



NWT Oil and Gas Annual Report 2017

Rapport sur l'activité pétrolière et gazière aux Territoires du Nord-Ouest

Le present document contient la traduction française du résumé et
du message du ministre

2017



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English

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French

Kīspin ki nitawihtīn ē nīhīyawihk ōma ācimōwin, tipwāsinān.
Cree

Tłıchq yatı k'èè. Dı wegodı newq dè, gots'o gonede.
Tłıchq

?erıhtł'ıs Dēne Sųłné yatı t'a huts'elkēr xa beyáyatı the?ą zat'e, nuwe ts'ēn yółtı.
Chipewyan

Edı gondı dehgáh got'ıe zhatıé k'éé edatł'éh enahddhę nıde naxets'é edahłı.
South Slavey

K'áhshó got'ıne xədə k'é hederı zedłıhtł'é yerınwę nıde dúle.
North Slavey

Jii gwandak izhii ginjik vat'atr'ijáhch'uu zhit yinoththan jı', diits'at ginohkhıi.
Gwich'in

Uvanittuaq ilitchurisukupku Inuvialuktun, ququaqluta.
Inuvialuktun

Ĉ'bdĠ nn^{sb}Δ^c ΛϼLJΔ^{rc} Δδ^bΠ^cε^{sb}γ^cΛ^cΠ^b, Δ^cε^cΠ^aδ^c Δ^cıbc^cϼ^aε^{sb}Π^c.
Inuktitut

Hapkua titiqqat pijumagupkit Inuinnaqtun, uvaptinnut hivajarlutit.
Inuinnaqtun

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Government of Northwest Territories
Gouvernement des Territoires du Nord-Ouest



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Minister's Message

I am pleased to present this report of oil and gas activity in the Northwest Territories (NWT) for the year ending December 31, 2017.

While oil and gas activity in Canada continues to be subject to a global downturn, work continues in our territory to establish the foundation on which we believe our industry will re-emerge to meet the future.

From the initial steps of a legislative review to the finishing touches of the Petroleum Resources Strategy, our government – through the work of its Department of Industry, Tourism and Investment (ITI) – remains focused on developing an environment in which NWT residents and communities can realize the enormous economic potential of the NWT's petroleum resources.

Our work continues to find new ways for NWT natural gas to meet world demand and address the challenges of energy security, high energy costs and climate change – even as it supports the GNWT's vision of a lower-carbon economy.

From this perspective, the oil and gas sector remains poised to move forward; with sustainable development and responsible operations - and the potential to benefit all NWT residents for years to come.

Wally Schumann
Minister, Industry, Tourism and Investment

September 2018



Message du ministre

Je suis heureux de présenter ce rapport sur l'activité pétrolière et gazière aux Territoires du Nord-Ouest (TNO) pour l'année se terminant le 31 décembre 2017.

Bien que l'activité pétrolière et gazière au Canada continue de subir les contrecoups du ralentissement mondial, nous travaillons aux TNO à établir les bases à partir desquelles notre industrie, nous en sommes persuadés, fera surface pour répondre aux besoins futurs.

Que nous en soyons aux premières étapes d'une révision législative ou à la finalisation de la Stratégie sur les ressources pétrolières, notre gouvernement – grâce au travail de son ministère de l'Industrie, du Tourisme et de l'Investissement (MITI) – cherche à créer le climat propice pour que les Ténos de toutes les collectivités puissent mesurer l'énorme potentiel économique représenté par les ressources pétrolières aux TNO.

La fin de 2017 marquait officiellement la conclusion du projet gazier Mackenzie. Or, même si ce chapitre de notre histoire est clos, une ère nouvelle s'amorce : nous souhaitons en effet, avec le gaz naturel des TNO, trouver d'autres façons de répondre à la demande mondiale et de relever les défis associés à la stabilité de l'approvisionnement, aux coûts d'énergie élevés et aux changements climatiques, tout en maintenant l'ambition du GTNO de créer une économie à faibles émissions de carbone.

C'est dans cette perspective, dans un contexte de développement durable et d'exploitation responsable, que le secteur pétrolier et gazier demeure prêt à aller de l'avant de sorte que tous les Ténos puissent tirer profit des ressources de notre territoire dans les années à venir.

Wally Schumann
Ministre de l'Industrie, du Tourisme et de l'Investissement

Septembre 2018



NORTHWEST TERRITORIES OIL AND GAS PROGRAM SUMMARY

EXECUTIVE SUMMARY

The slowdown in the global oil and gas sector continued in 2017, impacting all operations and projects in the NWT. A number of oil and gas projects in the onshore areas of the NWT did, however, maintain low activity levels, reflecting an interest by companies in being positioned for the expected upturn in the industry.

Six new Significant Discovery Licences (SDL) were issued in the Sahtu Region as companies who have worked in the North for many years demonstrated their continued confidence in the North - even as they re-examined their projects to find new and more efficient ways to operate in the future.

Meanwhile, activity in the oil and gas sector was not limited to exploration and production projects.

The Petroleum Resources Strategy was finalized in 2017. It presents a renewed focus and a more forward-looking approach. No longer simply a plan to support and foster new development in the territorial oil and gas sector, the Petroleum Resources Strategy is an important part of the overall approach by the Government of the Northwest Territories (GNWT) to address energy use in the NWT with an eye towards smarter consumption as well as an increased focus on reducing the impact of exploration, development, and production on the changing climate.

