



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

**PROOF OF FINANCIAL RESPONSIBILITY
GUIDELINES AND INTERPRETATION
NOTES**

**OFFICE OF THE REGULATOR OF OIL AND
GAS OPERATIONS**

April 12, 2021

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Proof of Financial Responsibility Guidelines and Interpretation Notes

1 INTRODUCTION

Purpose The *Proof of Financial Responsibility Guidelines and Interpretation Notes* (Guidelines) provide guidance to applicants and operators on how to meet the Regulator's requirements for Proof of Financial Responsibility for oil and gas operations.

Legislative Requirements The legislative requirements for Proof of Financial Responsibility under the *Oil and Gas Operations Act* (OGOA) are:

- Section 13 states that the Regulator may not issue an Operations Authorization without ensuring that the applicant has complied with the requirements of section 64(1) of OGOA;
- Section 61 of OGOA defines what spills, debris and loss or damages mean;
- Section 62 states that if a spill occurs, the operator is responsible for taking action to protect the environment and ensure the safety of personnel and the public;
- Section 63 describes the situations that may lead to a claim against Proof of Financial Responsibility and sets time limits for making a claim against Proof of Financial Responsibility; and
- Section 64(1) states that Operators must provide Proof of Financial Responsibility in the amount and form satisfactory to the Regulator to obtain an Operations Authorization.

The *Oil and Gas Spills and Debris Liability Regulations* state the limits of liability for claims under section 63 of OGOA.

Minimum Requirements The Guidelines set out the Regulator's expectations for Proof of Financial Responsibility. Applicants may suggest alternative approaches, where those approaches are demonstrated to address the principles and requirements contained in these guidelines.

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Plain Language These Guidelines have been written in plain language to make them accessible to as many readers as possible.

Legislation is Paramount Where a conflict exists between the Guidelines and OGOA or its regulations, OGOA or its regulations are paramount.

Objectives The objectives of the Guidelines are to:

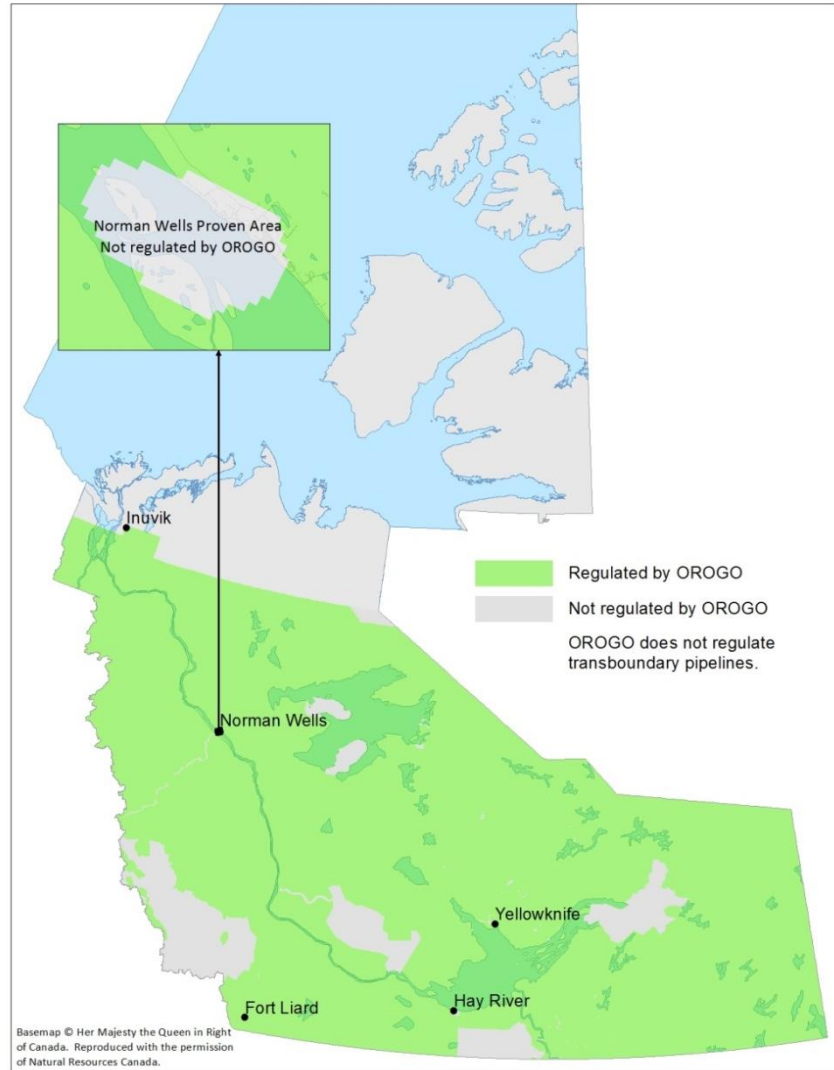
- Clarify the Regulator’s methodology for assessing the amount of Proof of Financial Responsibility required for oil and gas operations;
- Clarify how Proof of Financial Responsibility is assessed for different phases of oil and gas operations;
- Clarify the format and information that should be included in the Irrevocable Letter of Credit instruments used to post Proof of Financial Responsibility with the Regulator;
- Enhance certainty and predictability in regulatory decisions; and
- Promote accessibility and transparency in oil and gas regulation.

