

THE HONOURABLE SHANE THOMPSON
MINISTER OF LANDS

Pointed Mountain Gas Field Compliance and Reclamation

Mr. Speaker, I have a Return to Written Question asked by Member for Frame Lake on March 16, 2020 regarding Pointed Mountain Gas Field Compliance and Reclamation.

This response has been prepared with input from the Department of Lands, the Department of Environment and Natural Resources, and the Office of the Regulator of Oil and Gas Operations.

The Department of Lands has not taken any enforcement action in relation to the June 5, 2019 compliance letter that was issued by the Department of Environment and Natural Resources with regard to the *Waters Act*. The Department of Environment and Natural Resources confirmed that the June 5, 2019 compliance letter directed the proponent to apply for a water licence. The proponent responded on June 12, 2019 that it would be starting the engagement process over the summer to apply for a water licence. The proponent submitted a water licence application to the Mackenzie Valley Land and Water Board on January 2, 2020. The Board then directed the proponent to provide further information, which will be available for public review as part of the Board's process.

1. Under land use permit MV2014X0011, the Department of Lands holds \$400,000 in securities for the Pointed Mountain site, in the form of an irrevocable letter of credit. There is no active water licence for the Pointed Mountain site.
2. The Mackenzie Valley Land and Water Board approved Paramount's Final Remediation Plan, Version 3, on an interim basis in July 2019 and directed Paramount to submit Version 4 as part of a future water licence application. The status of that application is discussed below.

The Office of the Regulator of Oil and Gas Operations (OROGO) advises that all the wells in this field have been abandoned in accordance with the requirements of the *Oil and Gas Operations Act* (OGOA) and its regulations, and that any associated OGOA-regulated infrastructure has been decommissioned. In other words, the wells have been permanently plugged, cut, and capped in a manner that is protective of the environment. OROGO further confirms that there is no OROGO-regulated infrastructure or activity remaining on the site.

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There is no current cost estimate for the full and final closure and reclamation of the site. As noted above, in January 2020, Paramount applied to the Mackenzie Valley Land and Water Board for a water licence for reclamation activities at the site. The Board then asked Paramount to provide further information, including a Final Remediation Plan and a closure cost estimate. Once these and other materials are provided, the Board will initiate a public review of the application and all associated materials. The GNWT will participate actively in the public review and will make recommendations to the Board which will include a security estimate based on the available evidence. The GNWT's submissions will be available on the Board's public registry.

3. The GNWT will continue to fulfill all its requirements related to the management of the site, including participating fully in the Land and Water Board water licence public review process.

Thank you, Mr. Speaker.