



Return to Written Question

THE HONOURABLE WALLY SCHUMANN
MINISTER OF INDUSTRY, TOURISM AND INVESTMENT

Strategic Oil and Gas Ltd. Holdings in the NWT

Mr. Speaker, I have a Return to Written Question asked by Mr. O'Reilly, on June 6, 2019, regarding Strategic Oil and Gas Ltd. holdings in the NWT.

In collaboration with the Departments of Industry, Tourism and Investment, Environment and Natural Resources, and Lands, and the Office of the Regulator of Oil and Gas Operations, I am pleased to provide the following information to address the questions asked:

1. What are the current holdings of Strategic Oil and Gas in the NWT in terms of oil and gas rights, Land Use Permits, Water Licences, and facilities?

Strategic Oil and Gas holds a Type "A" Land Use Permit, MV2013A0010, and a Type "A" Water Licence, MV2010L1-0001, both issued by the Mackenzie Valley Land and Water Board. The permit and licence are available on the Mackenzie Valley Land and Water Board's public registry at <https://mvlwb.com/registry/>.



Strategic Oil and Gas holds an Operations Authorization issued under section 10 (1)(b) of the *Oil and Gas Operations Act* for activities leading to the closure of the Cameron Hills field. The file number is OA-2018-003 and is publicly available on Office of the Regulator of Oil and Gas Operations' public registry <https://www.orogo.gov.nt.ca/en/registry>.

Strategic Oil and Gas has an interest in 15 Production Licences and 11 Significant Discovery Licences in the NWT. Later today, at the appropriate time, I will table the document entitled Petroleum Interests Held in the NWT by Strategic Oil and Gas Ltd.

2. Has Strategic Oil and Gas submitted full financial security for all of the Water Licenses, Land Use Permits, and other rights for its holdings in the NWT?

Strategic Oil and Gas has posted, and the Government of the Northwest Territories has accepted, the full amount of security required under its Land Use Permit and Water Licenses. The GNWT currently holds a total of \$2,909,880 in land and water reclamation securities: \$1,309,880 under Water License MV2010L1-0001 and \$1,600,000 under Land Use Permit MV2013A0010.

3. What are the reclamation liabilities of Strategic Oil and Gas for its holdings in the NWT?

Under its land use permit and water licence, Strategic Oil and Gas is responsible for reclaiming the land and water to the satisfaction of the Mackenzie Valley Land and Water Board. Further details are set out in the permit and licence conditions. All costs to remediate the site are the responsibility of Strategic Oil and Gas.

4. Does a plan exist for closure and remediation of existing facilities and is financial security adequate for this work to be done?

The Mackenzie Valley Land and Water Board is responsible for approving the Closure and Reclamation Plan for the existing facilities. Strategic Oil and Gas is required to submit a revised Closure and Reclamation Plan to the Mackenzie Valley Land and Water Board for review and approval on August 21, 2019. During the Closure and Reclamation Plan review process and upon its approval, financial security will be assessed to ensure that security held by the GNWT is sufficient to cover the work required to remediate the facilities.

Strategic Oil and Gas's OA application, also available on Office of the Regulator of Oil and Gas Operations' public registry, outlines its plans for the abandonment/decommissioning of oil and gas wells and other infrastructure at the Cameron Hills field. The Office of the Regulator of Oil and Gas Operations maintains oversight of the activities it has authorized with respect to Cameron Hills field.

5. What is our government doing to prevent public liabilities and ensure that the interests of the NWT are protected with regard to the current state of Strategic Oil and Gas Ltd.?

The GNWT is taking all reasonable steps to protect our interests. As this matter is before the courts, I am unable to comment further.

Thank you, Mr. Speaker.