The NWT Environmental Studies Research Fund (ESRF), under the guidance of its Management Board, focused scientific study on the impacts of oil and gas activity on lands, environments, and communities. With boreal caribou populations and groundwater monitoring as its primary areas of focus, the ESRF was able to support and encourage scientific research and leverage its small funding pool to advance significant projects in 2017.

Establishing a more efficient legislative framework took on an increased focus in 2017, with a review of the *Petroleum Resources Act* (PRA) and the *Oil and Gas Operations Act* (OGOA) and time spent identifying areas in which small changes could be made to existing legislation to make important improvements in the interim, with the intent to look at a more complete review at a future time.

Education also took centre stage. The Resources and Energy Development Information (REDI) initiative was launched, in part, to advance information and greater understanding of the territorial oil and gas industry to all NWT residents. The travelling information tradeshow brings together individuals from a number of sectors to answer questions and address issues related to resource development in the NWT. The initiative made stops in Inuvik and Hay River in 2017 and has plans to visit other communities in the next few years.



PROGRAMME PÉTROLIER ET GAZIER DES TERRITOIRES DU NORD-OUEST

Résumé

Le ralentissement mondial dans le secteur du pétrole et du gaz s'est poursuivi en 2017, touchant l'ensemble des activités et des projets aux TNO. Le niveau d'activité de certains projets pétroliers et gaziers des zones côtières, quoique faible, a néanmoins été stable, montrant l'intérêt des entreprises à se positionner en vue de la reprise attendue dans l'industrie.

Six nouvelles attestations de découverte importante ont été émises dans la région du Sahtu, et les entreprises qui travaillent depuis longtemps dans le Nord ont témoigné de leur confiance à l'égard du Nord, tout en réexaminant leurs projets de manière à trouver des façons nouvelles et plus efficaces de fonctionner à l'avenir.

Entre-temps, l'activité dans le secteur du pétrole et du gaz n'a pas été limitée à des projets de prospection et de production.

La Stratégie sur les ressources pétrolières a été finalisée en 2017. Tout en y renouvelant ses ambitions pour le domaine, le gouvernement des Territoires du Nord-Ouest (GTNO) tente d'y envisager l'avenir autrement. Plus qu'un plan pour soutenir et encourager de nouveaux projets d'exploitation dans le secteur pétrolier et gazier, cette stratégie mène l'approche générale du GTNO pour contrôler la consommation d'énergie aux TNO et la rendre plus intelligente. La stratégie, par ailleurs, accorde plus d'importance à la réduction des conséquences négatives qu'entraînent la prospection, l'exploitation et la production sur le climat.

Le conseil de gestion du Fonds pour l'étude de l'environnement a centré ses études scientifiques sur les impacts de l'activité pétrolière et gazière sur les terres, les milieux et les collectivités. Les responsables du Fonds ont pu soutenir et favoriser la recherche scientifique, ainsi que tirer profit de son petit bassin de financement pour faire avancer d'importants projets en 2017; ils se sont ainsi concentrés sur la surveillance des populations de caribou boréal et des eaux souterraines.

La mise en place d'un cadre législatif plus efficace a pris une plus grande importance en 2017. Il a fallu réviser la *Loi sur les hydrocarbures* et la *Loi sur les opérations pétrolières*, ainsi que repérer des endroits où de petits changements pourraient être apportés à la législation existante pour faire d'importantes améliorations provisoires. La révision plus complète est prévue à une date ultérieure.

L'éducation a aussi occupé une place centrale dans la démarche du GTNO. L'initiative PRÊT (« préparation sur les ressources et l'énergie pour les Ténos ») a été lancée, en partie pour mieux informer tous les Ténos et leur faire comprendre l'industrie pétrolière et gazière territoriale. Le salon d'information itinérant regroupe des gens de divers secteurs capables de répondre à des questions et de discuter des enjeux soulevés par l'exploitation des ressources aux TNO. Le salon s'est arrêté à Inuvik et à Hay River en 2017, et il visitera d'autres collectivités au cours des prochaines années.



2017 IN BRIEF

There were no rights issuance processes conducted in 2017 in the onshore regions of the NWT.

Six new Significant Discovery Licences (SDL) were issued in the Sahtu Region in the second half of 2017. These new interests resulted from a Significant Discovery Declaration granted to ConocoPhillips in September 2016 which extended into lands held under licence by a number of other rights holders in the area. The six SDLs issued also meant that portions of six existing Exploration Licences (EL) were either surrendered or terminated by expiration.

Operations

There were no new wells drilled in the NWT between April 1 and December 31, 2017.

There was no seismic work conducted in the NWT between April 1 and December 31, 2017.

Production

Based on reporting from the National Energy Board and the Office of the Regulator of Oil and Gas Operations, the total aggregate oil production between January 1 and December 31, 2017 was 16,620 barrels. The total aggregate natural gas production in the NWT was 148 million cubic feet between January 1 and December 31, 2017.

Northwest Territories Environmental Studies Research Fund (NWT ESRF)

The Environmental Studies Research Fund (ESRF) continued its work to support scientific research in the territory, funding several projects related to boreal caribou and groundwater monitoring. For more information on work supported by the ESRF, visit www.nwt-esrf.org.

