

MEMORANDUM OF UNDERSTANDING BETWEEN

**THE PETROLEUM RESOURCES DIVISION, DEPARTMENT OF INDUSTRY,
TOURISM AND INVESTMENT, GOVERNMENT OF THE NORTHWEST
TERRITORIES**

AND

THE REGULATOR OF OIL AND GAS OPERATIONS

WHEREAS the Regulator of Oil and Gas Operations (the "Regulator") has jurisdiction under OGOA for the regulation of oil and gas exploration, development and related activities, and specific regulatory and technical responsibilities under Part 3 and Part 4 of the PRA in the onshore Northwest Territories ("NWT"), excluding the Inuvialuit Settlement Region and Federal areas;

AND WHEREAS the Petroleum Resource Division, Department of Industry, Tourism and Investment, Government of the Northwest Territories (the "PRD") has legislated responsibility for administering the PRA, with the exception of the sections noted above;

AND WHEREAS the Regulator may require information from the PRD with respect to rights issuance and other matters of policy;

AND WHEREAS the PRD may require information from the Regulator with respect to oil and gas works and activities, declarations of significant and commercial discoveries and other matters of policy;

AND WHEREAS section 91(9) of the PRA allows the Regulator to disclose information or documentation obtained under the PRA or OGOA to officials of the Government of the Northwest Territories ("GNWT") for the purposes of an NWT law that deals primarily with a petroleum-related work or activity, including the exploration for and the management, administration and exploitation of petroleum resources;

AND WHEREAS the Regulator and the PRD share a mutual interest in efficient and effective regulation and administration, within the limits of the legislation;

NOW THEREFORE, the Parties agree that:

1.0 INTERPRETATION

In this Memorandum of Understanding:

"Federal areas" means areas within the onshore NWT to which the *Canada Oil and Gas Operations Act* R.S.C. 1985, c.O-7 applies, pursuant to paragraph 3(a) of that Act;

"Inuvialuit Settlement Region" has the same meaning as that term is defined in OGOA;

"MOU" means this Memorandum of Understanding;

"OGOA" means the *Oil and Gas Operations Act* S.N.W.T. 2014, c.14;

"Parties" means the PRD and the Regulator, and "Party" means any one of the Parties;

"PRA" means the *Petroleum Resources Act* S.N.W.T. 2014, c. 15; and

"Regulator" means the Regulator designated under section 121 of OGOA.

2.0 GENERAL

2.1 The Parties acknowledge that the activities provided for by this MOU are subject to the staff and financial resource constraints of each organization, and any limitations imposed by law.

3.0 CONFIDENTIALITY

3.1 The Parties undertake to keep the information or documentation shared under this MOU confidential and not to disclose it without:

- a) the Regulator's written consent, in the case of information and documentation provided by the Regulator, or
- b) the PRD's written consent, in the case of information and documentation provided by the PRD.

3.2 Each Party will disclose information or documentation shared under this MOU only in accordance with any conditions agreed to by the Regulator and the PRD.

4.0 SCOPE

- 4.1 This MOU is not legally binding and does not impose, nor is it intended to impose, any legal commitments on, or give rise to any legal rights not otherwise held by the Parties, nor does it alter in any way the powers established by the PRA, OGOA or any of the regulations under those Acts.
- 4.2 This MOU does not affect or in any way fetter the discretion or decision making of the Parties.
- 4.3 This MOU does not prevent either Party from entering into such other agreements as may contribute to the effective and efficient discharge of their respective duties.

5.0 DISCLOSURE OF INFORMATION

- 5.1 The Regulator will disclose the following information to the PRD for the purposes described below:
 - a) Notification of applications received for operations authorizations and approvals, including copies of the request forms, and regular updates on the status of the review process, for the purposes of administering Exploration Licences, Significant Discovery Licences and Production Licences.
 - b) Notification of the end of the privilege period for information or documentation submitted under OGOA or the PRA, as specified in section 91(8) of the PRA, for the purpose of timely review of the information and documentation.
 - c) Notification of applications for Significant Discoveries and Commercial Discoveries, regular updates on the status of the areas requested, and any resulting declarations, for the purposes of administering Significant Discovery Licences and Production Licences.
 - d) Notification of any significant events or emergency situations arising from authorized works and activities and the operator's or the Regulator's response, for the purposes of enabling a coordinated response between the parties when required.
 - e) Notification of the development of guidelines, interpretation notes and supporting materials issued by the Regulator under section 18 of OGOA, for the purposes of understanding the oil and gas regulatory regime in the Regulator's jurisdiction.
 - f) Other information that meets the requirements of section 91(9) of the PRA, upon amendment of this agreement pursuant to section 9.2.

5.2 The PRD will disclose the following information to the Regulator for the purposes described below:

- a) Up to date data and information on land rights and issuance, in an electronic format usable by the Regulator, for the purposes of confirming and mapping the Exploration Licences, Significant Discovery Licences and Production Licences upon which proposed works and activities (under section 10 of OGOA), significant discoveries (under section 27 of the PRA) and commercial discoveries (under section 35 of the PRA) may occur.
- b) Confirmation of the existence and approval of benefits plans associated with proposed works and activities, as may be required by the Regulator under section 17(2) of OGOA.
- c) Notification of the development of legislation, regulations, guidelines and supporting materials for the purposes of preparing the Regulator for possible changes to the regulatory regime and to oil and gas land tenure.

6.0 OTHER

Nothing in this MOU is intended to diminish or otherwise affect the authority of either party to carry out its statutory, regulatory or other official functions or to commit either Party to providing a particular service it would not otherwise provide in the scope of its individual mission and functions.

7.0 PUBLIC AVAILABILITY OF MEMORANDUM

The Parties will make this MOU and any amendments publicly available.

8.0 EFFECTIVE DATE

This MOU becomes effective as of the date of the last signature of the Parties.

9.0 AMENDMENT AND TERMINATION

- 9.1 The effectiveness of this MOU will be reviewed periodically, and at least bi-annually, by the Parties.
- 9.2 This MOU may only be amended in writing by mutual consent of the Parties.
- 9.3 This MOU may be terminated by either Party upon 30 days' notice in writing to the other Party.

10.0 NOTICES

Notices under this MOU will be given in writing:

For the PRD, notice will be given to:

Director
Petroleum Resources Division
Government of the Northwest Territories
P.O. Box 3019
Inuvik NT X0E 0T0
Telephone: (867) 777-7480
Fax: (867) 777-5105

For the Regulator, notice will be given to:

Executive Director
Office of the Regulator of Oil and Gas Operations
P.O. Box 1320
Yellowknife NT X1A 2L9
Telephone: (867) 767-9097
Fax: (867) 920-0798

FOR THE PRD

FOR THE REGULATOR



Director, Petroleum Resources Division



Executive Director, Office of the Regulator
of Oil and Gas Operations

July 7, '16
Date

July 14, 2016
Date