



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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Ryan N. Munro
Manager Pipeline Abandonment Planning
Canadian Natural Resources Limited
SUITE 2100, 855 – 2 ST SW
CALGARY AB T2P 4J8

June 24, 2025

Dear Ryan N. Munro:

Decision: Proof of Financial Responsibility (OA-2025-001-CNRL)

On April 2, 2025, the Office of the Regulator of Oil and Gas Operations (OROGO) received a complete application for an Operations Authorization (OA) for the abandonment of two pipelines from the North Liard P-66 well site to the Liard K-29 well site from Canadian Natural Resources Limited (CNRL). OROGO also received CNRL's response to information requests as follows:

Information Request No. 1 – received on May 26, 2025.

Information Request No. 2 – received on June 11, 2025.

Section 13 of the *Oil and Gas Operations Act* (OGOA) requires CNRL 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) of OGOA 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.

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

- CNRL provided a scenario of the event most likely to occur with the highest consequence related to the proposed activities in its application.

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- CNRL'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.
- CNRL has adequately documented the costs associated with mitigating its worst-case scenario (\$20,000.00).

CNRL may submit its proof of financial responsibility to OROGO as \$20,000.00 in cash or an Irrevocable Letter of Credit (ILOC) in the amount of \$20,000.00.

If CNRL chooses to submit an ILOC, please submit a **draft** ILOC to OROGO for review no later than July 8, 2025. 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 or by phone at 867-767-9097.

Sincerely,



Pauline de Jong
Regulator

- c. Tara Methuen, Canadian Natural Resources Limited
Arly Castillo, Canadian Natural Resources Limited