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Reasons for Decision

Reference/File Number:	S20X-006 / S20L1-004
Permittee:	Husky Oil Operation Ltd.
Subject:	Slater River Program EL494 – Reclamation and Interim Care and Maintenance Project

Decision from the Sahtu Land and Water Board

Meeting of December 22, 2020

1.0 Decision

The Sahtu Land and Water Board (the Board) met on December 22, 2020 and considered a new Type A Land Use Permit and Type B Water Licence Application from Husky Oil Operations Ltd. (Husky) for the consolidation of recently expired authorizations that supported oil and gas exploration drilling (S13A-002 / S13L1-005), site-wide services (S13X-003 / S13L1-006) and a groundwater and surface water quality program (S12X-006) for the Slater River Program on Exploration Licence (EL) 494 located SSW of Norman Wells in the Northwest Territories. The scope of the new applications for the continuation of this Program are for the Closure and Reclamation of some Project components that are no longer required, and Interim Care and Maintenance for Project components that may be required in the future (Husky currently has a pending Significant Discovery Licence and wishes to keep their options open).

The Board has consolidated the preliminary screenings approved for the above noted expired authorizations and updated the preliminary screening for this Application based on the Environmental and Socioeconomic Effects assessment report¹ submitted with the Applications and the public record for the proceeding. Based on the evidence provided, the Board is satisfied the screening has been completed according to subsection 124(1) of the *Mackenzie Valley Resource Management Act* (MVRMA) and has decided that, in its opinion, there is no reasonable likelihood that the proposed application might have a significant adverse impact on the environment and that the proposed application is not a cause for public concern as set out in paragraph 125(1)(a) of the MVRMA.

The Board has therefore decided the following:

1. **not to refer** the Project to Environmental Assessment;

¹ See [SLWB registry](#) for S20L1-004 – S20X-006

2. if no referral to environmental assessment is received by end of day January 7, 2021, it will resume regulatory process for this Application.

2.0 Background

In accordance with subsection 124(1) of the MVRMA, the Board must conduct a preliminary screening of the Application to determine whether the proposal (Project) might have a significant adverse impact on the environment or might be a cause for public concern.²

Husky had requested an **exemption from preliminary screening** because the applications are a consolidation of several authorizations related to the Slater River Program, all of which have recently expired, and no new activity or area was proposed to be added or modified. The scope of the new applications for the continuation of this oil and gas exploratory drilling Program on Exploration Licence (EL) 494 are for the Closure and Reclamation of some Project components that are no longer required, and Interim Care and Maintenance for Project components that may be required in the future (Husky currently has a pending Significant Discovery Licence and wishes to keep their options open). The authorizations being consolidated are S13L1-006/S13X-003 (site-wide services), S13L1-005/S13A-002 (oil and gas drilling) and S12X-006 (groundwater and surface water monitoring program). Preliminary Screening (PS) decisions for each of these three applications were approved and filed on the Public Registry.

To assist the Board in reviewing the Application documents to consider the exemption for Preliminary Screening for this component of the Slater River Project, the Board distributed the Application for public review on November 16, 2020 inviting Parties to provide comments and recommendations (e.g., on impacts and mitigation measures) using the Online Review System (ORS)³. Comments were due December 3, 2020 with responses due December 11, 2020. The Board received comments and recommendations from: Government of the Northwest Territories – Environment and Natural Resources and Environmental Assessment and Monitoring (**GNWT-ENR-EAM**) requesting additional information and clarity on incineration methods, criteria for revegetation, reclamation approach for bridges and culverts, management plan for Quarry M, permanent closure and post-closure activities, and security, as well as comments and recommendations on the Wildlife Monitoring and Mitigation Plan; the Government of the Northwest Territories Department of Lands Sahtu Region (**Sahtu-Lands**) Inspector who provided input and comment on draft conditions; the Sahtu Renewable Resource Board (**SRRB**) who noted that the application and supporting documents (Appendices A-G) provide a good description of the current

² See the Mackenzie Valley Environmental Impact Review Board (www.reviewboard.ca) for the *Environmental Impact Assessment Guidelines*, 2004.