Authority These Guidelines are issued by the Regulator under section 18 of OGOA.

Regulator’s Discretion Application of these Guidelines is subject to the Regulator’s discretion under OGOA.

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Jurisdiction



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2 PURPOSE OF PROOF OF FINANCIAL RESPONSIBILITY

Contents This section describes the purpose of Proof of Financial Responsibility. It contains information on:

- Operator responsibility for loss, damages or costs;
- No fault liability;
- The uses of Proof of Financial Responsibility;
- The obligation to provide Proof of Financial Responsibility;
- The duration of Proof of Financial Responsibility;
- The scope of Proof of Financial Responsibility; and
- What is not covered by Proof of Financial Responsibility.

Objective To ensure applicants, operators and stakeholders know what Proof of Financial Responsibility is for.

Requirements Section 13 of the *Oil and Gas Operations Act* (OGOA) states that the Regulator may not issue an Operations Authorization without ensuring that the applicant has complied with the requirements of section 64(1) of OGOA.

Section 61 of OGOA defines what spills, debris and loss or damages mean.

Section 62 of OGOA states that if a spill occurs, the operator is responsible for taking action to protect the environment and ensure the safety of personnel and the public.

Section 63 of OGOA describes the situations that may lead to a claim against Proof of Financial Responsibility.

Section 64(1) of OGOA states that Operators must provide Proof of Financial Responsibility in the amount and form satisfactory to the Regulator to obtain an Operations Authorization.

Section 64(3) of OGOA states that the Regulator may make payments from the Proof of Financial Responsibility in response to claims under section 63 of OGOA.

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Operator Responsibilities for Loss, Damages or Costs	The operator is responsible for all loss or damage or clean-up costs that result from spills or debris that are the operator's fault, even if the costs are greater than the Proof of Financial Responsibility held by the Regulator.
No Fault Liability	Compensation may be paid from Proof of Financial Responsibility without proving that the operator was at fault or that operator negligence caused the spill or debris.
Uses of Proof of Financial Responsibility	<p>The Regulator may use Proof of Financial Responsibility to pay compensation to a party who has:</p> <ul style="list-style-type: none">• Experienced loss and/or damage from a spill of oil and gas or debris; or• Had to pay to clean up a spill or dispose of debris.
Proof of Financial Responsibility is Obligatory	The Regulator cannot approve any oil and gas work or activity applied for under an Operations Authorization unless the applicant or operator provides Proof of Financial Responsibility in a form and amount satisfactory to the Regulator.
Duration of Proof of Financial Responsibility	The operator is required to maintain the Proof of Financial Responsibility until the work or activity is complete and for an additional year after the works have been successfully abandoned or decommissioned to the Regulator's satisfaction.
Definitions	<p>A spill means a discharge, emission or escape of oil and gas, that is not authorized under an Operations Authorization.</p> <p>Debris means an installation or structure used for an oil and gas operation, or any material that has broken away or been removed during an oil and gas operation, that has been abandoned or displaced without approval of the Regulator.</p> <p>Actual loss or damage is the loss of income, including future income, from a spill of oil and gas or from debris. For Indigenous peoples of Canada, this includes loss of hunting, fishing and gathering opportunities.</p>

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Scope of Proof of Financial Responsibility Proof of Financial Responsibility must be adequate to cover the entire scope of the proposed oil and gas operation being applied for under an Operations Authorization. The Regulator may also require that the amount of Proof of Financial Responsibility be upgraded or revised if the operation continues longer than originally applied for or if the operation is modified.

