

**GENERAL PROCEDURES FOR THE ADMINISTRATION OF LICENCES
ISSUED UNDER THE NORTHWEST TERRITORIES WATERS ACT
IN THE NORTHWEST TERRITORIES**

1. At the time of issuance, a copy of the Licence is placed on the Water Register in the Office of the Northwest Territories Water Board in Yellowknife, and is then available to the public.
2. To enforce the terms and conditions of the Licence, the Minister of Indian Affairs and Northern Development has appointed Inspectors in accordance with Section 35(1) of the *Northwest Territories Waters Act*. The Inspectors coordinate their activities with officials of the Water Resources Division of the Department of Indian Affairs and Northern Development. The Inspector responsible for Licence No. N3L1-1727 is located in the North Mackenzie District - Inuvik District Office.
3. To keep the Water Board and members of the public informed of the Licensee's conformity to Licence conditions, the Inspectors prepare reports which detail observations on how each item in the Licence has been met. These reports are forwarded to the Licensee with a covering letter indicating what action, if any, should be taken. The inspection reports and covering letters are placed on the public Water Register, as are any responses received from the Licensee pertaining to the inspection reports. It is therefore of prime importance that you react in all areas of concern regarding all inspection reports so that these concerns may be clarified.
4. If the renewal of Licence No. N3L1-1727 is contemplated it is the responsibility of the Licensee to apply to the Water Board for renewal of the Licence. The past performance of the Licensee, new documentation and information, and points raised during a public hearing, if required, will be used to determine the terms and conditions of any Licence renewal. Please note that if the Licence expires and another has not been issued, then water and waste disposal must cease, or you, the Licensee, would be in contravention of the *Northwest Territories Waters Act*. It is suggested that an application for renewal of Licence No. N3L1-1727 be made at least eight months in advance of the Licence expiry date.
5. If, for some reason, Licence No. N3L1-1727 requires amendment, then a public hearing may be required. You are reminded that applications for amendments should be submitted as soon as possible to provide the Water Board with ample time to go through the amendment process. The process may take up to six (6) months or more depending on the scope of the amendment requested.

The Surveillance Network Program annexed to the Licence can be modified at the discretion of the Board and does not require a public hearing. A request for any proposed change to the Surveillance Network Program should be forwarded to the Board in writing, including a rationale for the change.

PART A: SCOPE AND DEFINITIONS**1. Scope**

- a) This Licence entitles the Inuvialuit Petroleum Corporation to use water and dispose of waste for industrial undertakings in the construction of a gas pipeline and associated camp uses in the Inuvik area at the Ikhil Gas Development Site located at Latitude 68°45' N. and Longitude 134°10' W., Northwest Territories;
- b) This Licence is issued subject to the conditions contained herein with respect to the taking of water and the depositing of waste of any type in any waters or in any place under any conditions where such waste or any other waste that results from the deposits of such waste may enter any waters. Whenever new Regulations are made or existing Regulations are amended by the Governor in Council under the *Northwest Territories Waters Act*, or other statutes imposing more stringent conditions relating to the quantity or type of waste that may be so deposited or under which any such waste may be so deposited this Licence shall be deemed, upon promulgation of such Regulations, to be automatically amended to conform with such Regulations; and
- c) Compliance with the terms and conditions of this Licence does not absolve the Licensee from responsibility for compliance with the requirements of all applicable Federal, Territorial and Municipal legislation.

2. Definitions

In this Licence: **N3L1-1727**

"Act" means the *Northwest Territories Waters Act*;

"Regulations" mean Regulations proclaimed pursuant to Section 33 of the *Northwest Territories Waters Act*;

"Board" means the Northwest Territories Water Board established under Section 10 of the *Northwest Territories Waters Act*;

"Inspector" means an Inspector designated by the Minister under Section 35(1) of the *Northwest Territories Waters Act*;

6. Specific clauses of your Licence make reference to the Board, Analyst or Inspector. The contact person, address, phone and fax number of each is:

BOARD: Executive Assistant
Northwest Territories Water Board
P.O. Box 1500
YELLOWKNIFE, NT X1A 2R3

Phone No: (867) 669-2772

Fax No: (867) 669-2719

ANALYST: Analyst
Water Laboratory
Northern Affairs Program
Department of Indian Affairs
and Northern Development
Box 1500
4601 - 52nd Avenue
YELLOWKNIFE, NT X1A 2R3

