

Régie de l'énergie du Canada

Canada Energy Regulator's 2024-25 Annual Report of activities under the Northwest Territories' *Oil and Gas Operations Act*





Permission to Reproduce

Materials may be reproduced for personal, educational and/or non-profit activities, in part or in whole and by any means, without charge or further permission from the Canada Energy Regulator, provided that due diligence is exercised in ensuring the accuracy of the information reproduced; that the Canada Energy Regulator is identified as the source institution; and that the reproduction is not represented as an official version of the information reproduced, nor as having been made in affiliation with, or with the endorsement of the Canada Energy Regulator.

For permission to reproduce the information in this publication for commercial redistribution, please e-mail: info@cer-rec.gc.ca.

Autorisation de reproduction

Le contenu de cette publication peut être reproduit à des fins personnelles, éducatives et/ou sans but lucratif, en tout ou en partie et par quelque moyen que ce soit, sans frais et sans autre permission de la Régie de l'énergie du Canada, pourvu qu'une diligence raisonnable soit exercée afin d'assurer l'exactitude de l'information reproduite, que la Régie de l'énergie du Canada soit mentionnée comme organisme source et que la reproduction ne soit présentée ni comme une version officielle ni comme une copie ayant été faite en collaboration avec la Régie de l'énergie du Canada ou avec son consentement.

Pour obtenir l'autorisation de reproduire l'information contenue dans cette publication à des fins commerciales, faire parvenir un courriel à : info@cer-rec.gc.ca

© His Majesty the King in Right of Canada as represented by the Canada Energy Regulator 2025

Cat No. NE1-10E-PDF ISSN 2816-7694 Key title: Canada Energy Regulator's ... annual report of activities under the Northwest Territories Oil and Gas Operations Act

This report is published separately in both official languages. This publication is available upon request in multiple formats.

Copies are available on request from:

The Publications Office Canada Energy Regulator Suite 210, 517 Tenth Avenue SW Calgary, Alberta, T2R 0A8

E-Mail: publications@cer-rec.gc.ca

Fax: 403-292-5503 Phone: 1-800-899-1265

For pick-up at the office:

Library 2nd floor

Printed in Canada

© Sa Majesté le Roi de droit du Canada représenté par la Régie de l'énergie du Canada 2025

N° de cat. NE1-10F-PDF ISSN 2816-7708

Key title: Rapport annuel ... de la Régie de l'énergie du Canada sur les activités menées en vertu de la *Loi sur les opérations pétrolières des* Territoires du Nord-Ouest

Ce rapport est publié séparément dans les deux langues officielles. On peut obtenir cette publication sur supports multiples, sur demande.

Demandes d'exemplaires:

Bureau des publications Régie de l'énergie du Canada 517, Dixième Avenue S.-O., bureau 210 Calgary (Alberta) T2R 0A8

Courrier électronique : publications@cer-rec.gc.ca

Fax: 403-292-5503

Téléphone: 1-800-899-1265

Des exemplaires sont également disponibles à la bibliothèque Deuxième étage

Imprimé au Canada

Table of Contents

Overview
Designations / Appointments
Delegations
Applications and Decisions
Operating Licences Issued
OGOA Compliance Verification Activities
Incident Response
Sampling Requests and Requests for Information
Relationships with Other Regulators
Guidelines and Interpretation Notes



Overview

The Canada Energy Regulator (CER) is pleased to present the 2024-25 Annual Report of activities under the Northwest Territories' *Oil and Gas Operations Act* (OGOA). Pursuant to the OGOA, the CER is required to submit an annual report to the Minister of Industry, Tourism and Investment of the Government of the Northwest Territories (NWT).

As part of its duties and responsibilities, the CER regulates oil and gas exploration and production in the onshore portion of the Inuvialuit Settlement Region (ISR) in the NWT under the OGOA. The Commission of the CER has a key role in making decisions under the OGOA. The Commission is independent in its adjudicative role and is established under the Canadian Energy Regulator Act. The Commission's primary role under the OGOA is to adjudicate oil and gas exploration and production projects. The Commission is comprised of seven full-time Commissioners appointed by the Governor in Council, including the Lead Commissioner and Deputy Lead Commissioner.

Designations / Appointments

Under section 4 of the OGOA, the Chief Executive Officer has the authority to appoint a Chief Safety Officer and a Chief Conservation Officer.

In 2024-25, the following designations were in effect:

- lain Colquhoun, Professional Leader, Engineer, as Chief Conservation Officer and Paula Futoransky, Vice-President of Energy Adjudication, to act in his absence.
- Keith Landra, Professional Leader, Safety, as Chief Safety Officer and Claudine Bradley, Technical Leader, Research and Innovation, to act in his absence.

On 26 June 2024 the Chief Executive Officer approved the designation of:

- Jess Dunford, Vice-President of Field Operations as an alternate Chief Conservation Officer.
- David Paynter, Group Leader, Safety and Damage Prevention, as an alternate Chief Safety Officer.

Delegations

The Commission did not make any new delegations during the 2024-25 fiscal year. The delegation to the Chief Conservation Officer and their alternate(s) of certain powers under the OGOA (including the authority to issue operating licences, authorizations and well approvals), remained in effect in 2024-25. These delegations have been in place since the original Commission delegation under OGOA in 2021.

OGOA	Description of delegated powers (paraphrased)
s. 10	Issue, renew, vary, suspend or revoke operating licences and authorizations for each work or activity.
s. 12	Consider safety prior to issuing authorizations for work or activity.
s. 13	Ensure compliance with financial requirements prior to issuing authorizations for work or activity.
s. 15	Receive declarations that equipment and installations, operating procedures, and personnel qualifications are appropriate prior to issuing authorizations for work or activity.
s. 16	Ensure prescribed certificates for equipment and installations are received prior to issuing authorizations for work or activity.
s. 64	Proof of financial responsibility.