Not Closure, Remediation and Reclamation Proof of Financial Responsibility is not intended to cover costs associated with the closure, remediation and reclamation of a site, either with or without an Operator.

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3 GEOPHYSICAL OPERATIONS

Contents This section of the Guidelines describes Proof of Financial Responsibility requirements for geophysical operations. It provides information on:

- Scope of geophysical operations;
- Rationale;
- Maximum amounts;
- Application requirements; and
- Third party costs.

Objective To ensure applicants for a Geophysical Operations Authorization know what information must be submitted to the Regulator for determining the amount of Proof of Financial Responsibility for geophysical operations.

Requirements Section 64(1) of the *Oil and Gas Operations Act* (OGOA) states that Operators must provide Proof of Financial Responsibility in the amount and form satisfactory to the Regulator to obtain an Operations Authorization.

The *Oil and Gas Spills and Debris Liability Regulations* state the limits of liability for claims under section 63 of OGOA.

Scope of Geophysical Operations Geophysical operations include the following:

- seismic survey;
- resistivity survey;
- gravimetric survey;
- magnetic survey;
- electrical survey;
- geochemical survey; and
- any work to prepare for measurement or investigation of the above noted surveys such as field tests of energy sources, calibration of instruments and cable ballasting.

Geophysical operations require a Geophysical Operations Authorization.

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Rationale The impacts of spills or debris resulting from geophysical operations vary depending on the nature of the operation and of the incident resulting in the spill or debris.

Therefore, for geophysical operations, the Regulator will assess the amount of Proof of Financial responsibility required on a case-by-case basis, up to the maximum amount specified under the *Oil and Gas Spills and Debris Liability Regulations*.

Maximum Amounts The *Oil and Gas Spills and Debris Liability Regulations* set the following maximum amounts for Proof of Financial Responsibility:

- Geophysical operations in a submarine area: \$40 million;
- Geophysical operations in an area within 200 meters of a river, stream, lake or other body of inland water: \$25 million; and
- Geophysical operations in any other area: \$10 million.

Application Requirements An application for a Geophysical Operations Authorization must:

- Propose an amount of Proof of Financial Responsibility for the Regulator’s consideration; and
- Include the following information in support of the proposed amount of Proof of Financial Responsibility:
 - A description of the worst-case scenario that could occur from a spill or debris during the operation (for example, for a spill, identify the maximum possible volume and most damaging form of petroleum);
 - A description of any potential impacts of the worst-case scenario on Indigenous and other land use;
 - An estimate of the amount of loss or damage that would occur if the spill or debris were not cleaned up to the Regulator’s satisfaction, including information on how this estimate was developed and who was involved in its development;

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- A description of the costs and expenses that would be incurred by a third party to clean up the worst-case scenario, including:
 - Crew costs;
 - Accommodation costs for the crew, either in a camp, hotel or other facility;
 - Equipment cost to obtain and hire equipment for the removal of contaminated material or other waste;
 - Sampling costs to conduct sampling required to demonstrate that the clean-up has been completed effectively;
 - Transportation and disposal costs to transport the contaminated material or other waste to an approved disposal site and dispose of it;
 - Access costs to access the well site in order to complete the clean-up. Identify the season of access (summer or winter), the types of access (barge, winter road, etc.), and the length and cost per kilometer of any roads to be constructed; and
 - Indirect costs, including:
 - Project management;
 - Regulatory approvals;
 - Financial, administrative; and
 - Other relevant costs.

Definitions

A **spill** means a discharge, emission or escape of oil and gas, that is not authorized under an Operations Authorization.

Debris means an installation or structure used for an oil and gas operation, or any material that has broken away or been removed during an oil and gas operation, that has been abandoned or displaced without approval of the Regulator.