Mackenzie Gas Project

On December 19, 2017, Imperial Oil submitted a letter to the Office of the Regulator for Oil and Gas Operations (OROGO) stating that the proponents for the Mackenzie Gas Project and the Mackenzie Gathering system had decided to dissolve the existing joint venture partnership, and that no further action would be taken to advance the project as of December 31, 2017.



Petroleum Resources Strategy

ITI continued its preparation of this Strategy through 2017, adding an implementation plan and an evaluation framework to the final product to present a more complete package. Presented as part of an energy and climate change policy framework in the NWT, the Strategy, along with an implementation plan and an evaluation framework, was publicly released in the first half of 2018.

Resources and Energy Development Information Project

Launched in June 2017, the Resources and Energy Development Information (REDI) project fulfils a government commitment to ensure NWT residents have meaningful opportunities to participate in the assessment of potential benefits and risks associated with resource development, including hydraulic fracturing. The program, which was launched in Inuvik during the Arctic Energy and Emerging Technologies Conference, also travelled to Hay River in September 2017. REDI will continue to visit communities throughout the NWT in 2018 and beyond, with its goal to reach as many residents as is possible.

2017 EN BREF

Gestion des droits

En 2017, il n'y a eu aucun processus d'attribution de droits dans les régions continentales des TNO.

Six nouvelles attestations de découverte importante ont été émises dans la région du Sahtu durant la seconde moitié de 2017. Elles font suite à une déclaration de découverte importante accordée en septembre 2016 à l'entreprise ConocoPhillips, qui s'étendait dans des terres exploitées sous licence par divers autres détenteurs de droits dans la région. Les six attestations émises marquaient aussi l'abandon ou la résiliation des intérêts visant certaines parties de six permis de prospection alors en vigueur.

Opérations

Aucun nouveau puits n'a été foré aux TNO entre le 1^{er} avril et le 31 décembre 2017.

Aucun travail sismique n'a été mené aux TNO entre le 1^{er} avril et le 31 décembre 2017.

Production

Le bilan total de la production pétrolière entre le 1^{er} janvier et le 31 décembre 2017 a été de 16 620 barils. Le bilan total de la production gazière aux TNO a été de 148 millions de pieds cubes pour la même période.



Fonds pour l'étude de l'environnement des Territoires du Nord-Ouest

Le Fonds pour l'étude de l'environnement a continué de soutenir la recherche scientifique aux TNO. Il a permis de financer plusieurs projets de surveillance du caribou boréal et des eaux souterraines. Pour plus d'information sur les travaux soutenus au moyen du Fonds, visitez le . www.nwt-nesrf.org.

Projet gazier Mackenzie

Le 19 décembre 2017, l'Imperial Oil remettait une lettre au Bureau de l'organisme de réglementation des opérations pétrolières et gazières (BOROPG) précisant que les promoteurs du projet gazier Mackenzie et du réseau de collecte Mackenzie avaient décidé de dissoudre l'actuel partenariat de coentreprise, et qu'aucune autre intervention ne serait entreprise pour faire avancer le projet à compter du 31 décembre 2017.

Stratégie sur les ressources pétrolières

Le ministère de l'Industrie, du Tourisme et de l'Investissement a poursuivi la préparation de cette stratégie tout au long de 2017, y ajoutant un plan de mise en œuvre et un cadre d'évaluation pour offrir un ensemble plus complet. Cette stratégie, présentée dans la foulée d'un cadre stratégique sur l'énergie et les changements climatiques, a été rendue publique au cours de la première moitié de 2018.

L'initiative PRÊT

Lancée en juin 2017, l'initiative PRÊT (« préparation sur les ressources et l'énergie pour les Ténos ») répond à l'engagement du gouvernement de veiller à ce que les Ténos puissent participer de manière significative à l'évaluation des avantages et des risques potentiels associés à l'exploitation des ressources, dont ceux liés à la fracturation hydraulique. Ce programme, lancé à Inuvik lors de la conférence sur l'énergie et les technologies émergentes dans l'Arctique, a aussi été présenté à Hay River en septembre 2017. L'initiative PRÊT continuera de circuler dans les collectivités ténos en 2018 et au-delà, pour joindre le plus de résidents possible.

OIL AND GAS RESOURCES

Table 1: Discovered conventional resource volumes in the Northwest Territories

TYPE	NWT Onshore	Arctic Islands	TOTAL
Natural Gas			
billion m ³	213.8	75.2	289.0
(trillion ft ³)	(7.6)	(2.6)	(10.2)
Natural Gas Liquids			
million m ³	8.3	0.0	8.3
(million barrels)	(52.2)	(0.0)	(52.2)
Oil			
million m ³	84.1	4.9	89.0
(million barrels)	(529.0)	(30.8)	(559.8)

National Energy Board, *Assessment of Discovered Conventional Petroleum Resources in the Northwest Territories and Beaufort Sea*, November 2014

Table 2: Unconventional resource assessments of Canol and Bluefish shale

	In-Place		
billion m ³ (billion barrels)	Low	Expected	High
Bluefish	4.392 (27.624)	7.366 (46.331)	11.254 (70.786)
Canol	13.129 (82.579)	23.018 (144.779)	35.095 (220.741)

National Energy Board, *An Assessment of the Unconventional Petroleum Resources of the Bluefish Shale and the Canol Shale in the Northwest Territories*, June 2015

