



SAHTU RENEWABLE RESOURCES BOARD

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Larry Wallace, Chair
Sahtu Land and Water Board

Delivered via hand delivery

September-20-12

RE: Comment on MGM Energy Corp. Land Use Permit S12A-003 and Water License S12L1-003 applications on Exploration License 466 block

Dear Mr. Wallace:

The Sahtu Renewable Resources Board (SRRB) would like to express its concern regarding applications by MGM Energy Corp. for a land use permit (S12A-003) and water license (S12L1-003), on exploration license 466. The SRRB believes that this application should undergo a full environmental assessment by the Mackenzie Valley Environmental Impact Review Board.

In our view, there are too many unanswered questions and potential risks associated with the exploitation of unconventional oil and gas resources, including the horizontal drilling and fracturing method proposed by MGM Energy Corp. in this application. This method is experimental in the Sahtu region, and could potentially cause significant impacts on wildlife and wildlife habitat.

Our specific concerns include the following:

- This application is like the tip of a deadhead log in the Mackenzie River, in terms of shale oil development in the region. The total impacts to the landscape from exploration and predicted development by several companies are expected to be very significant.
Cumulative impacts should be properly considered through the environmental assessment process in order to effectively protect wildlife and harvesters.
- The area in question includes important habitat for boreal caribou, which is listed as Threatened under the federal *Species at Risk Act*, and a major harvested species essential to communities' wellbeing. Another important harvested species in the area is moose. Effective protection of boreal caribou and moose requires that before shale oil development proceeds, **thresholds for levels of impacts on wildlife must be established** through research partnerships between western scientists and traditional knowledge experts.

- **More baseline research** is required before this method is attempted in the Sahtu region, including research on interactions between groundwater and surface water, underground streams, fish populations, permafrost and ground stability (including risks associated with slumping).
- There is concern that **air pollution** from flaring of gases used during well testing could impact the health of wildlife and people.
- **The plan for monitoring and enforcement is currently inadequate.** For example, the MGM application does not make it clear how information collected from wildlife monitors will be used by MGM in its management and operational decisions. One AANDC inspector for the entire Sahtu region is clearly not enough. NEB inspectors do not have the mandate to inspect camps or access roads, where there could be significant impacts on wildlife.

In addition, the SRRB would like to bring attention to the concerns raised to the Board by Renewable Resource Council (RRC) members on September 19, 2012. These concerns include: cumulative impacts, community capacity, inadequate consultation by MGM, inadequate TEK study, inadequate wildlife monitoring, and concerns around spills, clean-up and enforcement.

The SRRB believes that the significant concerns we have heard from community members throughout the Sahtu region mean that an environmental assessment is necessary.

On behalf of the Board,



Deborah Simmons
Executive Director

Cc:

Minister Michael Miltenberger, Minister of the Environment and Natural Resources
Ethel Blondin-Andrew, Sahtu Secretariat Inc.
Clarence Campbell, Tulita District
Richard Edjericon, Chair of MVEIRB
Tulita Renewable Resource Council
Norman Wells Renewable Resource Council
Fort Good Hope Renewable Resource Council
Deline Renewable Resource Council
Colville Lake Renewable Resource Council