

ORAL QUESTION—KEVIN O'REILLY, MLA FRAME LAKE

QUESTION 379-19(2): CAMERON HILLS LIABILITIES

October 20, 2020

MR. O'REILLY: Merci, Monsieur le President. Earlier today, I recounted the ongoing saga of how our government allowed the Cameron Hills sour gas field to become a public liability. Can the Minister of Lands tell us what general work has been done to date at the site by our government and how much it has cost? Mahsi, Mr. Speaker.

MR. SPEAKER: Thank you, Member for Frame Lake. Minister of Lands.

HON. SHANE THOMPSON: Thank you, Mr. Speaker. A receiver has been appointed by the court and is responsible for meeting Strategic Oil and Gas Limited's regulatory obligations at Cameron Hills. The government does not own the Cameron Hills site. The receiver conducted work at the site last winter to support the suspended three wells and bring them into compliance with an order issued on October 4, 2019. Also, in regard to the cost, the costs incurred by the NWT received to date have been around \$1.98 million. The Government of the Northwest Territories holds \$2.9 million in security for this site and the Regulator of Oil and Gas Operations hold an additional \$1 million. These funds are accessible as needed as set out in legislation. Thank you, Mr. Speaker.

MR. O'REILLY: I want to thank the Minister for that information. It's good news that some work is finally done to close the Cameron Hills field, maybe by receiver, but ultimately, it's going to come back to us. There is no way the money that is set aside is going to be able to cover all this. Can the Minister tell us how much money we actually can access in the various forms of available security for the remediation of the property and how much is left before we have to ask taxpayers to cough up more?

HON. SHANE THOMPSON: The GNWT has \$2.9 million. As I said, the regulatory of oil and gas hold an additional \$1 million. Right now, we have \$3.9 million present.

MR. O'REILLY: I am trying to do a quick math on my feet here. It looks like we've got about \$1 million left to do a lot more work. GNWT accepted the Cameron Hills site without an approved closure plan and without full financial security being posted. That should never have happened. We didn't use all the tools available to us to stop it from becoming a public liability either. Having seen some of the inspections reports, there's still a lot more work to be done properly to close and remediate this property. Can the Minister tell us whether there is a plan yet for the closure and remediation of the site and how much that will cost or when a costed plan will be completed?

HON. SHANE THOMPSON: On September 17, 2020, the Mackenzie Valley Land and Water Board issued a one-year storage authorization for the land-use permit. The authorization is posted to the board's public registry, and the receiver's indicated that this was being done as an interim measure until a land-use permit renewal is completed and approved. We don't know exactly how much it's going to cost completely to

remediate this site.

MR. SPEAKER: Thank you, Minister. Final supplementary. Member for Frame Lake?

MR. O'REILLY: Merci, Monsieur le President. I want to thank the Minister for that information. It's clear that the GNWT has not done enough to stop public environmental liabilities in a systematic way. We have no early warning system despite commitments to do so in the last Assembly. We have Ekati Mine teetering and nothing in the mandate letter for this Minister to finally put in place a preventative approach to public environmental liabilities. Can the Minister tell us exactly what he intends to accomplish in this Assembly to prevent further public environmental liabilities, like Strategic Oil and Gas? Mahsi, Mr. Speaker.

HON. SHANE THOMPSON: Prevention of the public liabilities require a collaborative effort from multiple departments, including Lands, ENR, Industry, ITI, and Finance. Current work on early warning includes monitoring the health of the financial institutions, tracking trends in industry, and the financial health of operators and monitoring the environment and regulatory compliance of the operators. I am committed to work with my Cabinet colleagues to continue to enhance this important work. Thank you, Mr. Speaker.