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Actual loss or damage is the loss of income, including future income, from a spill of oil and gas or from debris. For Indigenous peoples of Canada, this includes loss of hunting, fishing and gathering opportunities.

Third Party Costs

Claims under Proof of Financial Responsibility would occur if the operator did not clean up the spill or debris to the satisfaction of the Regulator.

Therefore, all estimates must be developed under the assumption that a third party will be conducting clean-up operations. Third party clean-up operations may not occur during the same work season as the activities that caused the spill or debris and may not have access to the operator's equipment in order to complete the clean-up.

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4 EXPLORATION OPERATIONS

Contents This section of the Guidelines describes Proof of Financial Responsibility requirements for exploration operations. It contains information on:

- Scope of exploration operations;
- Rationale; and
- Maximum amounts.

Objective To ensure applicants and operators understand the Regulator's requirements for Proof of Financial Responsibility for exploration operations.

Requirements Section 64(1) of the *Oil and Gas Operations Act* (OGOA) states that Operators must provide Proof of Financial Responsibility in the amount and form satisfactory to the Regulator to obtain an Operations Authorization.

The *Oil and Gas Spills and Debris Liability Regulations* (OGDPR) state the limits of liability for claims under section 63 of OGOA.

Scope of Exploration Operations Exploration operations include:

- Exploratory wells; and
- Non-oil and gas wells drilled through sedimentary rocks to a depth of at least 150 meters that are associated with the drilling of an exploratory well.

Definition An **exploratory well** is a well drilled under an exploration licence or significant discovery licence issued under Part 3 of the *Petroleum Resources Act*, including "delineation wells" as defined in section 22 of OGOA.

Rationale Spills or debris resulting from exploration operations are likely to result in greater impacts due to the uncertainty associated with downhole geologic conditions, casing limitations and other technical issues.

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Greater impacts result in higher possible clean-up costs and higher possible claims for loss or damages.

Therefore, for exploration operations, the Regulator requires that applicants and operators provide the maximum amount of Proof of Financial Responsibility specified under the OGDPR.

Maximum Amounts

The OGDPR set the following maximum amounts for Proof of Financial Responsibility:

- Well(s) to be drilled in a submarine area: \$40 million;
- Well(s) to be drilled in an area within 200 meters of a river, stream, lake or other body of inland water: \$25 million; and
- Well(s) to be drilled in any other area: \$10 million.

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5 PRODUCTION OPERATIONS

Contents This section of the Guidelines describes Proof of Financial Responsibility requirements for production operations. It provides information on:

- Scope of production operations;
- Rationale;
- Maximum amounts;
- Application requirements; and
- Third party costs.

Objective To ensure applicants and operators understand what information must be submitted to the Regulator for determining the amount of Proof of Financial Responsibility for production operations.

Requirements Section 64(1) of the *Oil and Gas Operations Act (OGOA)* states that Operators must provide Proof of Financial Responsibility in the amount and form satisfactory to the Regulator to obtain an Operations Authorization.

The *Oil and Gas Spills and Debris Liability Regulations (OGDPR)* state the limits of liability for claims under section 63 of OGOA.

Scope of Production Operations Production operations include:

- Production wells;
- Non-oil and gas wells drilled through sedimentary rocks to a depth of at least 150 meters that are associated with the drilling of an exploratory well;
- Associated pipelines and gathering systems (excluding trans-boundary pipelines); and
- Other related infrastructure (e.g. batteries, tanks, etc.).

Definition A **production well** is a well drilled under a production licence issued under Part 4 of the *Petroleum Resources Act*, including injection and disposal wells and “development wells” as defined in section 22 of OGOA.