Table 3: Natural gas resource estimates for the Liard Basin

	In-Place		
trillion m ³ (trillion ft ³)	Low	Expected	High
Exshaw-Paltry	5.2 (184)	9.0 (318)	14.5 (514)
Horn River	2.6 (91)	5.3 (187)	9.0 (317)

National Energy Board, *The Unconventional Gas Resources of Mississippian-Devonian Shales in the Liard Basin of British Columbia, the Northwest Territories, and Yukon*, March 2016

OIL AND GAS MANAGEMENT

Rights Issuance

The GNWT made changes to its rights issuance process, moving away from the traditional call for nominations process to a more open, expression-of-interest process. Companies with an interest in petroleum exploration in the NWT can now nominate the lands which they would like to see included in a call-for-bids process at any time. Moving to an open-call rights-issuance process means the NWT is operating in much the same way as Alberta, Saskatchewan, Yukon, and the offshore petroleum boards of Newfoundland and Nova Scotia.

Petroleum land disposition in the NWT

The following series of charts show the current petroleum land dispositions in the NWT, all of which were transferred over from the Government of Canada as a result of the devolution process in 2014.

Table 4: Land Disposition as of December 31, 2017

Region (number of interests)	Exploration Licence	Significant Discovery Licence	Production Licence	Petroleum Land Leases ¹
Mackenzie Delta and Arctic Islands	0	38	2	0
Central Mackenzie Valley	3	21	0	0
Southern Northwest Territories	0	31	21	8

Region (hectares)	Exploration Licence	Significant Discovery Licence	Production Licence	Petroleum Land Leases ¹
Arctic Islands	0	10,219	0	0
Mackenzie Delta	0	111,871	3,423	0
Central Mackenzie Valley	239,397	272,258	0	0
Southern Northwest Territories	0	65,729	32,842	21,107
TOTAL	239,397	460,077	36,265	21,107

¹These leases and licences were issued under former legislative regimes pursuant to Sections 99 and 101 of the *Petroleum Resources Act*.

Issuance and Terminations

Seven Exploration Licences terminated in 2017. There were also six Significant Discovery Licences (SDL) issued in 2017.

Exploration Licences

EL468, EL469, EL473, EL474, EL475, EL486 and EL487 terminated by expiration, having reached the end of Period 1 with no activity having been conducted on the lands under licence. EL470 was surrendered following the issuance of an SDL for lands held under licence by this interest. As per the stipulations of the Petroleum Resources Act, lands cannot be held under two interests simultaneously.



Significant Discovery Licences

The GNWT issued SDL151, SDL152, SDL154, SDL155, SDL156, and SDL157 in 2017, following the granting of Significant Discovery Declaration SDD-2015-001.

Oil and Gas Lease

The Petroleum Resources Division maintains a public registry of all petroleum interests and instruments registered under Part 8 of the *Petroleum Resources Act*. The registry stands as the official record of rights holders, and any transfers or changes of ownership are duly recorded. A monthly activity report is available at <http://www.iti.gov.nt.ca/en/services/oil-and-gas-rights-management/oil-and-gas-activity-reporting>.

The following series of maps show the locations of all current interests on petroleum lands that were held in the NWT both onshore and offshore as of December 31, 2017.

