring the report, and the legislative framework and/or process under which the report is completed.
- Response:**
- a) Surface and Groundwater Management - Surface water management reports are provided to the SLWB on a monthly basis per Type A Water License S13L1-007 - Annex A, D(1). These reports include monthly discharge volumes from the various Category A and B surface water run-off facilities (SWRO) and the field screening and lab analytics results for each sample in accordance with S13L1-007 - Annex A, E. This surface water data is also included in the Annual Water Use Report, filed with the SLWB per S13L1-007 Part B(13). Imperial follows the Norman Wells Groundwater Management Plan (GMP) which is filed with the SLWB in accordance with S13L1-007 Part E (2). All data collected from the SNP network of groundwater monitoring wells is reported to the SLWB as part of the Annual Water Use Report. The SLWB typically posts the Annual Water Use Report submission on their Online Review System (ORS) where various regulators and parties are given the opportunity to review the report and provide feedback including but not limited to; GNWT ECC, ECCC, DFO and Sahtu community parties.
- Progressive Reclamation Work - Imperial submits an annual Closure and Reclamation Plan Progress Report to the SLWB and CER per S13L1-007 Part J (4) and OA-1210-001 Condition 20.

Similar to the Annual Water Use Report, the SLWB typically posts the Annual Closure and Reclamation Plan Progress Report on the ORS to same list of regulators and parties listed above.

Differentiation of Natural Seeps vs Spills - Historical studies were submitted to the SLWB as part of the 2014 Water License Application. Most recently, Imperial completes an annual Natural Seeps Drone Surveillance Program, where results are shared with the CER through the Annual Environmental Report submission per OA 1210-001 Condition 8 and COGDPR 86(1).

Fish Health and Aquatic Effects Monitoring Program - Imperial submits an annual AEMP report to the SLWB per S13L1-007 Part I (3). Similar to other report submissions to the SLWB, the report is posted on the ORS to the same list of regulators and parties listed above.

Special Effects Studies - Imperial submitted the Special Effects Study to the SLWB on April 29, 2022. The study was posted on the ORS for the same list of regulators and parties listed above to review and provide feedback. Per direction received from the SLWB on March 27, 2023, Imperial completed a number of additional action items and studies in 2023 including significant updates to the Groundwater Management Plan which was submitted to the SLWB on March 28, 2024. This GMP is currently under review by the SLWB.

- b) Imperial is not aware of any additional environmental monitoring reports or studies not already listed.

## Engineering Matters

### 5.8 Leak detection for Injection flowlines

- Reference:**
- i) Imperial, OA Variance Application, Appendix D, Attachment D-1, section 2.1 System Description, PDF page 47 of 60, [C27027-6](#)
  - ii) Imperial, OA Variance Application, Appendix D, Attachment D-1, section 2.5.2 Leak Detection, PDF pages 50 of 60, [C27037-6](#)
- Preamble:**
- Reference i) defines injection flowlines as transporting fresh water, produced water, and propane from the Central Processing Facility to injection wells on mainland and across river.
- Reference ii) states that the injection flowline system utilizes material balances to detect leaks.
- Request:**
- Provide:
- a) Details of how material balances are conducted to verify, or rule out, leaks in injection flowlines; and
  - b) An explanation regarding the adequacy of using a material balance method to detect the loss of product in injection flowlines. Ensure the response addresses each different product transported in the injection flowlines.
- Response:**
- a) Throughout the fresh water, produced water, and propane injection systems, Imperial monitors flow rate and pressure through each line using alarms for sections of pipe, called “segment alarms”. Every supply line to a lateral take off has a designated segment alarm. These segment alarms monitor the difference between start and destination point on each line (e.g. CPF pumps to a terminal) using various measurements such as flowrate and pressure. If there is a difference in volume between the two points, an alarm will ring prompting operations (field or control room operator) to run a trend to determine a reason for the alarm. There are many reasons for alarms, examples of potential reasons for an alarm include, a plugged off well, a shut in well, a leak in a line, or a shut in gathering facility.  
  