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Rationale	<p>The impacts of spills or debris resulting from production operations vary depending on the nature of the operation and of the incident resulting in the spill or debris.</p> <p>Therefore, for production operations, the Regulator will assess the amount of Proof of Financial responsibility required on a case-by-case basis, up to the maximum amount specified under OGDPR.</p>
Maximum Amounts	<p>The OGDPR set the following maximum amounts for Proof of Financial Responsibility:</p> <ul style="list-style-type: none">• Well(s), pipelines or other oil and gas facilities in a submarine area: \$40 million;• Well(s), pipelines or other oil and gas facilities in an area within 200 meters of a river, stream, lake or other body of inland water: \$25 million; and• Well(s), pipelines or other oil and gas facilities in any other area: \$10 million.
Application Requirements	<p>An application for an Operations Authorization for production operations must:</p> <ul style="list-style-type: none">• Propose an amount of Proof of Financial Responsibility for the Regulator's consideration; and• Include the following information in support of the proposed amount of Proof of Financial Responsibility:<ul style="list-style-type: none">○ A description of the worst-case scenario that could occur from a spill or debris during the operation (for example, for a spill, identify the maximum possible volume and most damaging form of petroleum);○ A description of any potential impacts of the worst-case scenario on Indigenous and other land use;○ An estimate of the amount of loss or damage that would occur if the spill or debris were not cleaned up to the Regulator's satisfaction, including information on how this estimate was developed and who was involved in its development;

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- A description of the costs and expenses that would be incurred by a third party to clean up the worst-case scenario, including:
 - Crew costs;
 - Accommodation costs for the crew, either in a camp, hotel or other facility;
 - Equipment cost to obtain and hire equipment for the removal of contaminated material or other waste;
 - Sampling costs to conduct sampling required to demonstrate that the clean-up has been completed effectively;
 - Transportation and disposal costs to transport the contaminated material or other waste to an approved disposal site and dispose of it;
 - Access costs to access the well site in order to complete the clean-up. Identify the season of access (summer or winter), the types of access (barge, winter road, etc.), and the length and cost per kilometer of any roads to be constructed; and
 - Indirect costs, including:
 - Project management;
 - Regulatory approvals;
 - Financial, administrative; and
 - Other relevant costs.

Definitions

A **spill** means a discharge, emission or escape of oil and gas, that is not authorized under an Operations Authorization.

Debris means an installation or structure used for an oil and gas operation, or any material that has broken away or been removed during an oil and gas operation, that has been abandoned or displaced without approval of the Regulator.

Actual loss or damage is the loss of income, including future income, from a spill of oil and gas or from debris. For Indigenous peoples of Canada, this includes loss of hunting, fishing and gathering opportunities.

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Third Party Costs

Claims under Proof of Financial Responsibility would occur if the operator did not clean up the spill or debris to the satisfaction of the Regulator.

Therefore, all estimates must be developed under the assumption that a third party will be conducting clean-up operations. Third party clean-up operations may not occur during the same work season as the activities that caused the spill or debris and may not have access to the operator's equipment in order to complete the clean-up.

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6 SUSPENSION AND ABANDONMENT OPERATIONS

Contents	<p>This section of the Guidelines describes Proof of Financial Responsibility requirements for well suspension and abandonment operations. It provides information on:</p> <ul style="list-style-type: none">• Scope of suspension and abandonment operations;• Rationale;• Maximum amounts;• Application requirements; and• Third party costs.
Objective	<p>To ensure applicants and operators understand what information must be submitted to the Regulator for determining the amount of Proof of Financial Responsibility for suspension and abandonment operations.</p>
Requirements	<p>Section 64(1) of the <i>Oil and Gas Operations Act</i> (OGOA) states that Operators must provide Proof of Financial Responsibility in the amount and form satisfactory to the Regulator to obtain an Operations Authorization.</p> <p>The <i>Oil and Gas Spills and Debris Liability Regulations</i> (OGDPR) state the limits of liability for claims under section 63 of OGOA.</p>
Scope of Suspension and Abandonment Operations	<p>Suspension and abandonment operations include all operations to stop using a well for its intended purpose, either temporarily or permanently, as required under the <i>Oil and Gas Drilling and Production Regulations</i> and the <i>Well Suspension and Abandonment Guidelines and Interpretation Notes</i>.</p>
Rationale	<p>The impacts of spills or debris resulting from suspension and abandonment operations vary depending on the nature of the operation and of the incident resulting in the spill or debris.</p>

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Therefore, for suspension and abandonment operations, the Regulator will assess the amount of Proof of Financial responsibility required on a case-by-case basis, up to the maximum amount specified under the OGDPR.

Maximum Amounts

The OGDPR set the following maximum amounts for Proof of Financial Responsibility:

- Well(s) in a submarine area: \$40 million;
- Well(s) in an area within 200 meters of a river, stream, lake or other body of inland water: \$25 million; and
- Well(s) in any other area: \$10 million.

