



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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Jonathan Michel  
Director Aurora Campus  
Aurora College  
PO BOX 1008  
INUVIK NT X0E 0TO

June 2, 2023

Dear Jonathan Michel:

**Decision: Proof of Financial Responsibility (OA-2022-001-AC)**

On December 12, 2022, the Office of the Regulator of Oil and Gas Operations (OROGO) received a complete application for an Operations Authorization (OA) for the abandonment of the Aurora Training Well G-04 (WID1915) in the Gwich'in Settlement Area from Aurora College. OROGO has also received Aurora College's responses to the following information requests:

Information Request No. 1 – received January 29, 2023;  
Information Request No. 2 – received March 1, 2023;  
Information Request No. 3 – received May 1, 2023; and  
Information Request No. 4 – received May 26, 2023.

Section 13 of the *Oil and Gas Operations Act* (OGOA) requires Aurora College provide satisfactory proof of financial responsibility, in accordance with section 64(1) of OGOA, prior to the issuance of an OA.

Sections 61 - 64 of OGOA describe the operator's responsibilities in the event of a spill or debris and what steps may be taken by the Regulator if the operator does not fulfill those responsibilities. These sections also describe the operator's liability, without proof of fault or negligence, for losses or damages resulting from and costs and expenses associated with clean-up of any spill or debris.

Third parties may make a claim through the courts under section 63 of OGOA up to the maximum amount specified in the *Oil and Gas Spills and Debris Regulations*. Proof of financial responsibility is the amount held by the Regulator to respond to such claims under section 64(3) without going through the court process. If the Regulator does not hold the maximum amount of proof of financial responsibility, claims may still be pursued through the courts for the remaining funds, up to the maximum amount.

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Having reviewed the information contained in Aurora College's OA application, I find that:

- Aurora College provided a scenario of the event most likely to occur with the highest consequence related to the proposed activities in its application.
- Aurora College's risk analysis for its proposed activities provides sufficient information on the likelihood and severity of potential risks for me to decide on proof of financial responsibility.
- Aurora College adequately documented the costs associated with mitigating its worst-case scenario (\$63,900.00).

Please submit a draft Irrevocable Letter of Credit (ILOC) in the amount of \$63,900.00 to OROGO for review no later than June 14, 2023. The ILOC should:

- 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.
- Allow for multiple partial drawings.

If you have any questions, please do not hesitate to contact OROGO at [orogo@gov.nt.ca](mailto:orogo@gov.nt.ca) or by phone at 867-767-9097.

Sincerely,



Pauline de Jong  
Regulator

- c. Lorne Hammer, Canadian Petroleum Engineering Inc.  
Ron McCosh, Canadian Petroleum Engineering Inc.