

MEMBER STATEMENT—KEVIN O'REILLY MLA FRAME LAKE

CAMERON HILLS LIABILITIES

October 20, 2020

MR. O'REILLY: Merci, Monsieur le President. I made my last statement on the Cameron Hills sour gas field in this House on February 26, 2020. GNWT accepted this property under devolution even though there was no approved closure plan and financial security of only \$2.9 million. Furthermore, GNWT never requested a revision in financial security or used other tools at its disposal to prevent this disaster. When I raised these matters with the current Minister of Lands, he could not provide any reason as to why GNWT accepted this site under the devolution agreement or why GNWT did not exercise all of its authority to prevent this site from becoming a public liability.

The Office of the Regulator of Oil and Gas Operations was apparently payable under some sort of a commercial general liability insurance policy for up to \$5 million by the former owner, Strategic Oil and Gas Limited, but that policy may have expired in January 2019. OROGO may also hold an irrevocable letter of credit of an unknown amount. There may also be a letter of credit to the National Energy Board for \$245,000 for the pipeline that carried Cameron Hills gas into Alberta.

What is clear is that the remediation of this site is going to cost taxpayers a lot of money. How much? There is still no approved closure plan or reclamation estimate for this very complex property that consists of 50 wells, winter roads, summer all-terrain vehicle trails, a gas and oil gathering system, a central battery, temporary and permanent camps, air strips, borrow pits, bridges, and pipelines. It appears that the three worst wells were partially closed and abandoned this last winter. That is good news, but it's not clear how much that cost, what funds remain available to GNWT, how much more it will cost taxpayers to clean up this mess, and where those funds will actually come from.

I will again have questions for the Minister of Lands on how we got ourselves into this mess, whereby NWT taxpayers are on the hook for what is likely tens of millions of dollars of environmental liabilities, and I would also like to know what is being done about it. Mahsi, Mr. Speaker.