In addition to the alarms described above, there is also a 24 hour alarm which will alert the control room if total facility volumes do not match. The system is capable of noticing a difference of as little as 1m<sup>3</sup> in the course of 24 hours. Slight differences can occur due to difference in accuracy of meters, but this is another check done on the material balances regularly.
  - b) If a leak occurs anywhere in the system, the control room operator is the first to notice, as volumes would increase, and supply pressures will drop. The operator is familiar with the entire site, and is proficient in utilizing segment alarms, therefore Imperial can pinpoint a segment where the potential leak is occurring. Operations will investigate further to pin point the location which would require field operators to respond. Imperial is typically shutting in wells, adjusting flow rates, and performing routine maintenance on our injection system across the field on a daily basis. When this occurs,



our segment alarms ring almost immediately, requiring operations verification regarding the changes made in the field, and vice versa when wells are brought back online.

Control room operators monitor the field alarms, and operations on a 24/7, ongoing basis and alarms are responded to.

**5.9 Leak detection for Oil Emulsion Flowlines**

- Reference:**
- i) Imperial, OA Variance Application, Appendix D, Attachment D-1, section 2.1 System Description, PDF page 47 of 60, [C27037-6](#)
  - ii) Imperial, OA Variance Application, Appendix D, Attachment D-1, section 2.5.2 Leak Detection, PDF pages 49-50 of 60, [C27037-6](#)

**Preamble:** Reference i) states that oil emulsion flowlines consist of flowlines that travel from the wellhead to flowline gathering systems commonly referred to in the field as “group flowlines”. Oil emulsion group flowlines carry the accumulated production from the mainland and cross-river operations to the Central Processing Facility.

Reference ii) states that all cross-river group flowlines are monitored for leaks through a Supervisory Control and Data Acquisition system and that if a pressure change outside of normal operating parameters is detected, an advisory alarm is initiated, and the Central Processing Facility will investigate. Remote shutdown and isolation of a group flowline will automatically occur if a low-pressure alarm below a set threshold is detected.

- Request:** Provide:
- a) Criteria used by Imperial to set the threshold pressure value for automatic group flowline shutdown, including the potential volume of oil emulsion that could be lost;
  - b) A discussion regarding the volume of oil emulsion that could leak while an advisory alarm is being investigated and prior to the group flowline being shut in; and
  - c) An explanation regarding how the Central Processing Facility investigates advisory alarms.

<b>Response:</b>	<ul style="list-style-type: none"> <li>a) Flowline automatic pressure shutdowns are managed and set through the Imperial OIMS 7-1 Management of Change (MOC) process. The MOC process involves a Professional Engineer assessment of the pipeline network to appropriately define the set points or make changes for the high pressure shutdowns and low pressure shutdowns. As part of the MOC, the pipeline system historical operating pressure range is assessed, including upset conditions, and the location of the pipeline pressure shutdowns are considered. The potential volume of oil emulsion that could be released would vary depending on the location of the shutdown isolation devices and potential response time by operations. The guidance of the US Code of Federal Regulations Part 250: 250.852 are considered for selection of the set point for high pressure shutdown and low pressure shutdown. However, meeting the 250.852 guidance is not always possible due to pressure shutdown sensor limitations and upset conditions, which is considered by the Professional Engineer.</li> </ul>
	<ul style="list-style-type: none"> <li>b) Evaluation of a pipeline leak advisory alarm is addressed as a priority by the control room operator (CRO). If an alarm comes in, the CRO will follow the Norman Wells water injection line alarm</li> </ul>

	<p>procedure. The CRO has discretion to remotely isolate pipelines as required based on the priority assessment of the data triggering the advisory alarm.</p> <p>The leak detection system is divided into two time segments - first is hourly and second daily. The leak detection system monitors hourly and daily volumes, and calculates a % difference in the (total in volumes) versus the (total out volumes). If the % difference is greater than the allowable difference, then an alarm to this difference (change in volume or "delta v") alarm screen will prompt the CRO to investigate.</p> <p>Depending on the size of the release, potential leak volume could occur for a period of an hour or less (larger release rate) to about one day (smaller release rate), until the leak detection advisory alarm occurred and was investigated. The line 490 release is an example of the alarm system working properly and quickly identifying the release resulting in a rapid line shut down.</p> <p>From IR No. 1.19, a 'worst case scenario' spill to river scenarios of the Goose Island Terminal to Mainland cross-river flowline was reviewed again in 2024. Two release volumes 350 m3 (50m3 oil and 300m3 produced water) and 90 m3 (10m3 oil and 80m3 produced water) were estimated by following a common industry approach and assuming a release volume equal to the pipelines volume between isolation valve and 1 hour of flow.</p>
	<p>c) The alarms are as follows:</p> <ul style="list-style-type: none"><li>○ production: pressure</li><li>○ gaslift: pressure and flow</li><li>○ water: pressure and flow</li></ul> <p>Alarms are checked based on the current plant/field operations to identify any integrity concerns versus operational upsets such as field slugging. If the alarms are not explained by the planned activities then further investigation is pursued.</p> <p>If any readings are abnormal or have hit a high or low pressure shutdown, field operators are called out to investigate.</p> <p>Assessing all available information, Imperial may shut down relevant NWO while field operators investigate (e.g. this occurred during the Line 490 incident). For flowlines, an alarm will be assumed to be a breach and shut in is done as soon as possible.</p> <p>A general process alarm is typically not as high consequence and is investigated based on current condition expected vs not expected followed by field operator investigation as needed. Imperial would automatically shut output initiated by the CPF.</p>

