



NORTHWEST TERRITORIES

Petroleum Resource Strategy Report

Le présent document contient la
traduction française de la présentation.



2019-20 TO 2021-22

Table of Contents

Introduction	4	PILLAR II: ENSURING BENEFITS FOR NWT RESIDENTS	16
What is the Petroleum Resources Strategy (PRS)?	5	Goal 6: Locally produced energy for residents and businesses	16
The NWT's Petroleum Resources	8	Goal 7: NWT workforce and business capacity to participate in and benefit from activities in the NWT's petroleum resources sector	17
How Global Petroleum Markets Impact the NWT	10	Goal 8: GNWT is a full partner in offshore oil and gas policy and governance	17
Performance on PRS Implementation	12	PILLAR III: CREATING A SUSTAINABLE AND INNOVATIVE SECTOR	18
PILLAR I: IMPROVING OUR COMPETITIVE EDGE	12	Goal 9: Decisions on the development of NWT petroleum resources incorporate science and traditional knowledge	18
Goal 1: Necessary infrastructure in place to facilitate activity in the NWT's petroleum resources sector	12	Goal 10: A sustainable petroleum resources sector backed by innovation and the Knowledge Economy	19
Goal 2: An improved NWT oil and gas regulatory framework	14	Lessons Learned and Next Steps	20
Goal 3: Greater investment in NWT petroleum resources	14		
Goal 4: Greater public awareness and understanding of the NWT petroleum resources sector	15		
Goal 5: Land use certainty related to responsible petroleum development	15		



Introduction

The NWT Petroleum Resources Strategy (PRS) is the base for Government of the Northwest Territories (GNWT) support of meaningful, sizable, and responsible petroleum resources investment. The Strategy has a two-part approach for boosting investment in by restoring confidence in major export projects from the Northwest Territories (NWT), while promoting local natural gas use by communities and businesses.

The NWT's petroleum resources are a major asset for residents. Those resources have huge potential for growing the local and territorial economies. This report describes how the PRS was actioned from 2019-20 to 2021-22 (or the "reporting period"). It provides background on the PRS, the state of the NWT's petroleum resources, the actions taken to boost investment, and a summary of expected work in the coming years.



What is the Petroleum Resources Strategy (PRS)?

The PRS is the GNWT’s path to responsible development of the NWT’s petroleum resources. The strategy focuses on investment in major export projects, while also looking at community development. The PRS builds around three key Pillars, supported by 10 goals and 27 actions, as described here:

Pillar I Improving Our Competitive Edge (5 Goals, 14 Actions)	Pillar II Ensuring Benefits for NWT Residents (3 Goals, 8 Actions)	Pillar III Creating a Sustainable and Innovative Sector (2 Goals, 5 Actions)
--	---	---

Pillar 1 - Improving Our Competitive Edge

GOALS	PERFORMANCE INDICATORS
1. Necessary infrastructure in place to facilitate activity in the NWT's petroleum resource sector	<ul style="list-style-type: none"> • Construction of transportation infrastructure
2. An improved NWT oil and gas regulatory framework	<ul style="list-style-type: none"> • Amendments to the <i>Petroleum Resources Act</i> • Amendments to the <i>Oil and Gas Operations Act</i> • Development of Regulations
3. Greater investment in NWT petroleum resources	<ul style="list-style-type: none"> • Increase in exploration projects • Increase in development projects • Increase in production projects
4. Greater public awareness and understanding of the NWT's petroleum resources sector	<ul style="list-style-type: none"> • Increased opportunities for public engagement • Public understanding of NWT oil and gas resources • Amount of publications, resource materials, online resources
5. Land use certainty related to responsible petroleum development	<ul style="list-style-type: none"> • Amount of land under Interim Land Withdrawal (ILW) • Amount of land categorized as proposed conservation/protection • Amount of land accounted for under Land Use Plan • Land Use Plans • Protected Areas

Pillar II – Ensuring Benefits for NWT Residents

GOALS	PERFORMANCE INDICATORS
6. Locally produced energy for residents and businesses	<ul style="list-style-type: none"> • Amount of displaced imported energy
7. NWT workforce and business capacity to participate in and benefit from activities in the NWT's petroleum sector	<ul style="list-style-type: none"> • Jobs filled by NWT residents • Procurement value sourced from NWT businesses
8. GNWT is full partner in offshore oil and gas policy and governance	<ul style="list-style-type: none"> • GNWT partnering in arctic offshore decision processes