Application Requirements

An application for an Operations Authorization for suspension and abandonment operations must:

- Propose an amount of Proof of Financial Responsibility for the Regulator's consideration; and
- Include the following information in support of the proposed amount of Proof of Financial Responsibility:
 - A description of the worst-case scenario that could occur from a spill or debris during the operation (for example, for a spill, identify the maximum possible volume and most damaging form of petroleum);
 - A description of any potential impacts of the worst-case scenario on Indigenous and other land use;
 - An estimate of the amount of loss or damage that would occur if the spill or debris were not cleaned up to the Regulator's satisfaction, including information on how this estimate was developed and who was involved in its development;
 - A description of the costs and expenses that would be incurred by a third party to clean up the worst-case scenario, including:
 - Crew costs;
 - Accommodation costs for the crew, either in a camp, hotel or other facility;
 - Equipment cost to obtain and hire equipment

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for the removal of contaminated material or other waste;

- Sampling costs to conduct sampling required to demonstrate that the clean-up has been completed effectively;
- Transportation and disposal costs to transport the contaminated material or other waste to an approved disposal site and dispose of it;
- Access costs to access the well site in order to complete the clean-up. Identify the season of access (summer or winter), the types of access (barge, winter road, etc.), and the length and cost per kilometer of any roads to be constructed; and
- Indirect costs, including:
 - Project management;
 - Regulatory approvals;
 - Financial, administrative; and
 - Other relevant costs.

Definitions

A **spill** means a discharge, emission or escape of oil and gas, that is not authorized under an Operations Authorization.

Debris means an installation or structure used for an oil and gas operation, or any material that has broken away or been removed during an oil and gas operation, that has been abandoned or displaced without approval of the Regulator.

Actual loss or damage is the loss of income, including future income, from a spill of oil and gas or from debris. For Indigenous peoples of Canada, this includes loss of hunting, fishing and gathering opportunities.

Third Party Costs

Claims under Proof of Financial Responsibility would occur if the operator did not clean up the spill or debris to the satisfaction of the Regulator.

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Therefore, all estimates must be developed under the assumption that a third party will be conducting clean-up operations. Third party clean-up operations may not occur during the same work season as the activities that caused the spill or debris and may not have access to the operator's equipment in order to complete the clean-up.

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7 CLAIMS

Contents This section of the Guidelines describes how claims can be made under Proof of Financial Responsibility held by the Regulator. It provides information on:

- The limitation period;
- Triggers for a claim against Proof of Financial Responsibility;
- Making a claim for loss or damages;
- Making a claim for costs; and
- Claims for additional compensation.

Objective To ensure applicants, operators and other stakeholders understand the process, timelines and details for making a claim to the Regulator for Proof of Financial Responsibility.

Requirements Section 63(4) of the *Oil and Gas Operations Act* (OGOA) states that a party can make a claim in any court of competent jurisdiction in Canada.

Section 63(6) of OGOA establishes the period within which a claim may be made.

Section 64(3) of OGOA states that the Regulator may make payments from the Proof of Financial Responsibility in respect to a claim that meets the requirements of section 63 of OGOA, whether a claim has been made through the courts or not.

Limitation Period A claim must be made:

- Within three years after the loss, damage, costs or expenses were incurred by the claimant; but
- Not later than six years after the day the spill or debris occurred.

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Definitions A **spill** means a discharge, emission or escape of oil and gas, that is not authorized under an Operations Authorization.

Debris means an installation or structure used for an oil and gas operation, or any material that has broken away or been removed during an oil and gas operation, that has been abandoned or displaced without approval of the Regulator.

Actual loss or damage is the loss of income, including future income, from a spill of oil and gas or from debris. For Indigenous peoples of Canada, this includes loss of hunting, fishing and gathering opportunities.

Triggers for a Claim against Proof of Financial Responsibility A claim against Proof of Financial Responsibility may be triggered by:

- The occurrence of a spill or debris;
- The failure of the operator to clean up the spill or debris to the Regulator's satisfaction; and
- Either:
 - Loss or damages caused by the spill or debris; or
 - Costs or expenses incurred to clean up the spill or debris.