## 5.10 Flowline Integrity

**Reference:** Imperial, OA Variance Application, Appendix D, section D-1.4.1.3 Annual Flowline Integrity and Break-up Report, PDF page 32 of 60, [C27037-6](#)

**Preamble:** The reference states that the Flowline Integrity and Mackenzie River Breakup Report includes the results of flowline integrity programs and bathymetric surveys of all cross-river flowlines and that the 2022 report was submitted to the Canada Energy Regulator (**CER**) in March 2023.

**Request:** Provide:

- a) A description regarding how low water levels in the Mackenzie River could potentially impact Imperial's flowline integrity; and
- b) A copy of the latest Flowline Integrity and Mackenzie River Breakup Report that was submitted to the CER.

<b>Response:</b>	<ul style="list-style-type: none"><li>a) The primary concerns that low water levels may present to flow line integrity is the potential for ice scour during spring break up. Ice near Norman Wells around the time of break up is typically 1.5m to 2.0m thick. When break up occurs the water levels in the river will have risen significantly from their wintertime lows (typically increasing to 5-8m near the main channel). This elevates the ice, which by this point in the year is weaker, away from the riverbed, preventing it from being able to scour the riverbed and damage the flowlines. Lower water levels during break up could alter which portions of the riverbank and bottom are affected by scour.  Annual bathymetric surveys are used to monitor depth of cover and potential changes to the riverbed that may have occurred during high and low water levels. The monitoring of potential changes will allow for continued assessment of changing risk to flowline integrity, allowing for mitigations measures specific to a given situation to be put in place.  With respect to line 490, the existing steel flowlines have been purged, cleaned with fresh water, dried and left with air. The line has been blinded at both ends.</li><li>b) See Attachment 4 – This report was submitted to CER via OERS on January 31, 2024. Note that an extension request was approved from CER - OA1210-001 Condition 9, to provide additional time for consultant to finalize hydrodynamic model as there were delays in field execution in 2023 due to wildfire impacts.</li></ul>
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## 5.11 Conservation of Resources

- Preamble:** Subsection 18(1) of the COGOA states that any person who commits waste is guilty of an offence.
- Subsection 18(2) of the COGOA sets out the definition of waste, which includes under paragraphs (a) and (g):
- (a) the inefficient or excessive use or dissipation of reservoir energy; and
  - (g) the failure to use suitable artificial, secondary or supplementary recovery methods in a pool when it appears that those methods would result in increasing the quantity of oil or gas, or both, ultimately recoverable under sound engineering and economic principles.
- Section 85 of the *Canada Oil and Gas Drilling and Production Regulations* (SOR/2009-315) (**COGDPR**) requires Imperial to file an annual production report for the NWO that includes among other things, gas conservation resources, efforts to maximize recovery and reduce costs, and any other information required to demonstrate how the operator manages and intends to manage the resource without causing waste.
- Request:** Provide:
- a) An explanation detailing how Imperial ensures there is no waste from the NWO, as defined in the COGOA; and
  - b) The latest annual production report Imperial has submitted to the CER.
- Response:**
- a) Sections 3.1.1 and 3.5 of the attached *2023 Annual Production Report* detail how Imperial manages efficient dissipation of reservoir energy and the optimization of produced gas for use.  
  
Section 3.4 discusses the recovery and re-injection of propane into the reservoir instead of flaring.  
  