Pillar III - Creating a Sustainable and Innovative Sector

GOALS	PERFORMANCE INDICATORS
9. Decisions about the development of NWT petroleum resources incorporate science and traditional knowledge	<ul style="list-style-type: none"> • Continue integration of science and Traditional Knowledge into regulatory processes • Integration of science and Traditional Knowledge into Environmental Studies Research Fund (ESRF) funded research
10. A sustainable petroleum resources sector backed by innovation and the Knowledge Economy	<ul style="list-style-type: none"> • Lower cost of doing business • Lower environmental impact • Attract research and development activity relevant to oil and gas

Each Pillar of the strategy focuses the effectiveness of staff resources and contracting dollars. The GNWT employs a whole-of-government approach to achieve each PRS Goal. Many goals and actions are ‘ongoing’ as we support relationship building, guidance, data collection, information sharing, and monitoring.

The GNWT has progressed each of these three strategic Pillars over the reporting period. We have completed two of the 27 Actions within these Pillars, with 20 currently ongoing and five in the planning stage. Actions moved forward despite the challenges of operating during the COVID-19 pandemic. The COVID-19 pandemic also had an impact on key petroleum partners and contacts.

The Northwest Territories Petroleum Resources

The NWT is home to a large amount of conventional and unconventional natural gas and oil. According to government estimates, the NWT has up to 16.7 trillion cubic feet (TCF) of natural gas, 53.3 million barrels of natural gas liquids, and 1227.8 million barrels of crude oil resources.

Table 1 – Discovered conventional petroleum resource volumes in the NWT

TYPE OF RESOURCE	Beaufort Sea	NWT Arctic Islands	Mackenzie Delta	Central Mackenzie Valley	Southern NWT	TOTAL
Natural Gas						
billion m ³	178.0	75.2	160.8	36.3	16.7	467.0
(trillion cubic feet)	6.2	2.6	5.7	1.3	0.6	16.4
Natural Gas Liquids						
million m ³	0.2	0.0	8.3	0.0	0.0	8.5
(million barrels)	1.2	0.0	52.0	0.1	0.0	53.3
Oil						
million m ³	106.1	4.9	28.8	54.8	0.5	195.1
(million barrels)	667.4	31.0	181.0	344.8	3.5	1227.8

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

The NWT is home to one of Canada's longest running oil fields at Norman Wells. It has also seen development of the Pointed Mountain resource in the Fort Liard area, oil operations at Cameron Hills, and natural gas development at the Ikhil Reservoir north of Inuvik. There is potential for significant shale oil development in the Central Mackenzie Valley. Despite

high-quality petroleum resources, lacking infrastructure and high development costs hinder development potential.

Governments share administration over the NWT's petroleum resources. The GNWT controls petroleum resources on territorial lands. This makes up the bulk of the NWT's resource base.

Four Indigenous Governments have ownership of mineral and petroleum rights on their lands. Land claim agreements establish this ownership. The Government of Canada, meanwhile controls petroleum resources at Norman Wells and in the Beaufort Sea.

Two pieces of GNWT legislation—the *Petroleum Resources Act* (PRA) and the *Oil and Gas Operations Act* (OGO)—regulate onshore oil and gas. The 2014 Devolution Agreement splits responsibility for regulating onshore oil and gas operations between the Canada Energy Regulator (CER) and the Office of the Regulator of Oil and Gas Operations (OROGO). CER regulates the ISR, while OROGO regulates in the rest of the NWT. The Canadian Government remains the regulator of oil and gas operations in the Beaufort Sea. An accord has been negotiated between the GNWT, Inuvialuit Regional Corporation (IRC), Government of Yukon, and the Government of Canada determining the future governance of activity in the region.

Before the COVID-19 pandemic, petroleum companies committed \$63,266,203 on NWT-associated projects over the reporting period. 55% of that total (\$34,669,852) was intended for spending in the NWT. The majority of the spending commitment was to continue well abandonment work in the Mackenzie Delta, Sahtu and Liard regions. The actual spending over the reporting period was lower than their initial forecast. Petroleum companies spent \$36,570,791 over the reporting period, with 48% (\$17,604,443) spent in the NWT.¹

The main reason spending decreased was pandemic-related restrictions to entering the NWT. Work was instead done online from Alberta or British Columbia, with few outside workers staying in the NWT.

