



## ORDER OO-001-2022

### IN THE MATTER OF AN ORDER UNDER PARAGRAPH 20(a) OF THE *OIL AND GAS OPERATIONS ACT* SNWT 2014, c.14 (OGOA) under File OF-EP-Well-C298-1933 01

**BEFORE** the Commission of the Canada Energy Regulator (**Commission**) dated 23 March 2022.

#### NAME OF COMPANY TO WHOM THIS ORDER IS DIRECTED

Inuvialuit Petroleum Corporation

#### RELEVANT FACTS

During the 27 July 2020 pre-application meeting between the Canada Energy Regulator (**CER**) and Inuvialuit Petroleum Corporation (**IPC**), CER staff described the approvals required by IPC to operate and conduct the Inuvialuit Energy Security Project (**IESP**), including the requirement for an Operating Licence pursuant to paragraph 10(1)(a) of OGOA.

The CER received Part 1 of the IPC's Development Plan Application (**Application**) for the IESP on 9 July 2021, and Part 2 on 10 July 2021.

IPC proposes to develop and produce natural gas and natural gas liquids from the currently suspended TUK M-18 well through the installation and operation of a prefabricated modular gas processing facility (the Energy Centre).

On 4 February 2021, CER staff received a courtesy letter from the IPC indicating they plan to construct an access road and remediate the drilling sump for the TUK M-18 well prior to June 2022.

In a letter dated 12 March 2021 to IPC, the Commission told IPC that "in light of the information you have provided, the sump remediation and access road construction and the work associated with it will require an authorization from the Commission." [\[C11947\]](#)

On 22 December 2021, the Commission sent a letter to IPC advising that "the Commission is of the view that the sump remediation work and winter access trail development are not part of the proposed IESP Development Plan Approval Application, and may be pursued separately from the Development Plan Approval Application that is currently before the Commission." The Commission also copied IPC on a letter to suspended well operators informing them that "an authorization is required to conduct any work or activity related to the well. This work includes, but is not limited to well monitoring, well inspections, well maintenance, and reclamation and remediation of the area surrounding the well, including site and sump maintenance and remediation." [\[C16955\]](#)

.../2

On 8 March 2022, the Application for the IESP was approved by the Commission. Within the decision letter, under Next Steps, the Commission included the following... “The Commission reminds IPC that, before it can construct and operate any portions of the IESP, it must apply for and obtain additional approvals, including one or more authorizations pursuant to the OGOA.” [\[C18061\]](#)

On 9 March 2022, the CER carried out a safety and environmental protection field inspection of the TUK M-18 well site and associated access road. CER Officers confirmed the winter access trail was constructed, and the installation of a sump cap was completed. IPC has advised that it has obtained three Inuvialuit Land Administration permits, one of which requires completion of activities by the end of March, the others require final clean up by 15 April 2022 to complete the work in a manner that protects the environment. IPC has not applied for an authorization from the CER for these activities, nor does IPC have an operating license.

**PROVISIONS OF ACT THAT ARE ALLEGED TO BE CONTRAVENED - AND ARE CONTINUING - OR ARE LIKELY TO BE CONTRAVENED**

Section 6 of OGOA states:

**PROHIBITION**

6. No person shall carry on any work or activity related to the exploration or drilling for or the production, conservation, processing or transportation of oil or gas in any area to which this Act applies unless
  - (a) that person is the holder of an operating licence issued under paragraph 10(1)(a);
  - (b) that person is the holder of an authorization issued, before the commencement of operations, under paragraph 10(1)(b) for each work or activity; and
  - (c) in the case where it is required, that person is authorized or entitled to carry on business in the place where that person proposes to carry on the work or activity

Section 10 of OGOA states:

**Operating Licences and Authorization for Work**

10. (1) The Regulator may, on application made in the form approved by and containing the information required by the Regulator, and made in the prescribed manner, issue
  - (a) an operating licence; and
  - (b) an authorization with respect to each work or activity proposed to be carried on

## **MEASURES TO BE TAKEN**

Pursuant to paragraph 20(a) of the OGOA, the Commission hereby orders the IPC, on or before 25 March 2022 to:

- apply for an Authorization for geotechnical work as required pursuant to section 4, of the *Oil and Gas Operations Regulations* and paragraph 6(b), 10(1)(b) of the OGOA;
- apply for an Operating License as required pursuant to paragraphs 6(a) and 10(1)(a) of the OGOA; and
- apply for an Authorization for any remaining work associated with the TUK M-18 sump remediation and access road work, pursuant to paragraphs 6(b), 10(1)(b) of the OGOA.

So that the CER may consider the applications on an expedited basis.

## **DURATION AND EFFECTIVE DATE OF ORDER**

This Order takes effect immediately on **23 March 2022** at the time of delivery of the Order to the person/company to whom it is directed. Nothing in this Order shall be construed as reducing, increasing, or otherwise affecting what may be required of the person/company to whom it is directed to comply with all applicable legislative or legal requirements.

This Order remains in effect until the terms of the Order are met.

## **COMPLIANCE WITH THIS ORDER IS MANDATORY**

Failure to comply with this Order is an offence under paragraph 114(1)(d) of OGOA. Every person who is guilty of an offence under subsection 114(1) is liable, on summary conviction, to a fine not exceeding \$1,000,000 or to imprisonment for a term not exceeding two years, or to both.

In addition, if a person is convicted of an offence under OGOA, the court may, in addition to any other punishment imposed, order the person to comply with the Act, any regulation or order for which that person has been convicted.

If an offence under OGOA is committed on or continued for more than one day, the offence is considered to be a separate offence for each day on which the offence is committed or continued.

THE COMMISSION OF THE CANADA ENERGY REGULATOR

*Signed by*

Ramona Sladic  
Secretary of the Commission