Sections 3.3 discusses the injection performance of waterflood as the secondary recovery method and Sections 3.1.1 and 3.8 discuss artificial lift options, conversions, wellwork, and optimization.  
  
Production is managed so as not to exceed available storage or transport capacity, both of which have design capacity in excess of possible production volumes, even when full production is available when Line 490 is in service.
  - b) The 2023 Annual Production Report was submitted to the CER via Online Event Reporting System (OERS) on March 28, 2024 in accordance with Condition 8 of OA 1210-001. A copy of the report is provided as Attachment 5.

## 5.12 Incident History

- Preamble:** Subsection 1(1) of the COGDPR defines the terms “incident” and “pollution.”
- Paragraph 75(2)(b) of the COGDPR requires that, for any of the following incidents, an investigation report identifying, among other things, corrective actions related to the incident be submitted to the CER within 21 days of the day that the incident occurred:
- (i) a lost or restricted workday injury,
  - (ii) death,
  - (iii) fire or explosion,
  - (iv) a loss of containment of any fluid from a well,
  - (v) an imminent threat to the safety of a person, installation or support craft, or
  - (vi) a significant pollution event.
- Request:** Provide a summary and related investigation report of any incidents that were reported to the CER over the past 5 years as required by subsection 75(2) of the COGDPR.
- Response:** Imperial reports all incidents meeting the definition per COGDPR 75(2)(b) utilizing the CER's Online Event Reporting System (OERS). Summaries of all incidents reported to the CER are included in the Annual Environmental and Safety reports submitted to the CER per OA-1210-001 Condition 8 and COGDPR 86-87. Within the OERS, records of all reported incidents over the past 5 years are accessible including both the Preliminary Event Report (submitted immediately following the incident) and the Final Event Report (submitted within 21 days of the day that the incident occurred) which includes full contents of the investigation report identifying, among other things, corrective actions.

## Safety Matters

### 5.13 Mitigations for Safety Risks

- Reference:** (i) OA Variance Application, CER IR No. 4.11 Safety Plan – Hazards and Risk Evaluation, PDF page 10 of 11, [C29771-2](#)  
Imperial, Response to CER IR No. 4.11, PDF page 23 of 26, [C29876-2](#)  
Imperial, Response to CER IR No. 4.11, Attachment 2 – Summary of Recent NWO Risk Assessments, [C29876-3](#)
- Preamble:** In reference i), the Commission requested that Imperial to provide a revised Safety Plan which includes a copy or summary of the most recent risk assessment results for occupational and process safety hazards, including identified hazards, risk evaluation, and mitigations.  
References ii) and iii) are Imperial’s responses which include a table of recent NWO risk assessments, identified risks, initial risk category, and mitigated risk category. The response contains no information regarding mitigations.
- Request:** For each health and safety risk relevant to the current operations at Norman Wells that is identified in reference iii), provide a summary of the measures to avoid, prevent, reduce, and manage the risk.
- Response:** Updated tables that include a summary of the mitigations used to manage the identified risks are included as Attachments 6 and 7. Imperial also identified three additional risks that were inadvertently not included in CER IR4 which have been added to the table.

## Financial Matters

### 5.14 Financial Responsibility – Financial Security Agreements and Guarantees

- Reference:**
- (ii) Imperial, OA Variance Application, Section 1.10.1 Securities, PDF page 27 of 83, [C27037-2](#)
  - (iii) Imperial, OA Variance Application, Appendix G – Financial Security Agreements & Guarantees, PDF pages 1-10 of 10, [C27037-9](#)

**Preamble:** Reference i) describes the two securities that Imperial has provided, that are relevant to the OA Variance Application, as well as the Financial Security Agreement; all instruments are related to Imperial's financial responsibility requirements regarding the Norman Wells operations.

Reference ii) is a copy of the Financial Security Agreement and Guarantees from Imperial related to financial responsibility for the Norman Wells operations.

- Request:**
- a) File any amendments to the Financial Services Agreement, that were made after the date on the agreements (28 July 1995); and
  - b) Confirm Appendix G (reference ii) contains the full and current continuing guarantee and undertaking document, the full and current Financial Security Agreement and the full and current wording of the promissory note. If these documents are incomplete, provide a copy of the complete documents.

- Response:**
- a) There are no amendments that were made after the date on the Agreement (28 July 1995).
  - b) Yes, Appendix G contains the full and current documents and wording. There are no additional documents to complete the submission.