During the reporting period, the GNWT collected \$46,743,901 in fees related to administration of oil and gas rights. Between 2016 and 2021, the GNWT collected a total of \$92,882,625 (Table 1) in fees.

Table 2 – NWT Petroleum Spending

Petroleum Spending	2016	2017	2018	2019	2020	2021	Totals
Non-refundable Rentals (leases)	\$52,202	\$52,202	\$52,202	\$52,202	\$52,202	\$793	\$261,803
Fees	\$118	\$136	\$0	\$0	\$0	\$0	\$254
Forfeitures	\$12,084,465	\$31,036,250	\$0	\$0	\$0	\$45,251,480	\$88,372,195
Period 1 Extension Fees	\$520,209	\$953,716	\$1,387,224	\$1,387,224	\$0	\$0	\$4,248,373
							\$92,882,625

¹ Figures do not include Imperial Oil's spending at Norman Wells, as it is a federally regulated site.



How Global Petroleum Markets Impact the NWT

International events can have major impacts on the NWT's petroleum resources sector.

In the early 2000s, natural gas exploration work increased in the Mackenzie Delta. This was in anticipation of the Mackenzie Gas Project. Significant oil exploration work in the Sahtu Settlement Area (SSA) followed a few years later, boosted by record-high global oil prices. Global prices for petroleum products have since decreased. This has had a negative effect on development of the NWT's petroleum resources.

Recent global events have shifted the global energy market, with swings in oil and gas prices over a short period of time. Oil prices reached near-record prices in early 2022, but in late-2022 and early 2023, oil prices dropped by one-third. Industry analysts predict that elevated prices for oil and gas will continue for a decade or more.

At the same time, there is increasing recognition of climate change, through the impacts of greenhouse gas emissions (GHG) on the planet. As a result, nations are focusing more attention on mitigating these impacts. The Federal Government and the GNWT are looking at strategies to reduce reliance on fossil fuels.

The NWT is in an exciting position for a domestic green economy, while at the same time helping other nations reduce their reliance on coal and diesel. Through investments in wind, solar, geothermal, and blue hydrogen, NWT communities

can join Canada's charge to becoming a net-zero nation. The NWT can make a difference to global GHG reductions through the exportation of LNG to other markets to help reduce reliance on coal and diesel, provided we meet requirements of GNWT and/or federal GHG emissions policies. Governments, industry, and independent energy analysts all predict the global need for fossil fuel energy will continue for decades and likely into the next century.

“International events can have major impacts on the NWT’s petroleum resources sector.”



Performance on PRS Implementation

There is a monitoring and implementation plan established for the PRS. A multi-departmental working group uses a whole-of-government approach for reporting on key performance indicators.

PILLAR I: IMPROVING OUR COMPETITIVE EDGE

The PRS acknowledges that the NWT petroleum development is unique when compared to the rest of Canada, with challenges from a lack of infrastructure and higher operating costs. The focus of Pillar I is to address these challenges by improving NWT infrastructure, updating the regulatory system, looking for outside investment, ensuring transparent information sharing, and working towards land use certainty within the NWT.

