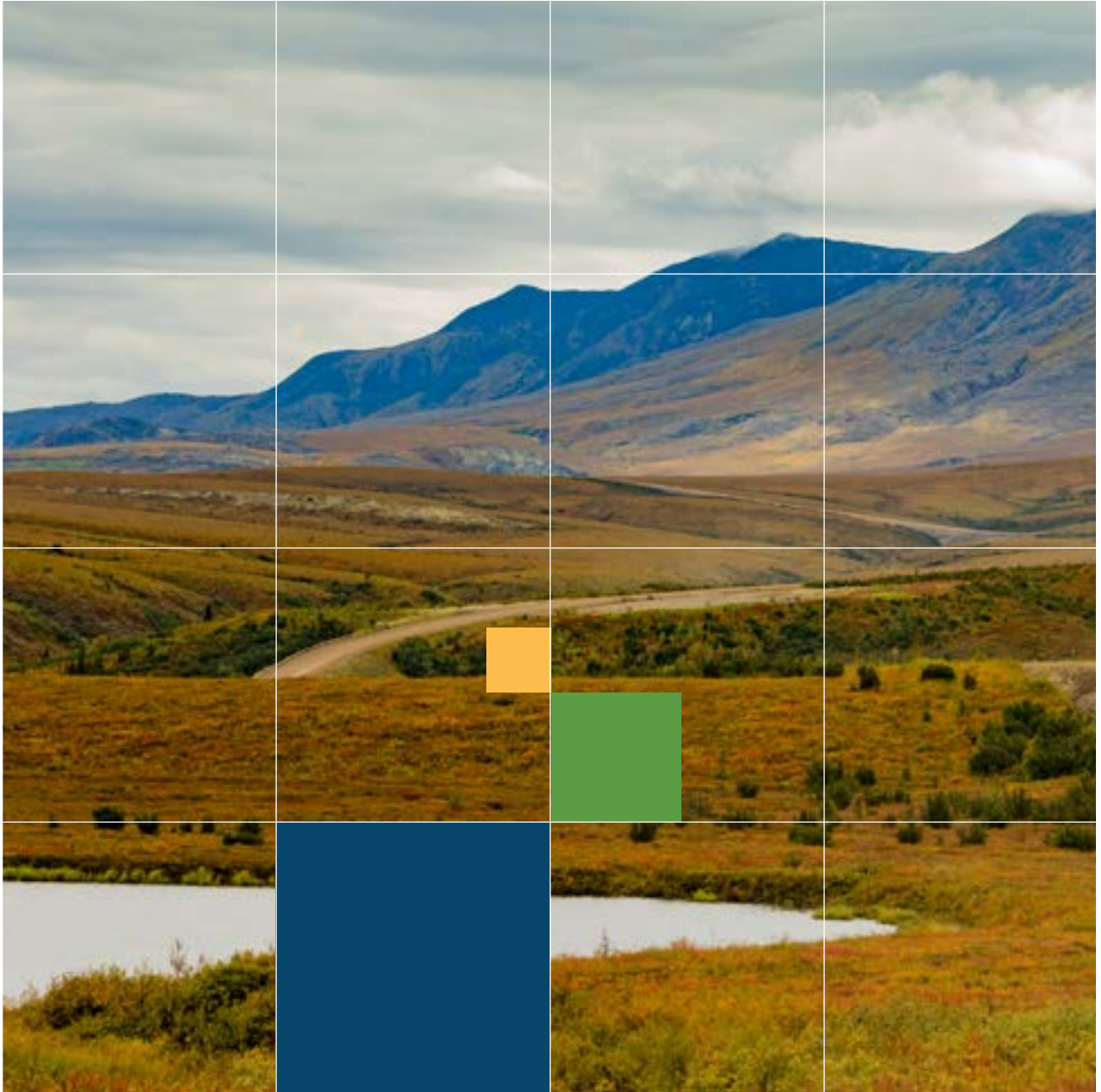




Canada Energy  
Regulator

Régie de l'énergie  
du Canada

# Canada Energy Regulator's 2023-24 Annual Report of activities under the Northwest Territories' *Oil and Gas Operations Act*



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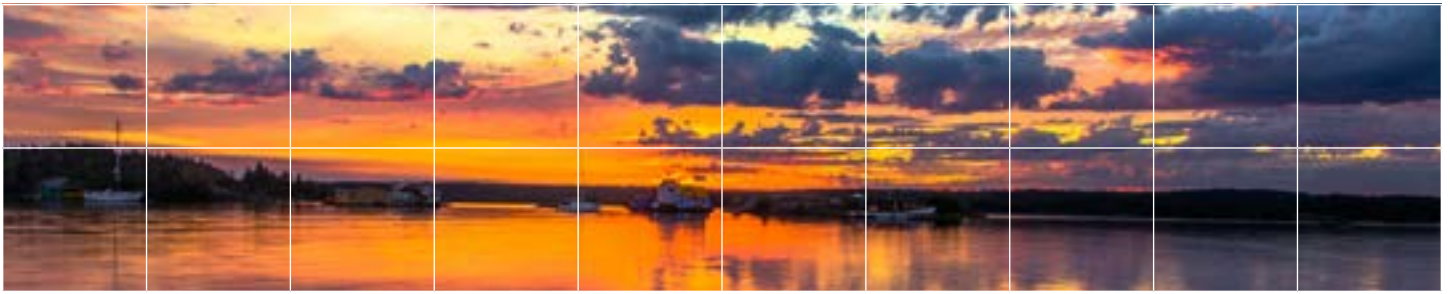
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## Overview

The Canada Energy Regulator (CER) is pleased to present the 2023-24 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 (ITI) of the Government of the Northwest Territories.