Phone No: (867) 669-2780

Fax No: (867) 669-2718

INSPECTOR: Inspector
Inuvik District Office
Northern Affairs Program
Department of Indian Affairs
and Northern Development
P.O. Box 2100
INUVIK, NT X0E 0T0

Phone No: (867) 777-3361

Fax No: (867) 777-2090

NORTHWEST TERRITORIES WATER BOARD


Pursuant to the *Northwest Territories Waters Act* and Regulations the Northwest Territories Water Board, hereinafter referred to as the Board, hereby grants to

INUVALUIT PETROLEUM CORPORATION
(Licensee)
1100 300 - 5th AVENUE S.W.
of CALGARY, ALBERTA T2O 3C4
(Mailing Address)

hereinafter called the Licensee, the right to alter, divert or otherwise use water subject to the restrictions and conditions contained in the *Northwest Territories Waters Act* and Regulations made thereunder and subject to and in accordance with the conditions specified in this Licence.

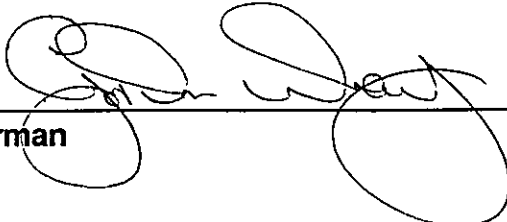
Licence Number	<u>N3L1-1727</u>
Licence Type	<u>"B"</u>
Water Management Area Location	<u>NORTHWEST TERRITORIES 03</u> Ikhlil Gas Development Site in the Inuvik area Latitude 68°45' N. and Longitude 134°10' W.
Purpose	<u>NORTHWEST TERRITORIES</u> <u>WATER USE AND WASTE DISPOSAL</u> <u>FOR INDUSTRIAL UNDERTAKINGS IN</u> <u>CONSTRUCTION OF A GAS PIPELINE</u> <u>AND ASSOCIATED USES</u>
Effective Date of Licence	<u>DECEMBER 1, 1998</u>
Expiry Date of Licence	<u>DECEMBER 1, 2000</u>

This Licence issued and recorded at Yellowknife includes and is subject to the annexed conditions.



Witness

NORTHWEST TERRITORIES WATER BOARD



Chairman

“Licensee” means the holder of this Licence;

“Minister” means the Minister of Indian Affairs and Northern Development;

“Waste” means waste as defined by Section 2 of the *Northwest Territories Waters Act*;

“Modification” means an alteration to a physical work that introduces a new structure or eliminates an existing structure and does not alter the purpose or function of the work, but does not include an expansion;

“Permeability” means the capacity to transmit water through a medium;

“Sewage” means all toilet wastes and greywater; and

“Sump” means an excavation in impermeable soil for the purpose of catching or storing fluids.

PART B: GENERAL CONDITIONS

1. The water use fee shall be paid annually in advance.
2. The Licensee shall file a Final Report with the Board not later than September 30, 1999 which shall contain the following information:
 - a) the monthly and annual quantities in cubic metres of freshwater obtained from all sources;
 - b) the monthly and annual quantities in cubic metres of sewage discharged;
 - c) details of work completed;
 - d) details on the restoration of any sumps;
 - e) a list of unauthorized discharges; and
 - f) any other details of water use or waste disposal requested by the Board by June 30, 1999.

3. Meters, devices or other such methods used for measuring the volumes of water used and waste discharged shall be installed, operated and maintained by the Licensee to the satisfaction of an Inspector.
4. A copy of this Water Licence shall be located on site at all times in a readily available location.

PART C: CONDITIONS APPLYING TO WATER USE

1. The Licensee shall obtain all fresh water from the locations as identified in the Water Licence application or as approved by an Inspector.
2. The water intake hose used on the water pumps shall be equipped with a screen with a mesh size sufficient to ensure no entrainment of fish.
3. The total quantity of water used for all purposes shall not exceed 18,000 cubic metres.

PART D: CONDITIONS APPLYING TO WASTE DISPOSAL

1. All sewage and waste water associated with camp facilities shall be completely contained in sumps constructed adjacent to the camp locations or as approved by an Inspector.
2. Sumps shall be constructed of materials that normally exhibit low permeability in a manner that prevents intrusion of runoff water.
3. In the event the initial Sump does not consist of low permeability materials, the Licensee shall construct an offsite Sump to the satisfaction of an Inspector.