Figure 1: Mackenzie Delta/Arctic Islands Petroleum Land Disposition Map

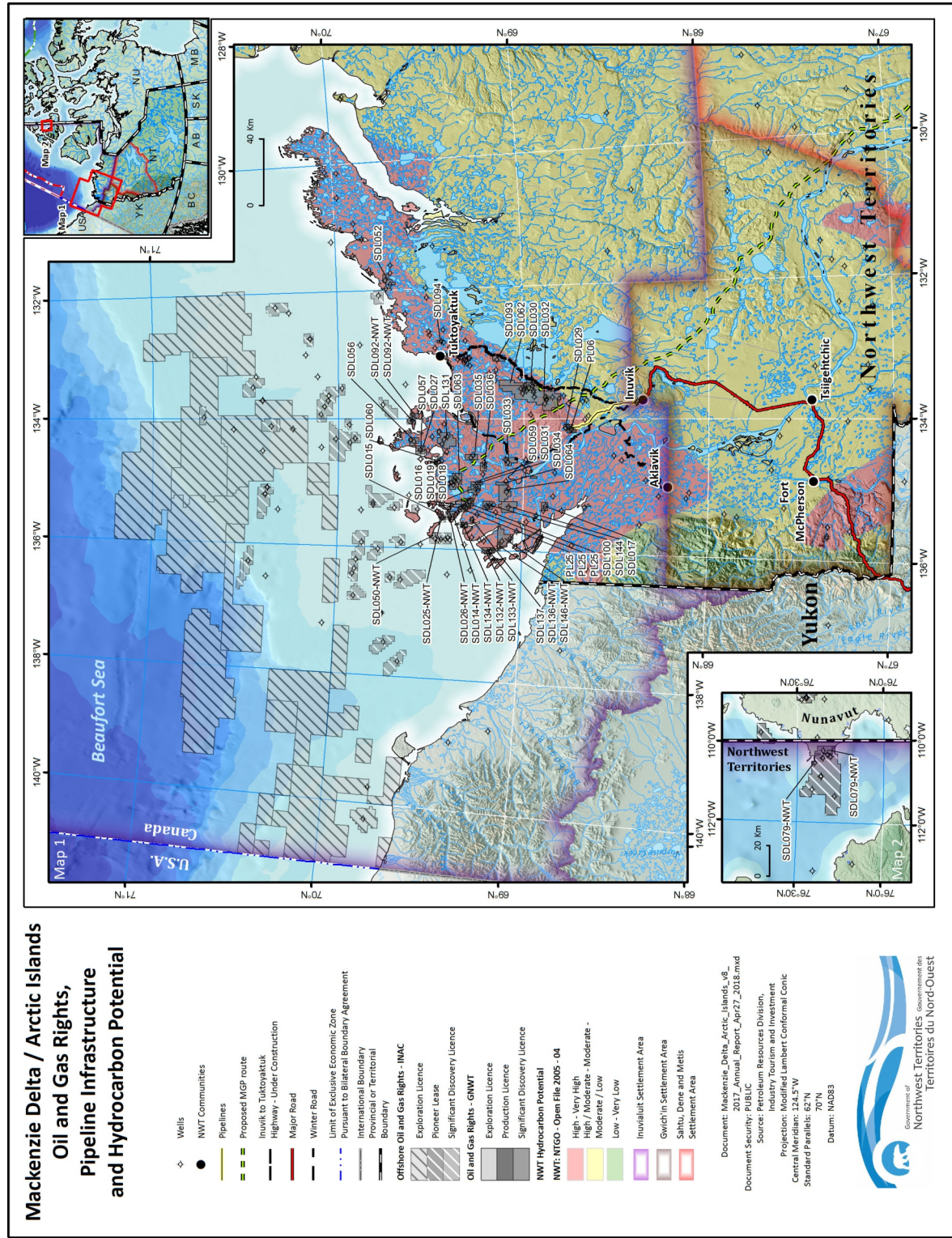


Figure 2: Liard Basin Land Disposition Map

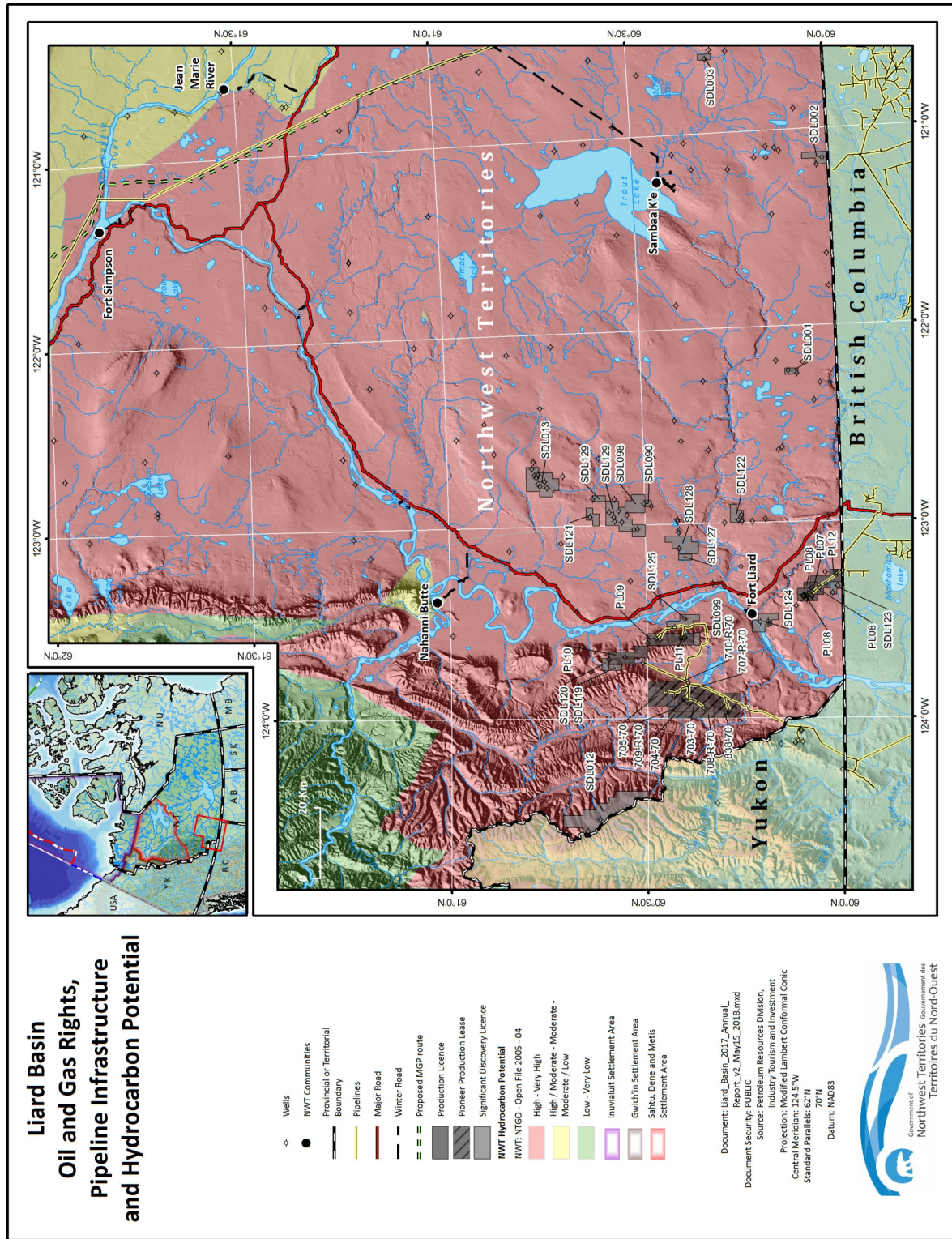


Figure 3: Central Mackenzie Valley Land Disposition Map

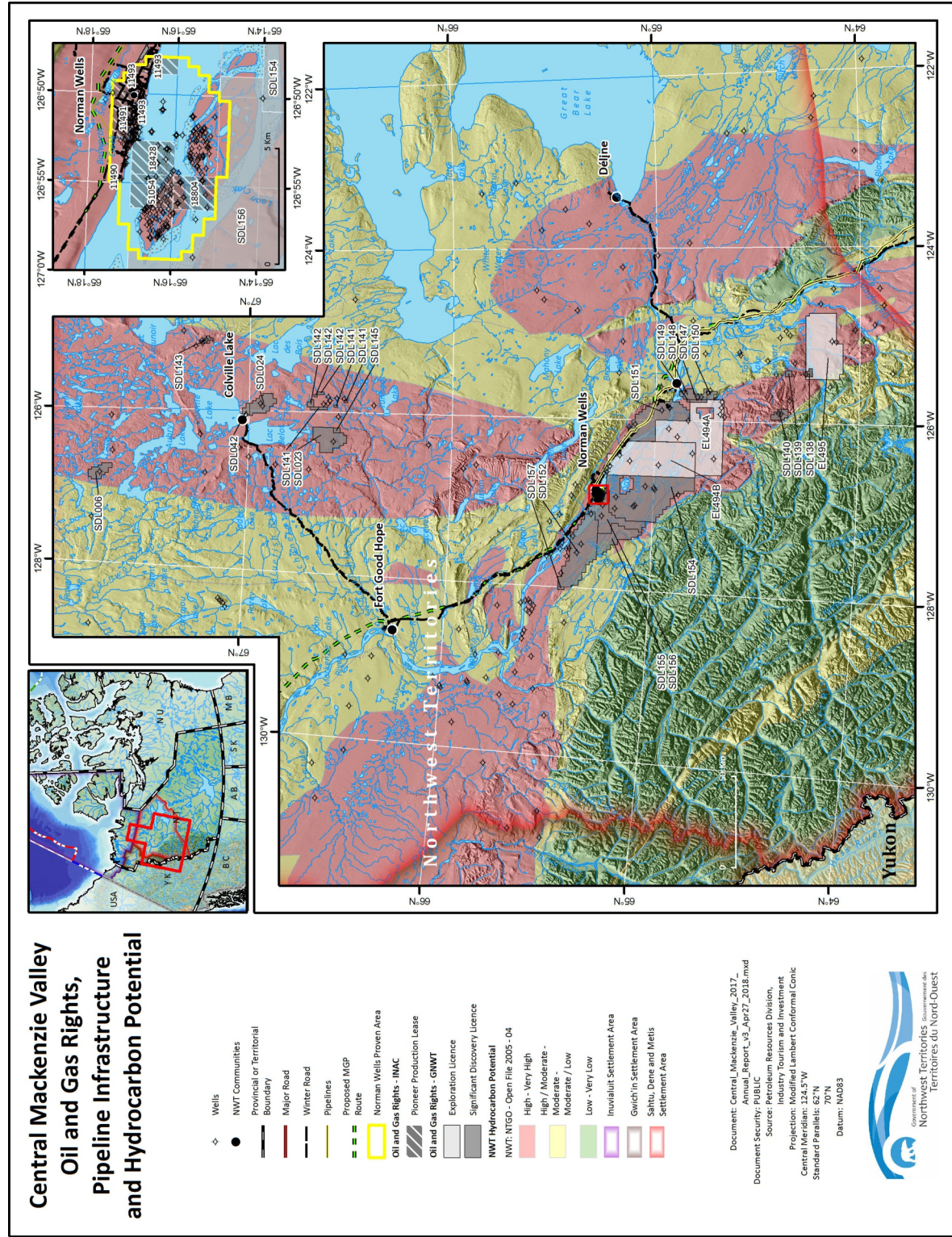


Table 5: Exploration Licences in the NWT

Licence	Hectares	Representative ¹		Issue Date	End of Period 1 ²	Expiry Date	Work Proposal Bid ³ (\$')
EL494A	87,748	Husky Oil Operations Limited	✓	29/08/2013	29/08/2016	28/08/2020	188,000,000
EL494B	87,034	Husky Oil Operations Limited	✓	29/08/2013	29/08/2016	28/08/2020	188,000,000
EL495	65,994	International Frontier Resources		16/3/2014	15/03/2019	15/3/2023	1,200,000
TOTAL:	240,776						377,200,200

¹Current representative as of December 31, 2017

²This date is as per the terms and conditions of the original licence.

³All amounts rounded to the nearest dollar.

✓ indicates that a well has been drilled on the lands under licence and are eligible to move into Period 2.

