



**Indian and Northern
Affairs Canada**
www.inac.gc.ca

North Mackenzie District
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June 6, 2008

Northwest Territories Water Board
Box 1326
Yellowknife, NT X1A 2N9

Attn: Ron Wallace, Executive Director

RE: Industrial Water Use (N7L1-1822)

COPY	
BOARD	4
CHAIR	_____
E.A.	_____
W. RES	0216.
NMDO	_____
FILE	1822

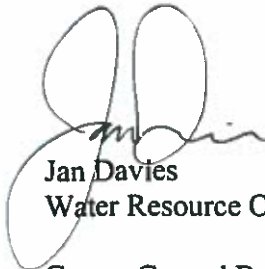
Dear Mr. Wallace,

Please find the enclosed Inspection Report for your review and/or records.

An electronic copy (un-editable Adobe pdf.) has also been provided by e-mail.

If you have any questions/concerns regarding the enclosed, and/or if additional information is required, please do not hesitate to contact me at (867) 777-3662.

Sincerely,



Jan Davies
Water Resource Officer

**Cc: Conrad Baetz, District Manager, North Mackenzie District, Inuvik, NT
Inuvik Sub-District**

Enclosure: Industrial Inspection Report (three pages)





INDUSTRIAL WATER USE INSPECTION REPORT

DATE:	March 26, 2008	COMPANY REP:	Glenn Miller
LICENCEE:	MGM Energy Corp.	LICENCE #:	N2007L1-1822

WATER SUPPLY

Source:	Mackenzie River Channel	Quantity Used:	<7000 m3 Daily	Meter Rdg:	N/I
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Indicate:	A - Acceptable	U - Unacceptable	N/A - Not Applicable	N/I - Not Inspected			
Intake Facilities	N/I	Storage Structures	A	Treatment Systems	A	Recycling	A
Flow Meas. Device	A	Conveyance Lines	A ¹	Pumping Stations	N/A	Modifications	N/A

Comments:

Concerns:

- Evidence of leaks from from freshwater lines, large areas of spilled water.

WASTE DISPOSAL

Well Waste	Off-Site Removal	A	Drilling Sump	N/A	Downhole	N/A	Land spread	N/A
Tailings:	Tailings Pond	N/A	Natural Lake	N/A	Under ground	N/A		
Sewage:	Sewage Treat. System	A ³	Tailings pond		Natural Water Body	N/A		
	Continuous Discharge	N/A	Inter. Discharge	A				
Solid Waste:	Open Dump	N/A	Landfill	A	Burn & Bury	A	Under ground	N/A

Indicate:	A - Acceptable	U - Unacceptable	N/A - Not Applicable	N/I - Not Inspected			
Discharge Quality	A	Conveyance Lines	A	Disch. Meas. Dev.	A	Freeboard	N/A
Decant Structures	N/A	Pond Treatment	N/A	Dams, Dykes	N/A	Seepages	N/A
Dyke Inspections	N/A	Runoff Diversion	N/A	Erosion	N/A	Spills	U ¹

Effluent Discharge Rate:	~40-60m ³ every 2-4 days	Samples Collected:	As per SNP requirements
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Comments:

Concerns:

- Wash water from washing machines in trailer from camp leaking out onto ice pad. Upon review of the spill logs there was no indication of this kind of spill. Ensure that all spills are entered in the spill log.
- Spill on plastic liner at where camlock for sewage tank is. Ensure drip tray is present during off-loading.
- During the January 21, 2008 Inspection of the Sewage Treatment Facility and upon conversation with the operator it was noted that an Ultraviolet (UV) Light was being used as part of the sewage treatment process for the Wellco Sewage Treatment System. Previous correspondence "Notice of Specifications of Sewage Treatment Facility "B" Type Licence for Drilling, Completion and Testing Program Water Register No. N7L1-1822", dated November 19, 2007, did not include this additional form of treatment. While UV Light is permitted as part of a sewage treatment system it must be included as part of the Specifications of the Sewage Treatment Facility as required in Part D1 of the Water Licence. Ensure for future operations that specifications are current for treatment systems.

Notes:

- Leakage from back of Wellco Sewage Treatment Plant onto liner due to condensation according to plant operator.
- Thermal Desorption unit discontinued. Drilling fluid being put into evaporator, residual added to cuttings in Drilling Waste Management Area prior to shipping to Fort Nelson.

GENERAL CONDITIONS


Indicate: **A - Acceptable** **U - Unacceptable** **N/A - Not Applicable** **N/I - Not Inspected**

Ore & Waste Rock Stockpiles	N/A	Records & Reporting	A	Surv. Net. Prog.	A
Geotechnical Inspection	N/A	Posting, Signage	A	Contingency Plan	A
Restorations Activities	N/A	New Construction	N/A	Fuel Storage	A
Mine Water Discharge	N/A	Chemical Storage	A	Annual Report	N/A

Comments:

Violations of Act of Licence:

Inspector's Signature:





INDUSTRIAL WATER USE INSPECTION REPORT (Continued)

Date:	March 26, 2008	Licence #:	N2007L1-1822
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Inspection Images:

Figure 1
Wash water from washing machines in trailer from camp
leaking out onto ice pad.