Regulator's Requirements for Clean Up The Regulator's requirements for the clean up of spills or debris will vary depending on location and type of spill or debris. Minimum requirements include:

- Meeting the requirements of the operator's Environmental Protection Plan, including implementation of actions identified in the plan to clean up spills and debris;
- Conducting sampling at the site to verify that all contamination has been addressed;
- Submitting a report to the Regulator documenting how the spill or debris has been cleaned up, including:
 - Actions taken to respond to the spill or debris;
 - Sampling results; and

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- Any follow-up monitoring that may be required; and
- Complying with all legislative and regulatory requirements under OGOA and the *Oil and Gas Spills and Debris Liability Regulations*.

Making a Claim for Loss or Damages

To make a claim to the Regulator for loss or damages resulting from a spill or debris, the claimant must apply in writing and include, at a minimum, the following:

- Evidence that a spill or debris occurred;
- The date the spill or debris occurred;
- Evidence that the operator failed to clean up the spill or debris to the Regulator's satisfaction; and
- Detailed information on the nature and value of:
 - The actual loss or damage to an individual's income, or future income, resulting from the spill or debris; and/or
 - The actual loss or damage to an Indigenous person's hunting, fishing and gathering opportunities resulting from the spill or debris.

Making a Claim for Costs

To make a claim to the Regulator for costs incurred to clean up a spill or debris, the claimant must apply in writing and include, at a minimum, the following:

- Evidence that a spill or debris occurred;
- The date the spill or debris occurred;
- Evidence that the operator failed to clean up the spill or debris to the Regulator's satisfaction; and
- Detailed information on the nature and amount of the costs incurred and how they relate to the clean-up of the spill or debris.

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Claims for Additional Compensation Based on these Guidelines, the Regulator may not hold the maximum amount of Proof of Financial Responsibility possible under the *Oil and Gas Spills and Debris Regulations*.

If the amount of Proof of Financial Responsibility held by the Regulator does not meet the full amount of the claims presented for loss or damages and for costs, claimants may pursue the remaining amount, up to the maximum established in the *Oil and Gas Spills and Debris Regulations*, through the courts.

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8 FORM OF PROOF OF FINANCIAL RESPONSIBILITY

- Contents** This section of the Guidelines describes the form the Regulator accepts for posting of Proof of Financial Responsibility. It contains information on:
- The forms accepted by the Regulator;
 - The requirements for an Irrevocable Letter of Credit (ILOC); and
 - Other forms of Proof of Financial Responsibility.
- Objective** To ensure applicants understand the form of Proof of Financial Responsibility acceptable to the Regulator.
- Requirements** Section 64 of the *Oil and Gas Operations Act* (OGOA) requires that Operators provide Proof of Financial Responsibility for the amount and in a form satisfactory to the Regulator.
- Forms Accepted by the Regulator** The Regulator accepts either an ILOC or cash as Proof of Financial Responsibility.
- Requirements for an ILOC** An ILOC for Proof of Financial Responsibility must:
- Be issued by a Canadian chartered bank as set out in Schedule I of the *Bank Act*;
 - Show as beneficiary “Government of the Northwest Territories, 4th floor, 5201-50th Avenue, PO Box 1320, Yellowknife, Northwest Territories, X1A 2L9, Canada”;
 - Be to the attention of “Executive Director, Office of the Regulator of Oil and Gas Operations”;
 - Allow for automatic renewal with at least 90 days’ notice to the Regulator if the ILOC is to be cancelled, not renewed or expire; and
 - Allow for multiple partial drawings.

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Other Forms of Proof of Financial Responsibility The Regulator will consider other forms of Proof of Financial Responsibility on a case by case basis.

Any other forms of Proof of Financial Responsibility must provide the Regulator with readily available access to the funds.

An operator who proposes to use other forms of Proof of Financial Responsibility must submit its request to the Regulator with its application for an Operations Authorization for the Regulator's consideration.

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9 REGULATOR'S APPROVAL

These *Proof of Financial Responsibility Guidelines and Interpretation Notes* are issued under section 18 of the *Oil and Gas Operations Act* effective April 12, 2021.



Pauline de Jong