

MEMORANDUM OF UNDERSTANDING
RE: COOPERATION RE DOWN-HOLE INJECTION

BETWEEN:

THE NORTHWEST TERRITORIES WATER BOARD
(the "NWTWB")

-and-

THE NATIONAL ENERGY BOARD
(the "NEB")

(Collectively the "Parties")

PREAMBLE

WHEREAS the NWTWB and the NEB each have jurisdiction pursuant to their enabling statutes over waste and the means by which it is disposed of in the Inuvialuit Settlement Region of the Northwest Territories;

AND WHEREAS each of the Boards is a Responsible Authority for environmental assessments under the *Canadian Environmental Assessment Act*;

AND WHEREAS the Parties wish to establish a process by which the NEB and the NWTWB can work together on environmental assessments for applications seeking authority to dispose of waste by means of down-hole injection;

AND WHEREAS it is desirous that duplication of effort be minimized wherever possible;

NOW THEREFORE THE PARTIES HAVE AGREED:

1. DEFINITIONS AND PURPOSE

- 1.1 In this Memorandum of Understanding "down-hole injection" means the injection of fluids from oil and gas operations, including but not limited to produced water, fluids containing drill cuttings, and drilling, completion and work-over fluids, into a well authorized by the NEB under the *Canada Oil and Gas Operations Act*.



- 1.2 The purpose of this Memorandum of Understanding is to ensure that water licence applications to the NWTWB for issuance of water licences which include a request that the applicant be allowed to dispose of waste by down-hole injection are reviewed adequately by the NEB and the NWTWB with a minimum of duplication;

2. JOINT SCREENING WORKING GROUP

- 2.1 Upon receipt by the NWTWB of an application for a water licence containing a proposal to dispose of waste (as that term is defined in the *Northwest Territories Waters Act*, S.C. 1992, c. 39) by down-hole injection, the NWTWB agrees to notify the NEB of the request and provide to the NEB a copy of the application and all other relevant information pertaining to it.
- 2.2 The parties agree to form a Joint Screening Working Group (the "JSWG") for the purpose of providing information at the environmental screening stage on the matter of down-hole injection. After reviewing the project description for the proposed project for down-hole injection and considering the appropriate environmental information on the matter, the NEB agrees to provide the JSWG with its conclusions on whether or not down-hole injection is environmentally acceptable in each case.
- 2.3 In any licence which is subsequently issued by the NWTWB where the applicant has proposed to deal with its waste by down-hole injection the NWTWB may include in the licence, conditions that specify the applicant must comply with any conditions which may be imposed by the NEB as such conditions may relate to down-hole injection matters.

3. CONFIDENTIALITY

- 3.1 Each of the parties hereto agrees to keep confidential all information obtained by it in the carrying out of this Memorandum of Understanding concerning the operations or business of the other except for such information which is generally available to the public or is required by law to be made public.

4. TERMINATION

- 4.1 This Memorandum of Understanding may be terminated by either party on its giving at least three months notice in writing to the other party.



5. TERM

5.1 This Memorandum of Understanding will terminate upon the expiration of five years from the date of execution unless the parties agree, in writing, to renew the Memorandum of Understanding for successive terms upon the same terms and conditions.

6. GENERAL

6.1 This Memorandum of Understanding may be amended at any time in writing by the parties as executed by their duly authorized representatives.

6.2 Any notice or other communication required to be given under this Memorandum of Understanding will be made in writing and will be delivered personally, sent by fax, electronic communication or by first class prepaid mail to the addresses listed below:

The NWTWB:

The Executive Director
The Northwest Territories Water Board
5114 49th St.
Box 1326
Yellowknife, NT XIA 2N9
Phone: 867 765 0106 Fax: 867 765 0114

The NEB:

Chief Conservation Officer
National Energy Board
444 - 7th Avenue SW
Calgary, Alberta T2P 0X8
Phone: 403 292 4800
Fax: 403 292 5503

6.3 The date of receipt of any notice shall be deemed to be:

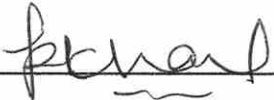
- if personally delivered or sent by courier, the date of delivery;
- if sent by certified or ordinary mail, 7 business days after mailing; or if sent by electronic communications or fax, 24 hours after the time of transmission,
- excluding from the calculation, weekends and public holidays.

Handwritten signature and initials in the bottom right corner of the page.

- 6.4 Nothing in this Memorandum of Understanding shall be interpreted as requiring either party to take any action that would be contrary to law.
- 6.5 This Memorandum of Understanding may be executed in counterparts, each of which will be deemed as an original and all of which constitute one and the same document.

IN WITNESS WHEREOF each of the parties has executed this Memorandum of Understanding by its duly authorized representatives on the ___ day of _____, 2008.

NATIONAL ENERGY BOARD



THE NORTHWEST TERRITORIES
WATER BOARD