## 5.15 Extension Timeframe

- Reference:** Imperial, OA Variance Application, Section 1.2 Approval Requested, PDF page 14 of 83, [C27037-2](#)
- Preamble:** The reference states that the OA Variance Application seeks a ten-year extension to the expiry date (to December 31, 2034) as a variance to the existing OA to allow for Imperial's operations at Norman Wells to continue.
- Paragraph 2.1 (e) of the COGOA states that the purpose of COGOA is to promote, in respect of the exploration for and exploitation of oil and gas, among other things ... economically efficient infrastructure.
- Request:** Provide an explanation as to why a 10-year extension is an appropriate extension time frame to the current OA.
- The explanation should include production forecasts, discussions of current policy such as Climate Change regulations, the economic principle of used and useful assets and or economically efficient infrastructure; as well as the potential impact to Imperial or other parties, of an extension that is less than 10 years.
- Response:** As outlined in the OA Application, Imperial's operations at NWO are anticipated to produce for the next five to ten years. The current planning basis for continued operation is between four to eight kbd. The Line 490 replacement project would return approximately 2 kbd to the operation. The return of 2kbd will, importantly, provide the natural gas used to generate power for NWO and for the local utility. This additional production is important for NWO's continued economic operation and the near term economic power production for the Town of Norman Wells.
- The exact timing of the transition from production to decommissioning and reclamation will be dependent upon several factors, some of which are beyond the control of Imperial, such as the price of oil and evolving regulations. A ten-year term provides the necessary flexibility to adjust to such uncertainties. A ten-year term will allow for Imperial to continue production out to 2035, or, depending upon the circumstances, continue preparing for a decommissioning and reclamation process prior to 2035 while still being regulated under an OA. Continued operation will be assessed based on corporate plan outlooks, which take into account factors such as commodity price, production profile and operating cost forecasts, all of which drive economic efficiency utilizing existing assets.
- Imperial is committed to providing energy solutions in a way that helps protect people, the environment and the communities where we operate, including addressing the risks of climate change. Imperial continues to make investment decisions across all its operations related to GHG considerations and service life. For example, in 2023, the NWO notified the CER regarding the Enclosed Ground Flares project completion. These upgrades were designed to reduce the NWO total annual venting volume of hydrocarbon gas to address Environment and Climate Change Canada regulations. More information can be found in Section 1.7 of OA Application. Imperial monitors regulation development and is assessing

potential future requirements. Imperial works diligently to be in compliance with all regulations. The Line 490 replacement project also assists in addressing the service life of the NWO asset.

Significant reclamation activities at NWO will not begin until a closure plan is approved, which in any scenario is not anticipated to happen until the 2030s. Imperial anticipates that an Environmental Assessment (EA) is an appropriate forum for review of the NWO final Closure and Reclamation Plan. The EA process will allow for communities, stakeholders, regulators and governments to study and review aspects of the final closure plan. Regulatory agencies, including the CER, have been diligently working to understand how the existing Mackenzie Valley Environmental Impact Review Board EA process can meet the requirements of each regulator and facilitate meaningful engagement with communities in the Sahtu.

At this time, Imperial understands that preparing for and conducting an EA, and subsequent permitting and licensing, will take at least five to seven years to complete and will be a significant draw on local resources. Since 2024 is a year of high engagement demands due to the near term regulatory processes for continued operations, once these processes are substantially complete Imperial expects to turn its attention to the EA process.

**Question asked in June 11, 2024 Oral Indigenous Knowledge Hearing Session**

**5.16 Response to Question from Fredrick Andrew – Line 490 Application and Islands**

- Reference:**
- i) OH-001-2023 Hearing, OIK 11 June 2024 Session, Transcript Volume 4, PDF page 55 of 57, [C29984-1](#)
  - ii) OH-001-2023 Hearing, OIK 11 June 2024 Session, Transcript Volume 4, PDF pages 41 to 43 of 57, [C29984-1](#)

**Preamble:** In reference i), Commission Luciuk provided the following oral advice to Imperial:

“And then just the last question I wanted to address, there was this very specific question about the Line 490 application and the islands, and I would just advise Imperial Oil that the Commission would certainly receive a response to that question as part of the package of questions that has been issued. So for clarity, that is an opportunity for Imperial to respond to that question that has been posed in the context of this session, but that can be included with the responses that I think are filed next week.”

