



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

North Mackenzie District
P.O. Box 2100
Inuvik, NT

Affaires Indiennes
et du Nord Canada
www.ainc.gc.ca

Telephone: 867-777-8900
Fax: 867-777-2090

September 23, 2009

Northwest Territories Water Board
P.O. Box 2531
Inuvik, NT X0E 0T0

Attn: **Mike Harlow, Executive Director**

RE: **Industrial Water Use (N7L1-1822)**

Dear Mr. Harlow,

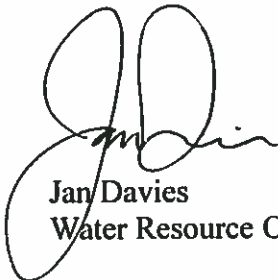
Please find the enclosed Inspection/Audit Report for your review and/or records.

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

With the exception of the administrative violation as indicated in the Inspection/Audit Report, Indian and Northern Affairs Canada (INAC) North Mackenzie District was unable to identify any water use and/or waste disposal issues as a result of this Water Licence. INAC North Mackenzie District **"Recommends File Closure"** of Water Licence N7L1-1822, pending the NWT Water Board's acceptance of the Licensee's compliance with this Water Licence.

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) 777-8909.

Sincerely,



Jan Davies
Water Resource Officer



Cc: Conrad Baetz, District Manager, North Mackenzie District, Inuvik, NT

Enclosure: Industrial Inspection/Audit Report and Cover Letter (4 pages)

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September 22, 2009

MGM Energy Corp.
4100, 350-7th Avenue S.W.
Calgary, AB, T2P 3N9

Attn: **Shirley Maaskant**

RE: **Industrial Water Use (N7L1-1822)**

Dear Ms. Maaskant,

A final inspection/audit of the MGM Energy Corporation Water Licence N7L1-1822 (expiry December 31, 2010) was conducted on September 22, 2009. The Water Licence was inspected to ensure that the terms and conditions were met. Enclosed is a copy of the Inspection Report (2 pages) for your review and/or records.

Unfortunately, there was one violation during this inspection period. Please review and address this violation in the Inspection Report. Specifically, our records indicate that the requirement under Part D: Conditions Applying to Waste Disposal, Section 10 of the Water Licence relating to a letter of notification prior to the transportation of Waste from site has not been received by the Northwest Territories Water Board.

Indian and Northern Affairs Canada(INAC) North Mackenzie District was unable to identify any water use and/or waste disposal issues as a result of this Water Licence. Please note that final consideration for file closure of a Water Licence is mandated by the NWT Water Board, and pending it's acceptance of your compliance with this Water Licence, INAC North Mackenzie District "**Recommends File Closure**" of Water Licence N7L1-1822.

A copy of this report will be sent to the Northwest Territories Water Board for their review and/or public records.

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) 777-8909.

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The following table shows the number of persons who were employed in the various occupations in the United States in 1978. The total number of persons employed in all occupations was 107,000,000. The number of persons employed in each occupation is shown in the following table.

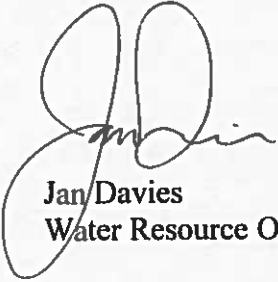
The number of persons employed in each occupation is shown in the following table. The total number of persons employed in all occupations was 107,000,000. The number of persons employed in each occupation is shown in the following table.

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Sincerely,



Jan Davies
Water Resource Officer

Cc: Conrad Baetz, District Manager, North Mackenzie District, Inuvik, NT

Enclosure: Industrial Inspection Report (2 pages)





INDUSTRIAL WATER USE INSPECTION REPORT

DATE:	September 22, 2009	COMPANY REP:	Shirley Maaskant
LICENCEE:	MGM Energy Corp.	LICENCE #:	N7L1-1822

WATER SUPPLY

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

Comments:

No concerns or outstanding issues. Please refer to the January 21, 2008, March 26, 2008 and July 28, 2009 Inspection Reports in addition to the 2007 and 2008 Annual Reports.

WASTE DISPOSAL

Well Waste	Off-Site Removal	N/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	N/A	Tailings pond	N/A	Natural Water Body	N/A		
	Continuous Discharge	N/A	Inter. Discharge	N/A				
Solid Waste:	Open Dump	N/A	Landfill	N/A	Burn & Bury	N/A	Under ground	N/A

Indicate:		A - Acceptable	U - Unacceptable	N/A - Not Applicable	N/I - Not Inspected		
Discharge Quality	N/A	Conveyance Lines	N/A	Disch. Meas. Dev.	N/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	N/A

Effluent Discharge Rate:	N/A	Samples Collected:	N/A
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Comments:

- Site was acceptable during the January 21, 2008, March 26, 2008 and July 28, 2009 Water Licence Inspections and subsequent Land Use Inspections.
- Sewage was discharged as per Water Licence Criteria and also hauled by vacuum truck to the Inuvik lagoon for disposal.

GENERAL CONDITIONS

Indicate:		A - Acceptable	U - Unacceptable	N/A - Not Applicable	N/I - Not Inspected
Ore & Waste Rock Stockpiles	N/A	Records & Reporting	U	Surv. Net. Prog.	N/A
Geotechnical Inspection	N/A	Posting, Signage	N/A	Contingency Plan	N/A
Restorations Activities	N/A	New Construction	N/A	Fuel Storage	N/A
Mine Water Discharge	N/A	Chemical Storage	N/A	Annual Report	A

Comments:

- It is apparent that a letter of notification was not received by the Northwest Territories Water Board for sewage taken to the Inuvik Lagoon as per Part D: Conditions Applying to Waste Disposal, Section 10. Ensure that Waste transported from site complies with the Water Licence.
- Notification was given regarding the transportation of: Liquid Mud as per the letter dated March 3, 2008; Drill Cuttings as per the letter dated February 15, 2008; Metal, Oily Rags, Plastic Thread Protectors, Ash and Empty 45 Gallon Drums as per the letter dated February 14, 2008.

INTEGRATED WATER USE INSPECTION REPORT

DATE	12/15/78	INSPECTOR	J. R. ...
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