The CER regulates oil and gas exploration and production in the onshore portion of the Inuvialuit Settlement Region (ISR) in the Northwest Territories (NWT) under the OGOA. The CER is a group of over 600 people with its main office located in Calgary, Alberta, and its Northern Regional Office located in Yellowknife, NWT. Two additional CER regional offices are located in Vancouver, British Columbia and Montreal, Québec.

Additionally, the Commission of the CER has a key role in making decisions under the OGOA. The Commission is an independent adjudicative body established under the *Canadian Energy Regulator Act*, whose 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

The Chief Executive Officer did not make any new designations or appointments during the 2023-24 fiscal year. In 2023-24, the following designations were in effect:

- Iain 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.

## Delegations

The Commission did not make any new delegations during the 2023-24 fiscal year. Iain Colquhoun's and Paula Futoransky's delegation of certain powers under the OGOA (see [Appendix A](#)), including the authority to issue operating licences, authorizations and well approvals, remains in effect.

## Applications and Decisions

The CER received one application under the OGOA in the 2023-24, fiscal year:

- On 26 May 2023, the Inuvialuit Energy Security Project Ltd. (IESPL) filed an [application](#) to alter the condition of a well for TUK M-18.

Six decisions were issued under the OGOA in the 2023-24 fiscal year:

- On 22 June 2023, the Commission issued a [decision](#) to IESPL to amend a development plan for the Inuvialuit Energy Security Project under Hearing Order MH-002-2021.
- On 28 June 2023, the Commission issued a [decision](#) to IESPL to authorize early site works under OA-1414-001. On 8 August 2023, the Commission issued [reasons for decision](#).
- On 28 June 2023, the Commission issued a [decision](#) to IESPL to authorize the well workover under OA-1414-002. On 8 August 2023, the Commission issued [reasons for decision](#).
- On 9 August 2023, the Chief Conservation Officer issued a [decision](#) to MGM Energy Corporation for a suspended well and sump inspections approval under OA-1202-001.
- On 23 February 2024, the Chief Conservation Officer issued a [decision](#) to IESPL to alter the condition of a well for TUK M-18.
- On 7 March 2024, the Commission issued a [decision](#) to IESPL to authorize the installation and operation of the IESP Energy Centre under OA-1414-003.

## Operating Licences Issued

The CER granted seven companies annual operating licences under the OGOA during 2023-24. A list of all current operating licence holders is posted on the [CER website](#), in [Open Government](#) and listed in [Appendix B](#). 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.



The following table lists oil and gas companies whose activities in the onshore portion of the ISR are regulated 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



## OGO A Compliance Verification Activities

Keeping people safe and the environment protected are at the core of the CER's mandate. Regulated companies are required by the CER to anticipate, manage, and mitigate any potential harm to safety and the environment that may occur through the full lifecycle of their energy facilities. As a part of this, the CER uses a risk-informed approach in planning and conducting compliance verification activities. When the activities of regulated companies have the potential to pose greater harm to people or the environment, the CER focuses on increased oversight through engagement, inspections, investigations, audits, and enforcement, when necessary.

In 2023-24 the CER conducted the following compliance verification activities<sup>1</sup> under the OGOA:

- two information exchange meetings;
- one safety inspection;
- one environment inspection; and
- three incident response report reviews.

In addition to routine daily production report reviews, many of these compliance verification activities represent the ongoing regulatory oversight of Utility Group Facilities Inc.'s Ikhil gas production operations and regulatory oversight of 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. The NWT-Nunavut Spills Working Agreement promotes response coordination and continuous improvement of pollution preparedness activities in the Northwest Territories 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 18 incident reports and six reports of near misses in the ISR during the 2023-24 fiscal year.

The CER issued one Notice of Non-Compliance as part of an emergency management report review under the OGOA in 2023-24.

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<sup>1</sup> 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>

## Sampling Requests and Requests for Information

The CER received one sampling request for 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 21 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 Northwest Territories' Office of the Regulator of Oil and Gas Operations (OROGO) and with ITI's Mineral and Petroleum Resources Division to examine opportunities for improving regulatory coordination and efficiency. In addition, 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 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 also regularly engages in informal and formal meetings and forums relating to its regulatory responsibilities in the ISR. For example, in 2023-24 CER staff attended the annual Government of Northwest Territories Petroleum Units meeting.



# Appendix A

Powers Delegated to Iain Colquhoun & Paula Futoransky by the Commission under the OGOA in 2021 which remained in effect in 2023-24<sup>2</sup>.

OGO A*	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 to 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.

\* and well approvals under s.13 of the NWT's *Oil and Gas Drilling and Production Regulations*

2 [CER – Designated Authorities 101 \(cer-rec.gc.ca\)](https://www.cer-rec.gc.ca)



# Appendix B

2023-24 Operating Licences issued by the Commission under the OGOA  
(via a delegation of s. 10)<sup>3</sup>

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.

3 [Active operating licenses](#)



# Appendix C

## Abbreviations

**CER**

Canada Energy Regulator

**Commission**

Commission of the CER

**GSC**

Geological Survey of Canada

**IESP**

Inuvialuit Energy Security Project

**IESPL**

Inuvialuit Energy Security Project Ltd.

**ISR**

Inuvialuit Settlement Region

**ITI**

Minister of Industry, Tourism and Investment of the Government of the Northwest Territories

**NWT**

Northwest Territories

**OGOA**

*Oil and Gas Operations Act*

**OROGO**

Office of the Regulator of Oil and Gas Operations