³ See SLWB Online Registry for [S20L1-004/S20X-006](#)

environment and infrastructure and understanding of monitoring and mitigation to reduce any potential impacts to the local environment during reclamation activities concerns with the Project. The proponent is aware of timing for significant sensitive seasons for major species and the “sweep” of the area prior to activity in July should mitigate most wildlife interactions and disruptions. SRRB also commended the engagement efforts by Husky with the Sahtu community organizations including training and hiring individuals to work on the Project. **Husky** submitted responses to comments and additional information to address reviewer information requests. *No additional comments or concerns were raised by reviewers from the public review.*

Since no concerns were raised about the process during the public review and no requests to extend reviewer comment deadline were received, the Board is satisfied that a reasonable period of notice was given to affected communities and First Nations, as required by subsection 63(2) of the MVRMA.

3.0 Reasons for Decision

3.1 Preliminary Screening

The Board consolidated three Preliminary Screening reports from the expired authorizations to be consolidated and added new updated information from the Environmental and Socioeconomic Effects assessment prepared by Advisian (October 2020) for the Husky preliminary screening. This assessment included all elements required by the *Mackenzie Valley Resource Management Act* (MVRMA) 111(1) to be considered in the assessment of “impacts on the environment”, including a cumulative effects assessment for valued ecosystem components and consideration of residual effects after mitigation.

Based on the evidence provided, including Board staff consolidation of the three PS records, the Environmental and Socioeconomic Effects document submitted to the Board, and the public record for the proceeding, the Board identified several activities related to the Project scope and some new proposed mitigation measures that had not been identified in previous screening reports. Therefore, the is **not satisfied** that the consolidated screening has included all of the proposed scope and activities for the reclamation and interim care and maintenance Project Application. The Board does **not approve** the Preliminary Screening Exemption.

Based on Advisian’s criteria and significance determination for potentially affected environmental elements, after application of mitigation measures, there were no significant residual effects of concern identified from undertaking the closure and reclamation and interim care and maintenance activities for this stage of the Project. The cumulative effects assessment did not identify any significant cumulative effects from these Project activities. The Board, through its review, have not identified any socio-economic impacts or issues of public concern.

5.4 Report Conclusion

Closure and reclamation Project activities as well as care and maintenance of supporting infrastructure that may be required in future operations, is a positive benefit to the environment that has been disturbed from past oil and gas exploration activities. With the application of mitigation measures identified in the Environmental and Socioeconomic Effects assessment and confirmed in previous preliminary screenings approved for the Husky Slater River EL494 Program, few potential residual or cumulative environmental and socio-economic effects were identified. As a result of the mitigation measures to be implemented by Husky in relation to the Project, as described, any potential effects arising from the Project can be mitigated with available resources and appropriate environmental protection measures.

Based on the information provided in the application and the public review, it is the Board's view that the closure and reclamation and interim care and maintenance activities will not have a significant adverse impact on the environment or might be a cause of public concern and therefore, has decided not to refer the Project to Environmental Assessment.

3.2 Application and Supporting Plan

The Board is satisfied that there are no outstanding concerns with respect to this Application because:

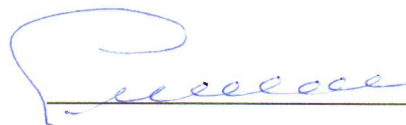
- a) Parties were provided the opportunity to provide comments and recommendations on the potential impacts and mitigation related to the proposed application; and
- b) The Board believes the draft conditions of the Permit and Licence include adequate mitigations to address any potential impacts and concerns as a result of undertaking closure and reclamation and interim care and maintenance activities at the EL494 Slater River Program Area.

If the Board does not receive a notice of referral to environmental assessment by end of day Thursday January 7, 2021, it will resume the regulatory process for this Application.

Signed the 22nd Day of December 2020, on behalf of the Sahtu Land and Water Board



Witness



Larry Wallace

Chair, Sahtu Land and Water Board