Revenues from Administration of Interests

Following the completion of a rights issuance process, successful bidders for Exploration Licences are required to post 25 percent of the Work Proposal Bid before the interest can be issued. Referred to as the Work Bid Deposit, this amount is refundable as expenditures are incurred through the first (Period 1) term of the licence. Approved expenditures are refunded to the interest holders at the prorated amount of 25 percent of the total amount of expenditures. Any balance remaining at the end of Period 1 of an Exploration Licence is forfeited.

If an interest holder meets all terms and conditions set out in the Exploration Licence and is able to maintain the licence for an additional four years, they are required to pay rental fees. Rental fees are refundable as expenditures are incurred on a dollar-for-dollar basis.

Financial deposits held for Period 1 work as of December 31, 2017 amounted to \$73,275,397.20.

In addition to the non-refundable rentals paid in 2017, ITI also received \$953,716 for EL494 in the form of a Period 1 Extension Fee. Husky Oil Limited, interest holder on EL494, paid the fee equivalent of its first year of rental in Period 2 but retained its outstanding Work Bid Deposit having met its Period 1 drilling requirement.

Table 6: Revenues from Administration of Interests (\$)

	2012	2013	2014	2015	2016	2017
Non-refundable rentals (leases)	53,195	53,195	52,202	52,202	52,202	52,202
Fees	43,497	8,832	106	1,432	118	136
Forfeitures	1,631,597	50,000	0	0	12,084,465	31,036,250

Fees

Forfeitures for the year ending December 31, 2017 totaled \$31,036,250. During this same period, a total of \$52,202 in non-refundable fees on lands under Petroleum Land Leases was paid.

Administrative fees, generally related to information requests made to the NWT Registry and other transactions, totaled \$136.

Rentals

There were no rental fees paid between January 1 and December 31, 2017.



Benefits

By definition, a Benefits Plan refers to an employment plan for Canadians that also provides Canadian companies with opportunities to supply goods and services to the oil and gas industry. In the NWT, a Benefits Plan means training and employment opportunities for residents and new opportunities for Northern businesses by ensuring that as much of the economic spin-off as possible from work in the NWT stays within the territory.

Section 17 of the *Oil and Gas Operations Act* outlines all requirements of a Benefits Plan – and states that no approval for a proposed work plan can begin until the Minister of ITI has approved the Benefits Plan. Reference to the need for a Benefits Plan – as well as the need for ministerial approval – is also referenced in Section 20 of the *Petroleum Resources Act*.

EXPLORATION ACTIVITIES IN THE NORTHWEST TERRITORIES

There was no new exploration drilling in the NWT in 2017, nor was there any development drilling for the same period. Additionally, there were no seismic programs conducted in the NWT during this period.

PRODUCTION

The Cameron Hills field and the Ikhil gas field, while both located in onshore regions of the NWT, are subject to regulation under two distinct bodies – Cameron Hills under the Office of the Regulator of Oil and Gas Operations and Ikhil under the National Energy Board.

Production information in this report spans the period from January 1-December 31, 2017.

Ikhil

Production levels at Ikhil J-35 continue to decline year over year as efforts to conserve reservoir pressure remain in place, with approximately 4.7 million cubic metres (169 million cubic feet) of natural gas produced during 2017. Gas from this field is used as a back-up system for power generation in Inuvik.

Cameron Hills

The Cameron Hills field only produced during the first two months of the year, and has been shut-in since February 2015 due to low oil prices and the lack of an all-season access road. In early 2017, Strategic Oil and Gas, the owners and operators of the facilities at Cameron Hills, produced a small amount of natural gas and ran it through the existing pipeline infrastructure. In all, 35,301 cubic feet (1,000 cubic metres) was produced.

Table 7: Production Levels 2012-2017

<i>Oil cubic metres (000s) (barrels) (000s)</i>	Cameron Hills	Norman Wells	Ikhil
2012	15.5 (97)	740.92 (4,660.28)	N/A
2013	16.4 (103)	638.09 (4,013.44)	N/A
2014	8.2 (52)	630.73 (3,967.18)	N/A
2015	1.80 (11.35)	576.29 (3,623.75)	N/A
2016	N/A	521.99 (3,283.23)	N/A
2017	N/A	166.20 (104.54)	N/A
<i>Gas Production cubic metres (000,000s) (cubic feet) (000,000s)</i>	Cameron Hills	Norman Wells	Ikhil
2012	60.9 (2,150)	100.10 (3,543.91)	10.34 (365.02)
2013	44.5 (1,572)	84.51 (2,984.33)	4.03 (142.46)
2014	24.40 (861.7)	83.83 (2,961.04)	3.64 (128.58)
2015	3.69 (130.40)	79.79 (2,817.90)	2.79 (98.37)
2016	0.01 (0.27)	78.55 (2,773.88)	4.08 (144.00)
2017	0.001 (0.035)	4.11 (144.97)	4.79 (169.09)

¹Data for Ikhil and Norman Wells courtesy National Energy Board

²Data for Cameron Hills from NEB (2012-2014) and Office of the Regulator of Oil and Gas operations for 2015-2017