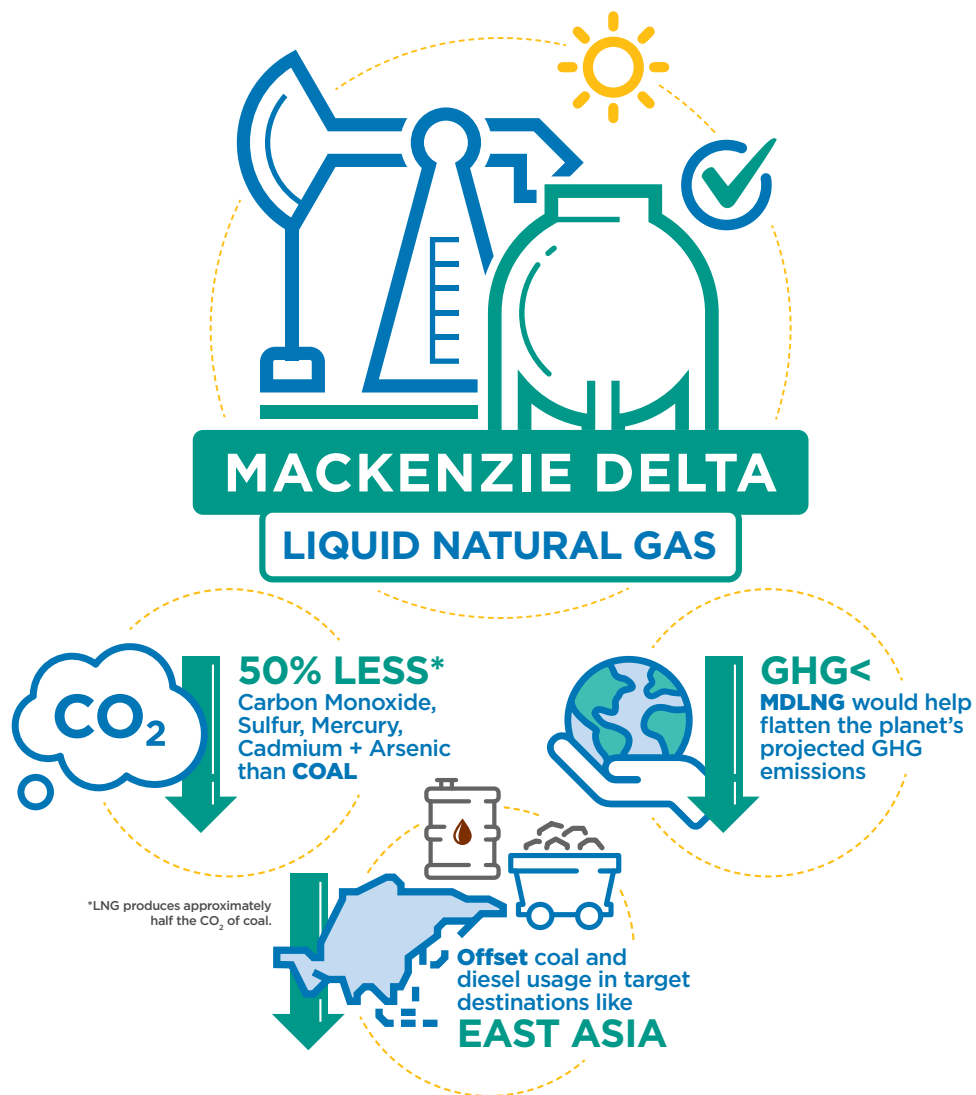
Goal 1: Necessary infrastructure in place to facilitate activity in the NWT's petroleum resources sector

MACKENZIE DELTA LIQUEFIED NATURAL GAS (MDLNG)

The pursuit of the MDLNG concept is the GNWT's main effort to create new and major investment in the NWT's petroleum sector. This concept would take proven, conventional, onshore reserves of natural gas and liquefy them for transport and export to target markets, most notably East Asia. Specifically, the GNWT believes known Mackenzie Delta natural gas reserves could supply four million tons of LNG per year for a period of 25 years. As other resources are discovered or become available, the GNWT sees room for expansion—either in terms of annual production, or overall length of production.

Over the reporting period, this idea has become a viable development concept the GNWT is promoting to key industrial partners. The completed work to develop MDLNG included:

1. Gaining a better understanding of the resource amounts, quality, and locations within the Mackenzie Delta;
2. Testing various development scenarios to identify the most likely cases for success;
3. Contracting and managing external experts to examine technical and economic competitiveness in detail;
4. Liaising with IRC and other key stakeholders to maintain transparency and opportunities for feedback; and
5. Completion of supporting research to further de-risk the project from an investment perspective.



Goal 2: An improved NWT oil and gas regulatory framework

LEGISLATIVE AMENDMENTS

Under the PRS, amendments to the NWT's two pieces of oil and gas legislation—the *Petroleum Resources Act* (PRA) and the *Oil and Gas Operations Act* (OGOA)—were made. Extensive engagement with the public, Indigenous Governments and industry representatives was carried out and independently summarized in a 'What We Heard' report. Through these efforts, the need to address key parts of the NWT's legislation became obvious. This included making transparency the norm for operations, limiting Significant Discovery Licence terms, and modernizing approaches to the management of petroleum resources where applicable.

The legislative amendment process for those changes was initiated in 2018 and completed in the summer of 2020, with the passing of Bill 36: *An Act to Amend the Petroleum Resources Act* and Bill 37: *An Act to Amend the Oil and Gas Operations Act*.

Upon the successful conclusion of the PRA and OGOA amendment processes, work began to review and update oil and gas regulations. During the reporting period, significant progress was made to better understand where existing regulations might be outdated or redundant and where systems could be improved. The completion of the regulations review was postponed until the 20th Legislative Assembly.