Reference ii) provides testimony including a question asked by Fredrick Andrew and interpreted by Michael Neyelle as follows:

“MR. FREDERICK ANDREW: I have a comment and a question. But I’m going to state them in my own language. The comment I was going to state in my own language and the question is in English. [Speaking Sahtu Dene]

I have one question regarding 490 corridor replacement. The reason we say for you guys to come and meet with us, because it's very important. In regards to 490 corridor replacement, and I know where it's at, it's by Bear Island. And the Bear Island, in the springtime, we have -- like we said, we have Goose Island too. And since the beginning of time, we have food for geese, on Bear Island and Goose Island. That's why every springtime, we've got a lot of activities happening, pipe sticking out, but nothing stops them from going there, geese.

But now that you had a broken pipe there, it's of really concern to us. We don't know how much Imperial Oil expects to draw from the river, the water, and complete this project. How low will the water level impact this project too? So that's my question because right now -- right now we have climate change is happening. It's really affecting how high we are on Mackenzie River.

So if you're going to have to change a broken pipeline, you know, there are some other things that we really need to look at. That's why -- [Speaking Sahtú Dene] Máhsi. [Speaking Sahtu Dene]”

“MR. MICHAEL NEYELLE: That was Fred. [...]

And there's one area that Fred mentioned was the 490 corridor replacement, Bear Island area and I think, Goose Island. That's why it's important to meet with Imperial Oil. And those islands that Fred referred to, those are really good habitats for geese on those two islands. But if you look and visit those two islands,

you'll notice that there's a lot of pipes, steel pipes sticking out of the ground, broken pipes. But still the geese go there to the island. And that island, because of the geese, it's very important for Tulita.

So how -- the question here is, how will Imperial Oil deal with these two islands, and especially now with the low water level happening, and global warming, climate change is happening all around us too."

**Request:** Explain how Imperial will deal with Bear and Goose Islands and pipes on those islands, in light of the islands' importance for Tulit'a as habitat for geese and in light of low water levels, global warming and climate change.

**Response:** Imperial appreciates practicing traditional ways of hunting and trapping is important to the community.

The same policies and practices used for other portions of NWO are implemented on these two islands. Historical infrastructure will be addressed as part of the closure process. Specific to the Line 490 pipeline, it is only above ground at the riser locations. The portion of the flowline that failed was beneath the bed of the river until erosion exposed a portion of the line. The Replacement Activities will not materially impact infrastructure on the islands outside of connecting into the existing pipeline structure.

For the Line 490 replacement activities, horizontal directional drilling will be used to replace the underground lines in an existing right-of-way. The work will be occurring several hundred meters from the bank of the river and there will be minimal vegetation that needs to be cleared at the entry and exit points of the drilling.

Wildlife management policies described in Table G: Wildlife – Env Aspects, Protection and Mitigation of the NWO Environmental Protection Plan will be used during the Replacement Activities. These mitigations are the same as described in the Line 490 Replacement Application.

Imperial has outlined the following mitigations respecting birds:

- Tree and vegetation removal (including brushing) should be completed outside the primary nesting period for migratory birds (May 7 – August 10) to avoid disturbance to nesting birds protected under the Migratory Birds Convention Act (MBCA), which include Canada Geese.
- Complete migratory bird nest sweeps as necessary prior to vegetation removal if vegetation removal is planned during the migratory bird nesting period.
- In the event an active bird nest is identified, the nest will be subject to site-specific mitigation measures.

Communities will have an opportunity to participate during the replacement activities, including as Environmental Monitors. Imperial

will be reaching out to the Renewable Resource Councils in each community to identify if they are interested in participating during the drilling activities. The scope of the Environmental Monitor role will be developed jointly with Imperial and the participating RRCs based on their capabilities and interests.

**Attachments**

- Attachment 1: Chapter 9 Meeting (March 21, 2021)
- Attachment 2: Norman Wells Operations Aquatic Effects Monitoring Plan Version 4
- Attachment 3: 2023 Aquatic Effects Monitoring Program Summary -Norman Wells Operations
- Attachment 4: 2023 Flowline Integrity and Break Up Report - Imperial Norman Wells
- Attachment 5: 2023 Norman Wells Operations Annual Production Report
- Attachment 6: Risk Assessment and Mitigations
- Attachment 7: Exposure Assessment