Well approvals under the NWT's Oil and Gas Drilling and Production Regulations are also captured under the delegation order.

Applications and Decisions

The CER did not receive any applications under the OGOA in the 2024-25 fiscal year.

Operating Licences Issued

The CER, as Regulator under OGOA, granted seven companies annual operating licences under paragraph 10(1)(a) of the OGOA during 2024-25. A list of all current operating licence holders is posted on the CER website, and in Open Government.

Operating licences are administrative documents that do not permit any activity on their own. They are a prerequisite to performing any work or activity under the OGOA (which would also require the necessary authorizations).

Operating Licence (OGOA)	Company
1402	Canadian Natural Resources Limited
1403	ExxonMobil Canada Ltd.
1404	Imperial Oil Resources Limited
1409	Utility Group Facilities Inc.
1410	MGM Energy
1411	Explor Geophysical Ltd.
1414	Inuvialuit Energy Security Project Ltd.

The following table lists oil and gas companies whose activities in the onshore portion of the ISR are regulated by the CER under the OGOA:

Company Operating in the ISR Regulated under the OGOA	Associated Facilities
Utility Group Facilities Inc.	Ikhil Gas Production Field
MGM Energy	Ten suspended wells
Inuvialuit Energy Security Project Ltd.	One suspended well

OGOA Compliance Verification Activities

The CER undertakes its responsibilities under OGOA in a manner that complies with the Act's purpose which includes ensuring that oil and gas activities are conducted in a manner that ensures the safety of people, the protection of the environment, and the conservation of oil and gas resources. Companies must identify, evaluate, and mitigate hazards and risks associated with their operations throughout the lifecycle of facilities. To verify compliance with regulatory requirements, the CER employs a risk-based approach to compliance verification and enforcement. Where operations present a higher potential for harm to persons or the environment, we apply enhanced oversight, including engagement, inspections, audits, and enforcement measures as necessary.

In 2024-25, the CER conducted the following compliance verification activities¹ under the OGOA:

- four information exchange meetings;
- one emergency response exercise; and
- one incident response report review.

Compliance Verification Activity reports can be found here: https://www.cer-rec.gc.ca/en/safety-environment/industry-performance/reports-compliance-enforcement/index.html#compliance-verification



In addition to routine daily production report reviews, various compliance verification activities were engaged in the ongoing regulatory oversight of Utility Group Facilities Inc.'s Ikhil gas production operations and the construction activities of the Inuvialuit Energy Security Project.

Incident Response

Companies must be prepared to respond to an emergency. The CER verifies that a company can respond effectively by evaluating emergency response exercises and assessing contingency plans, including emergency response procedures and associated training, and confirming that plans provide for coordination with relevant territorial and federal emergency response plans.

The CER is a signatory to the NWT-Nunavut Spills Working Agreement (Agreement). The Agreement, updated in November 2024, promotes response coordination and continuous improvement of pollution preparedness activities in the NWT and Nunavut. The CER continues to actively engage and contribute to the work of the Spills Working Group, which focuses on supporting and advancing the objectives of the Agreement.

The CER received 11 incident reports and five reports of near misses in the ISR during the 2024-25 fiscal year². None of these events were classified by the CER as an emergency.

The CER partnered with the NWT's Office of the Regulator of Oil and Gas Operations (OROGO) for the evaluation of an emergency response exercise in Inuvik in May 2024. No non-compliances were observed.

² All 11 incidents were spills under five litres (nine were less than one litre). Near misses were related to vehicle operation and use of personal protective equipment.

Sampling Requests and Requests for Information

There were no requests made to the CER to sample well materials (cuttings, fluid samples and/or core samples) related to wells located in the Mackenzie Delta this fiscal year. The Geological Survey of Canada (GSC) supervises the removal of samples. Well materials are stored at the GSC core facility in Calgary, Alberta. Researchers, companies, and academics use these historical well materials or samples in various studies and analysis. Copies of reports generated from the study or analysis of well materials are later sent to the CER and can be obtained by the public.

The CER library received and responded to 17 OGOA-related public information requests and nine requests to access materials in the Frontier Information Office.

Relationships with Other Regulators

The CER recognizes the importance of maintaining strong working relationships with regulators and other partners in the North. CER staff continue to meet regularly with the NWT's OROGO and with Industry, Tourism and Investment's Mineral and Petroleum Resources Division to examine opportunities for improving regulatory coordination and efficiency. The CER and the OROGO hold monthly bilateral information exchange meetings to examine opportunities for joint compliance verification and emergency management exercises, as well as to discuss regulatory initiatives such as the development of new regulations and guidance materials under the OGOA. The OROGO and CER have an active Service Agreement and regularly work together on applications and compliance verification activities.



The CER actively participates in various informal and formal meetings related to its regulatory responsibilities in the ISR. For instance, in 2024-25, CER staff attended the annual Government of the NWT's Petroleum Units meeting. This meeting involves collaboration and information exchange between the OROGO, the CER, and the Government of the NWT's Geological Survey Department and the Mineral and Petroleum Resources Department.

The CER actively participates in the NWT Board Forum which fosters collaboration and communication among regulators and resource management organizations in the NWT.

Guidelines and Interpretation Notes

On 21 January 2025, the CER finalized the <u>Public Access to Information Guidelines and Interpretation Notes</u> (Guidelines). A public review period was conducted for the Guidelines however the CER did not receive any comments. The Guidelines were originally developed in partnership with OROGO and mirror as much as possible OROGO's <u>Public Access to Information Guidelines and Interpretation Notes</u>.