Goal 3: Greater investment in NWT petroleum resources

PROMOTIONAL ACTIVITIES

The GNWT attends oil and gas industry conferences to communicate the progress made on the PRS and to promote the NWT's petroleum resources to industry delegates and the investment community. In addition, the GNWT supported representatives of NWT Indigenous Governments to attend these key events.

There are three main events that the GNWT has attended:

- The Arctic Energy and Resource Symposium (AERS, formerly AOGS) held in Calgary each March;
- The Canada Gas and LNG Exhibition and Conference (CGLNG) held in Vancouver in May; and
- The Arctic Development Expo (ADE) held in Inuvik each June.

Due to the COVID-19 pandemic, attendance at these events was limited or impossible during the reporting period. However, the GNWT was still able to maintain a presence at these events virtually. Continued attendance at these and similar events is essential for the GNWT to communicate opportunities in the NWT and to capitalize on its energy investment ambitions.

Goal 4: Greater public awareness and understanding of the NWT petroleum resources sector

ACCESSIBLE REPORTING

The GNWT publishes annual Oil and Gas Reports, which contain information related to NWT petroleum resource estimates, petroleum rights administration and petroleum production levels. Additionally, the GNWT produces regularly updated and publicly available oil and gas maps that visually represent resource potential and petroleum rights locations. Finally, the Environmental Studies Research Fund (ESRF) produces a publicly available annual report that describes ESRF activities over the course of the year.

To access any of the listed reports or resources online, visit www.iti.gov.nt.ca

A record of changes to licences can be accessed through the Northwest Territories Gazette, published online at www.justice.gov.nt.ca/en/northwest-territories-gazette/

The GNWT takes actions to create public awareness for NWT residents of the Oil and Gas industry. Opportunities include Resource and Energy Development Information (REDI) events, and attendance at public conferences, such as the Arctic Development Expo (ADE) held annually in Inuvik.

Goal 5: Land use certainty related to responsible petroleum development

According to the GNWT Department of Lands, 36% of the Mackenzie Valley's landmass is currently administered through mechanisms described in Land Use Plans. As land use planning processes and land claim agreement negotiations near completion, the GNWT continues to work collaboratively with all parties to meet GNWT mandates in a fair and respectful way.

Over the reporting period, GNWT completed four objectives as described in the *Healthy Land, Healthy People: GNWT Priorities for Advancement of Conservation Network Planning 2016-2021*. Additionally, the majority of the NWT landmass is available for development activities subject to specific requirements based on location and 7% of the NWT's landmass is available for petroleum development without land use constraints.

PILLAR II: ENSURING BENEFITS FOR NWT RESIDENTS

Traditionally, government action to encourage NWT petroleum investments has focused on large-scale projects. The PRS highlights the potential to develop small-scale, local energy projects that can help power NWT communities and industries—especially from natural gas. These investments represent a series of ‘wins’ for the NWT, including energy security, local employment potential, reduced reliance on imported fuels, and reduced GHG emissions.

Pillar II establishes a focus on smaller developments that can be completed by local businesses and a capable NWT workforce. This approach will not only help ensure that NWT residents benefit from local petroleum development opportunities, but also from potential large-scale developments by building capacity on smaller projects.


Although substantial petroleum resources in the Beaufort Sea remain under federal jurisdiction, the GNWT is required under Pillar II to participate in negotiations and activities that will establish future offshore resource governance and policy.

Goal 6: Locally produced energy for residents and businesses

REGIONAL ENERGY DEVELOPMENT

The GNWT has contributed to the understanding and advancement of local energy development in two primary areas.

The GNWT has supported the Inuvialuit Petroleum Corporation’s (IPC) Inuvialuit Energy Security Project (IESP), which proposes to develop a natural gas well south of Tuktoyaktuk to replace imported fuels in both Inuvik and Tuktoyaktuk. The GNWT’s construction of the Inuvik to Tuktoyaktuk Highway (ITH) as well as the completion of an energy feasibility study along the ITH corridor are key developments in the IESP story. The GNWT has provided financial assistance to IPC to finalize engineering and design work required to advance IESP. Additionally, GNWT staff have assisted IPC as it navigates the ISR’s petroleum regulatory landscape. GNWT and IPC staff are in communication as IESP advances and the GNWT is fully supportive of this project. The benefits to the NWT include reduced reliance on outsourced fuels, promotion of economic reconciliation with the IRC, and reduced GHG emissions by eliminating trucking and barging of fuels to the region.



