



# Oil and Gas Regulator FAQs

## **How will oil and gas rights be administered in the Northwest Territories (NWT) after Devolution?**

On April 1, 2014, the Government of the Northwest Territories (GNWT) will become responsible for the administration of oil and gas interests in the NWT. This responsibility will apply to onshore, including the Inuvialuit and Gwich'in Settlement Regions and in the Sahtu and Dehcho Regions. Interests issued in the offshore will remain the responsibility of Aboriginal Affairs and Northern Development Canada (AANDC).

## **How will administration of oil and gas interests in the Inuvialuit Settlement Region (ISR) change after Devolution?**

The ISR is the only region in the NWT that has oil and gas interests in both the onshore and offshore, which will straddle two jurisdictions. After Devolution, the GNWT will assume administrative responsibility for the onshore and AANDC will retain administrative responsibility for the offshore.

The GNWT, AANDC and the Inuvialuit Regional Corporation have agreed to coordinate and cooperate on their post-Devolution jurisdictions in respect of oil and gas resource management in the ISR, particularly where they straddle the offshore and onshore. A Memorandum of Agreement will remain in place for an initial 20 year term, and will create an ISR Oil and Gas Coordination Committee to facilitate information sharing and coordinate straddling resources.

## **Will the National Energy Board (NEB) continue to be the Regulator for oil and gas activities in the NWT?**

The NEB will remain the Regulator of oil and gas activities in the ISR, under GNWT legislation and regulations, and in the offshore and excluded sites (e.g. Norman Wells Proven Area Agreement), under AANDC jurisdiction. The NEB will continue to be the Regulator for the entire ISR for a minimum of 20 years post-Devolution. They will also continue to regulate trans-boundary pipelines (e.g. Enbridge Line).

The GNWT will become the Regulator in the onshore of the NWT, outside of the ISR and excluded sites.

## **Why will the NEB remain the Regulator in the entire ISR?**

Acknowledging the nature of petroleum resources, the GNWT recognizes that there are some pools in the ISR that straddle the onshore-offshore boundary. To deliver effective service, it was thought to be more practical to have one Regulator in this area.

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## **Who will be the Regulator for NWT onshore oil and gas activities, outside of the ISR?**

After transfer, the Minister of Industry, Tourism and Investment (ITI) will become the Regulator in the onshore of the NWT, outside of the ISR and excluded sites. An office is being established to support the Minister as Regulator. This division will include the roles of Chief Conservation Officer and Chief Safety Officer, who will provide technical services. However, decision-making will remain with the Minister of ITI in his role as Regulator, and will be guided by GNWT policy that will apply an integrated resource management framework to decision-making.

## **Which GNWT Minister will become regulator for the onshore of the NWT, outside of the ISR?**

The Minister of ITI, the Honourable David Ramsay, will be appointed Regulator, effective April 1, 2014.

## **Who will provide technical analysis of applications for authorizations for oil and gas activities (e.g. Operations Authorization, Approval to Drill a Well, etc.)?**

ITI is establishing Service Agreements with other jurisdictions, including the NEB and the Alberta Energy Regulator, to provide advisory and technical services. These technical services will assist with the decision-making process but, ultimately, the decision will be made by the Regulator who will be guided by GNWT policy.

The GNWT is also entering into a Memorandum of Understanding (MOU) with the BC Oil and Gas Commission that will establish a framework for cross-jurisdictional collaboration and communication.

## **What is the benefit of having a GNWT Minister as Regulator with cross-jurisdictional technical support?**

Appointing a GNWT Minister as Regulator will streamline the needs of a single territory. An Agreement for technical support services with an established Regulator allows the GNWT to develop capacity and recruit and develop expertise in this area.

Additionally, an Agreement for technical support services with another jurisdiction, that may share similar resource development priorities, such as building new transportation routes, will be important to the success of developing the NWT's resources.

## **How will the GNWT coordinate its activities with the NEB?**

The GNWT is establishing transition protocol with the NEB to fulfill the requirements outlined in the Devolution Agreement, as well as a Service Agreement for open applications and enforcements that the GNWT may want the NEB to work on post-transfer to ensure continuity. This Agreement also establishes a framework for collaboration as neighbouring regulators.

## **How will GNWT ensure that the environment and human health and safety are protected?**

To ensure a seamless transfer, the GNWT will be mirroring the Canada Oil and Gas Operations Act. All of the protections that are provided in this Act and its associated regulations will continue. The environment will also be protected through the NWT's integrated resources management framework, which includes the federal Mackenzie Valley Resource Management Act.

## **Who will monitor and enforce the terms and conditions of authorizations for oil and gas activities in the onshore, outside of the ISR?**

The GNWT will have the authority to, and be accountable for, monitoring and enforcement.

## **Does the GNWT plan to continue to issue rights?**

Yes, the GNWT will continue the annual process for rights issuance, starting with Call for Nominations followed by Call for Bids.

## **If the NEB will remain the Regulator for oil and gas activities in the ISR, why won't Canada continue to issue rights in that region?**

The GNWT will be the owner of the subsurface rights and, by law, has the responsibility to issue these rights. It is important to separate the activity of managing rights from regulation activities to develop these rights, as they are distinct.