4. The Licensee shall construct and maintain the Sumps to the satisfaction of an Inspector.
5. All wastes associated with well completion activities and pipeline pressure testing shall be fully contained disposed of in a manner approved by the Inspector.
6. The Licensee shall sample and analyse the pipeline pressure testing wastes at the request of an Inspector, for the parameters specified by that Inspector.
7. The Licensee shall advise the Inspector at least ten (10) days prior to the proposed discharge of effluent to the approved disposal facilities.
8. No decant of waste or water from a sump is permitted without prior approval of an Inspector.
9. The Licensee shall ensure that all combustible wastes are incinerated and all non-combustible wastes are removed and disposed of in a manner approved by an Inspector.

PART E: CONDITIONS APPLYING TO CONSTRUCTION

1. Licensee shall ensure that all construction activities are completed during the winter season between November 30, 1998 and April 1, 1999.
2. All stream crossing activities associated with the pipeline construction shall be undertaken in a manner to ensure no deleterious substances are deposited into any water body.
3. The Licensee shall ensure that any stream banks altered by the construction activities are contoured to prevent erosion.

4. The Licensee shall ensure that only clean snow is used on all stream crossings and that no debris is left on the surfaces of the crossings.
5. Stream crossings shall be notched or removed before spring break up to facilitate natural flow.
6. The Licensee shall ensure that all construction activities are undertaken in a manner to prevent the deterioration of any permafrost.

PART F: CONDITIONS APPLYING TO MODIFICATIONS

1. The Licensee may, without written approval from the Board, carry out Modifications to the planned undertakings provided that such Modifications are consistent with the terms of this Licence and the following requirements are met:
 - a) the Licensee has notified the Inspector in writing of such proposed Modifications at least five (5) days prior to beginning the Modifications;
 - b) such Modifications do not place the Licensee in contravention of either this Licence or the Act;
 - c) the Inspector has not, during the five (5) days following notification of the proposed Modifications, informed the Licensee that review of the proposal will require more than five (5) days; and
 - d) the Inspector has not rejected the proposed Modifications.
2. Modifications for which all of the conditions referred to in Part F, Item 1 have not been met may be carried out only with written approval from the Inspector.
3. The Licensee shall provide to the Board as-built plans and drawings on the Modifications referred to in this Licence within ninety (90) days of completion of the Modifications.

PART G: CONDITIONS APPLYING TO CONTINGENCY PLANNING

1. The Licensee shall by January 8, 1999, submit to the Board for approval, a Contingency Plan in accordance with the Board's "Guidelines for Contingency Planning, January 1987".
2. The Licensee will maintain a copy of the Contingency Plan onsite in a readily available location, to the satisfaction of the Inspector.
3. The Licensee shall ensure that petroleum products, hazardous materials and other wastes associated with the project are stored at least thirty (30) metres from the ordinary high water mark of any water body, and do not enter any waters.
4. The Licensee shall ensure that all containment berms are constructed, of an impermeable material, to the satisfaction of an Inspector.
5. If, during the period of this Licence, an unauthorized discharge of waste occurs, or if such a discharge is foreseeable, the Licensee shall:
 - a) employ the appropriate contingency plan
 - b) report the incident immediately via the 24 Hour NWT Spill Report Line (867) 920-8130; and
 - c) submit to an Inspector, a detailed report on each occurrence not later than thirty (30) days after initially reporting the event.

PART H: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION

1. The Licensee shall by March 31, 1999, submit to the Board for approval an Abandonment and Restoration Plan in accordance with the Board's "Guidelines for Abandonment and Restoration Planning for Mines in the Northwest Territories, September 1990."

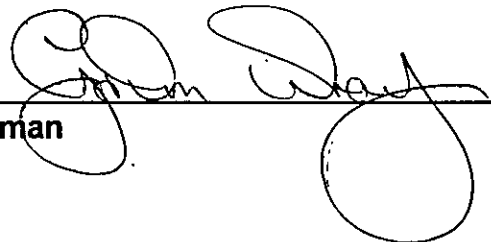
In addition to conforming with the Guidelines, the Plan shall also address the following items:

- a) water intake facilities;
 - b) petroleum and chemical storage areas;
 - c) any site affected by waste spills;
 - d) methods to be used in the restoration of sumps;
 - e) methods to be used in the restoration of access roads; and
 - f) methods to be used in the restoration of camp sites.
2. The Licensee shall complete the restoration work within the time schedule specified in the Plan, or as subsequently revised and approved by the Board.

NORTHWEST TERRITORIES WATER BOARD



Witness



Chairman