Norman Wells Proven Area

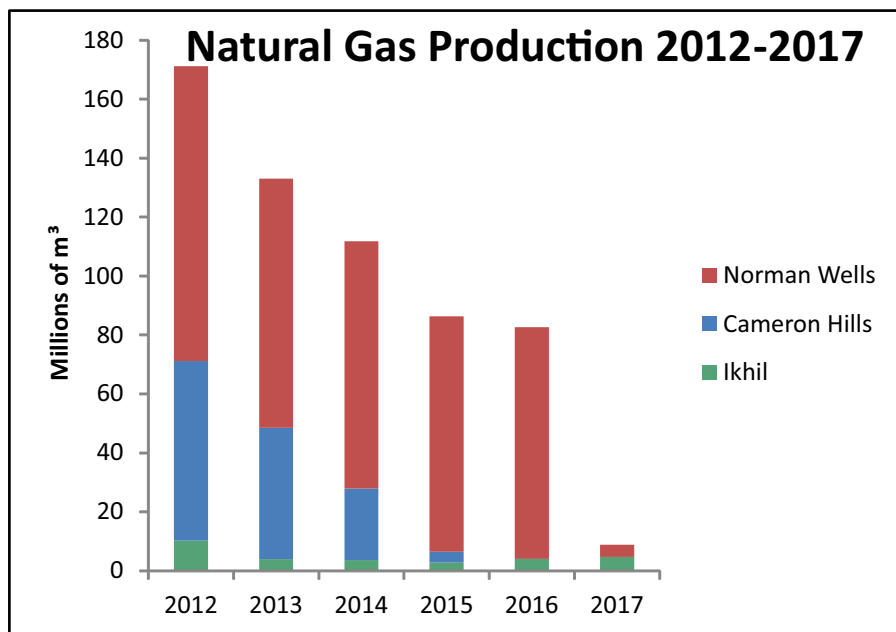
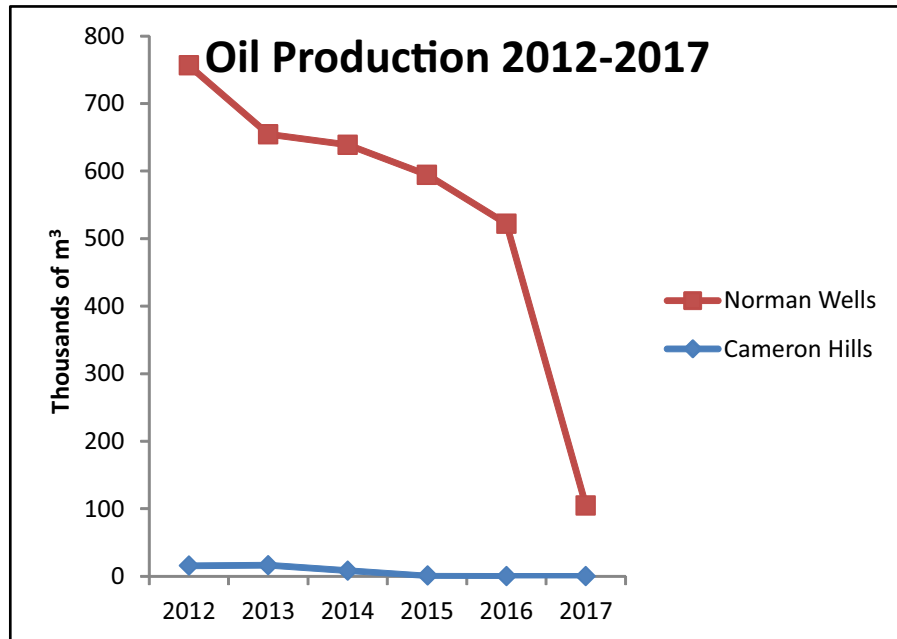
There was no production at Norman Wells for most of 2017, the result of the continued shutdown of the Enbridge Line 21 pipeline. Enbridge shut down Line 21 to investigate and address slope instability near the Mackenzie River crossing, approximately ten kilometres east of Fort Simpson. In March 2017, Enbridge applied to the National Energy Board (NEB) to replace a section of the pipeline. The NEB and Mackenzie Valley Land and Water Board (MVLWB) both held back-to-back public hearings in Fort Simpson during mid-October 2017, with a focus on the potential environmental impacts of proposed Line 21 repair project.

Offshore Oil and Gas Activity

The offshore petroleum resources remain under the administration of the Government of Canada. On December 20, 2016, Prime Minister Justin Trudeau announced that no new licences would be issued in the Arctic Ocean for the next five years, at which time the decision would be reviewed. The fate of existing interests in the region, the first of which reached the end of Period 1 in July 2017, remains unclear.

Prior to and since this announcement, the Government of the Northwest Territories has, in conjunction with the Inuvialuit Regional Corporation, been urging the Government of Canada to fulfill its responsibilities under the terms and conditions of the 2014 Devolution Agreement to begin negotiations for the management of oil and gas resources in the Beaufort Sea.

Figure 7: NWT Production Volumes, 2012-2017





FURTHER INFORMATION

PETROLEUM RESOURCES DIVISION

Please visit our website at www.nwtpetroleum.com

To obtain further information, please contact the appropriate individual below by telephone or in writing:

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Information on the resource management regime, rights issuance process and other related information:

Manager, Oil and Gas Rights: (867) 777-7484

Information on registration procedures and regulations, exploration, significant discovery and production licences, transfers and notices:

Registrar, Oil and Gas Rights (867) 777-7476

Information on Petroleum Resources Division maps and Geographic Information System (GIS) data:

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