Boosted by IESP's successes, the GNWT expanded efforts under Pillar II to find potential local energy developments in other regions of the NWT. This included an analysis of all known natural gas wells in the Sahtu and Dehcho regions, with accompanying economic analyses. Although promising natural gas reserves exist in these regions, the economics are not favourable for investment at this time, largely due to a small population base from which to recoup capital investments. Until the underlying economic situation changes, there does not appear to be an economic incentive to replace imported diesel with local natural gas in these regions.

Goal 7: NWT workforce and business capacity to participate in and benefit from activities in the NWT's petroleum resources sector

REMEDIATION ECONOMY

The GNWT continues to pursue economic opportunities arising out of the remediation of past oil and gas operations. During the early stages of the COVID-19 pandemic, the Government of Canada made a significant contribution to Alberta, British Columbia, and Saskatchewan to address orphaned oil and gas wells. At present, there are no orphaned wells in the NWT, and the majority of oil and gas liabilities are being addressed.

The GNWT has been responsible, through a court-appointed monitor, for remediation efforts at Cameron Hills near the NWT-Alberta border. The GNWT has been engaged as Imperial Oil seeks authorizations to carry out remediation at its Norman Wells operations, presently managed by the federal government. The GNWT has also been active in supporting the efforts led by the IRC and industry to address impacts of changing permafrost

on the integrity of in-ground drilling sumps in the ISR. All these efforts have the potential to address environmental liabilities, while generating regional economic activity in the Dehcho, Sahtu and Inuvialuit regions.

The GNWT collaborates with the Government of Canada to investigate and maximize opportunities for local employment and training related to the Remediation Economy. This work started in 2022-23. Economic analysis was completed to estimate the size and scale of expected remediation opportunities, and to engage with the public to collect feedback on how GNWT can offer support for workers and businesses hoping to pursue these opportunities.

Goal 8: GNWT is a full partner in offshore oil and gas policy and governance

The Devolution Agreement placed a requirement on the Government of Canada, GNWT and IRC to negotiate an offshore oil and gas accord to apply to the Canadian portion of the Beaufort Sea. The GNWT has, over the past three years, been actively engaged in negotiations, with GNWT negotiators instrumental in achieving alignment between IRC, GNWT and Government of Yukon representatives when presenting options to the Government of Canada for consideration. The Accord was completed and signed during the summer of 2023. If the federal offshore oil and gas development moratorium were to be lifted in the Beaufort Sea, it would create a major potential economic opportunity for the NWT and Inuvialuit.

PILLAR III: CREATING A SUSTAINABLE AND INNOVATIVE SECTOR


All developments in the NWT must be based on respect for people and environment. The PRS supports this approach to development by establishing a focus on the use of local knowledge and expertise, along with modern technologies that make sense in the North. The successful melding of traditional knowledge and modern science will advance the GNWT's Innovation Action Plan with respect to petroleum development, helping to ensure the best information is used when decisions are made. Requiring a focus on traditional knowledge ensures that local voices are heard, and viewpoints applied, when companies propose projects and regulators make decisions respecting petroleum development. Maintaining a strong Environmental Studies Research Fund (ESRF) and associated Management Board (MB) will allow for the capture of meaningful scientific data that can be applied to responsible petroleum developments.

Goal 9: Decisions on the development of NWT petroleum resources incorporate science and traditional knowledge

GREENHOUSE GAS EMISSIONS

Over the reporting period, the Government of Canada released public goals to reduce carbon emissions by 60% by 2030, with ambitions of being a net-zero country by 2050. The Government of Canada has provided an opportunity for comment and discussion with industry and governments on how to create the best system for reducing GHG emissions from the oil and gas sector, while balancing Canadian economic growth. Industry partners have clearly indicated to GNWT staff their preference for new developments to be net-zero at project start.

The GNWT has contributed to these discussions, seeking to balance the need to limit GHG emissions with the need for new economic growth. The GNWT Department of Infrastructure has made efforts to understand the cost and feasibility of investing in renewable energy to reduce remission across sectors, including industry, through its Energy Strategy and Action Plan. Work also focuses on increasing investment in NWT production of petroleum products for local use to reduce or eliminate the use of imported diesel and increase local energy security, and for export (to replace coal and heavy diesel energy sources with cleaner NWT LNG in Asian markets).



