

QUESTIONS AND ANSWERS

GEOPHYSICAL REPORTING GUIDELINES AND INTERPRETATION NOTES

What are guidelines and interpretation notes?

Guidelines and interpretation notes are publications that clarify the Regulator's expectations for companies. They can also be a way to improve everybody's understanding of the way oil and gas resources are regulated in the Northwest Territories.

Interpretation notes explain the Regulator's views on the legal requirements for different activities.

Guidelines explain how companies can meet the legal requirements for their activities.

Who issues guidelines and interpretation notes?

The Regulator issues guidelines and interpretation notes. Section 18 of the *Oil and Gas Operations Act* gives the Regulator the authority to do so.

What does the word “geophysical” mean, and what are geophysical reports?

Geophysics is a science concerned with measuring and analyzing the physical properties of rock. Companies apply to OROGO for authorization to conduct geophysical operations such as seismic or magnetic surveys in order to learn more about subsurface rock formations, and the oil and gas resources they may contain. Companies authorized to conduct this work are required by law to submit reports to OROGO at different stages of their operations.

Why do we need *Geophysical Reporting Guidelines and Interpretation Notes* (guidelines)?

Recent lawsuits in Canada under laws similar to those in the Northwest Territories have shown that there has been uncertainty about how the law works and how regulators will implement it. OROGO's strategic objectives include enhancing certainty and predictability in our actions and promoting transparency in our work. These guidelines will improve awareness of the legislative requirements and create a common understanding of OROGO's expectations.

How were the guidelines developed?

The guidelines were developed by a working group led by staff of the Office of the Regulator of Oil and Gas Operations (OROGO). OROGO received technical support from the staff of the National Energy Board (NEB), and the Northwest Territories Geological Survey (NTGS). An outside consultant with technical expertise was also consulted.

In drafting the proposed guidelines, OROGO consulted similar requirements in other Canadian jurisdictions, especially those of Canada's two offshore petroleum boards, which both operate under similar legislation.

How does OROGO use the geophysical reports?

The weekly reports allow OROGO to oversee the geophysical operation, including ensuring safety of the operations and the protection of the environment. It is important for this information to be clear and consistent for OROGO to carry out its regulatory role under the *Oil and Gas Operations Act* and regulations.

The final reports assist companies, scientists and governments to determine the oil and gas potential of lands in the Northwest Territories. The availability of these reports in standardized formats makes them more useable and suitable for the purpose intended by lawmakers.

How do the guidelines change the way OROGO currently handles geophysical information?

These guidelines provide further clarity and details on the reporting expectations required under Part 5 of the *Oil and Gas Geophysical Operations Regulations*, including report formats. Having a consistent approach to reporting requirements provides companies the ability to plan and report in a manner acceptable to the Chief Conservation Officer. The Guidelines also clarify how long OROGO will keep the reports confidential before making them publicly available.

Why does OROGO keep geophysical reports filed by companies confidential?

OROGO is required under section 91 of the *Petroleum Resources Act* to keep geophysical reports privileged for 5 years. This protection recognizes that companies invest significant effort and resources in the collection of the geophysical data that underlies the reports. Some of those companies make a business of collecting geophysical data and selling it to other companies. Keeping the reports confidential during this period provides an opportunity for operators to recover their investment.

Will the guidelines support oil and gas development in the NWT?

Geophysical operations and the collection of geophysical data is often the first phase in the exploration chain. While OROGO has no mandate to promote oil and gas development, the disclosure of geophysical reports to the government, academics and other companies can assist in better understanding the location and extent of oil and gas resources in the Northwest Territories.

Do the guidelines allow geophysical operators to recover their financial investments in the NWT? Is five years of protection enough time?

OROGO decision-makers must follow the law and cannot second guess what is set out in that law. The guidelines confirm that OROGO will follow the five year timeline set out in the *Petroleum Resources Act*. It is the role of the Legislative Assembly to balance the competing interests at play in making that law.

What happens to reports for geophysical operations that occurred before devolution on April 1, 2014?

The guideline treats reports filed for geophysical operations that occurred prior to devolution in the same way that the NEB would have treated them before devolution. This is consistent with the expectations of operators at the time the operations occurred.

How do the guidelines compare to other requirements across Canada?

During the development of the guidelines the working group conducted a review of jurisdictions with similar legislative requirements including the Newfoundland and Nova Scotia offshore boards and the Yukon. The reporting requirements proposed are similar to these jurisdictions.

Who is providing feedback on the guidelines?

Everyone is welcome to provide feedback on the guidelines.

OROGO has directly contacted Aboriginal governments and organizations, companies operating in the NWT, other regulators, industry groups, the territorial and federal governments and environmental non-governmental organizations for their feedback. OROGO has also advertised in NWT newspapers and through social media to reach the general public.

How do I provide feedback on the guidelines?

Please provide your feedback on the guidelines by writing to kristen_cameron@gov.nt.ca by **December 18, 2017**. You will receive a response confirming that OROGO has received your feedback.

Who do I talk to if I have more questions?

A copy of the Guidelines can be found at: www.orogo.gov.nt.ca.

OROGO staff can also answer questions about the guidelines.

Contact Kristen Cameron at 867-767-9097 or at kristen_cameron@gov.nt.ca for more information.

What will be done with the feedback received?

The feedback received will be summarized and made public, along with OROGO's responses. This summary document will be available in **January 2018**.

When will the guidelines be issued?

Once approved, OROGO expects that the guidelines will come into effect in **February 2018**.