The Department of Infrastructure is looking at potential techno-economic pathways for hydrogen production and use in the NWT. The path to future NWT hydrogen would be aided by successful implementation of Carbon Capture and Sequestration technologies in the Territory.

The GNWT has taken initial steps over the reporting period to better understand the requirements for successful carbon sequestration in the NWT, in line with Action 10.1 and 10.3. The GNWT hopes to advance this research to identify areas for further investigation to support both an NWT LNG and hydrogen economy.

ADDITIONAL STUDIES

In support of the MDLNG concept, the GNWT developed additional scientific studies to help de-risk the project. A detailed sea-ice study spanning the Bering Strait to the Mackenzie Delta was conducted to understand conditions in the Beaufort Sea. A nearshore geohazard analysis of the Mackenzie Delta was completed and provided to the Northwest Territories Geological Survey for its files. An LNG market analysis was also completed, detailing anticipated future trends in the global LNG landscape, which will be of use to decision makers with interests in global energy consumption information. The GNWT completed a study investigating the potential for helium as a value-added by-product of natural gas development in the Colville Hills region.

ENVIRONMENTAL STUDIES RESEARCH FUND (ESRF)

The management board of the ESRF evaluates research proposals on a wide variety of topics relevant to the NWT, local communities, and the NWT's petroleum industry. As part of the GNWT's PRA legislative amendment process, ESRF MB membership was adjusted to allow for an equal number of public, government and industry appointees. This is in line with the GNWT's goal to make oil and gas operations in the NWT more transparent and open for the public.

Goal 10: A sustainable petroleum resources sector backed by innovation and the Knowledge Economy

Over the reporting period, the GNWT worked to advance initiatives designed to help establish a petroleum resource sector. The ESRF-funded projects focused on caribou monitoring, water management, moose population estimates, and reclamation-related research related to the oil and gas sector. The GNWT also supported internal research related to wildlife and wildlife habitat, which will prove useful to the petroleum industry as they carry out their operations in the NWT.



Lessons Learned and Next Steps

Given the current state of the sector, some key points of PRS implementation need to be reconsidered as they relate to performance measure reporting. The GNWT will reconvene a multi-departmental working group to revisit PRS performance measures to make reporting more relevant and transparent. This will ensure performance measures are providing meaningful data that support evidence-based decision-making.

The GNWT will continue to progress key files related to responsible large-scale petroleum development in the NWT. For the MDLNG, the GNWT's present focus is on identifying reasonable options for addressing carbon produced from development. This may result in finding a suitable carbon sequestration formation in the NWT, identifying options for temporary local storage, shipping carbon dioxide to a suitable destination or another option that makes sense for the North. The GNWT recognizes that partnerships with IRC and the energy industry will be necessary to advance the MDLNG project concept. ITI will continue to promote advancements in the concept as appropriate.

In other regions of the NWT, the GNWT will promote the consideration of NWT-based Liard Basin natural gas as a feedstock option for LNG export projects being built or proposed for the British Columbia coast. The Liard region of the NWT is connected to the BC gas pipeline network, making linkages with LNG export infrastructure on the BC coast feasible. The GNWT will advocate for Liard natural gas with industry buyers and assist petroleum licence holders in the region with promotion and awareness activities.

Locally, the GNWT will continue to investigate options for local use of resources to supply communities with energy for heating and electricity. The GNWT will continue to support IPC as the IESP advances. In the ISR, the GNWT will help advance work being led by IRC to understand the threat to legacy in-ground sumps in the face of changing permafrost conditions. Early efforts focus on data gathering and development of a risk matrix for consideration by appropriate government, Inuvialuit, and industry representatives.

The GNWT will also continue to advance the updating of oil and gas regulations to ensure cohesion with revised legislation. Regulations will be modernized where appropriate and will consider new realities, such as regulation of geothermal energy and carbon sequestration.

“For the MDLNG, the GNWT’s present focus is on identifying reasonable options for addressing carbon produced from development. This may result in finding a suitable carbon sequestration formation in the NWT, identifying options for temporary local storage, shipping carbon dioxide to a suitable destination or another option that makes sense for the North.”

NORTHWEST TERRITORIES
Petroleum Resource
Strategy Report

2019-20 TO 2021-22

<https://www.iti.gov.nt.ca>

