



National Energy Board

Office national de l'énergie

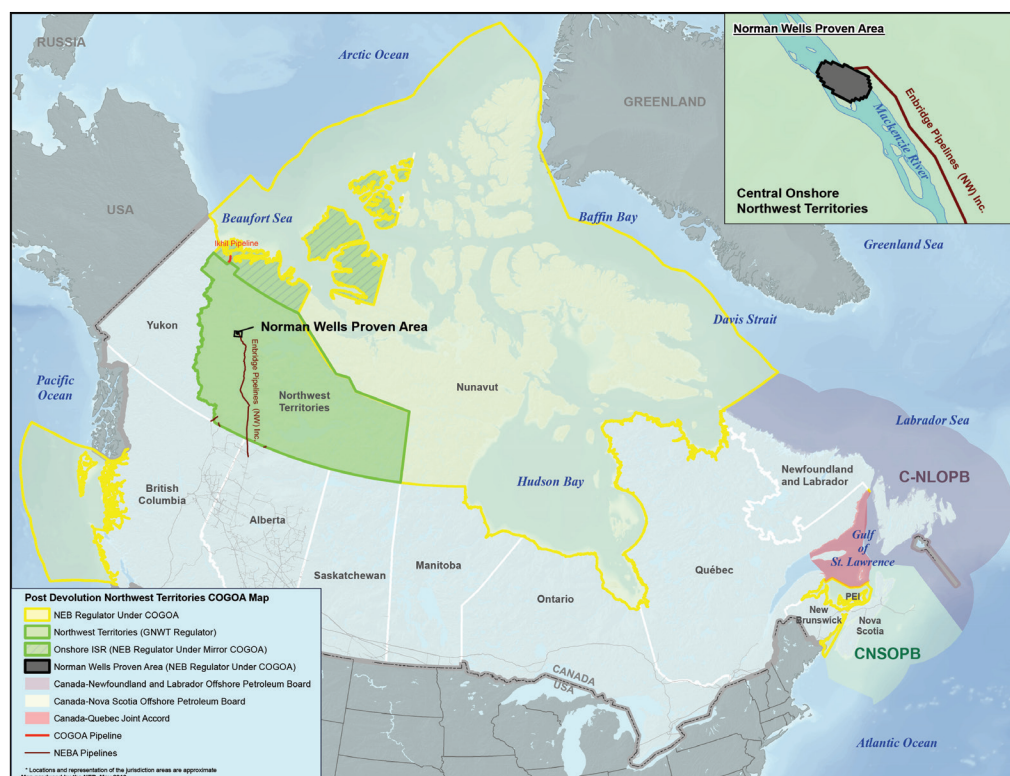
NEB'S ROLE IN THE NORTH AND OFFSHORE

ISSUE: NATIONAL ENERGY BOARD'S ROLE IN THE NORTH AND OFFSHORE

The National Energy Board (NEB or Board) regulates oil and gas exploration and development in Nunavut, parts of the Northwest Territories and all of Canada's offshore except for areas covered by a provincial or federal management agreement. The NEB regulates these activities under the *Canada Oil and Gas Operations Act* (COGOA) in the Norman Wells Proven Area and the areas shown in yellow in the map below.


With the devolution of the management of natural resources in the Northwest Territories to the Government of the Northwest Territories (GNWT) in 2014, the NEB regulates the onshore part of the Inuvialuit Settlement Region, until 2034. The NEB regulates these activities under the Northwest Territories' *Oil and Gas Operations Act* (OGOIA) in the areas shown in the green striped area of the map below.

The NEB also regulates oil and gas pipelines that cross borders in the North under the *National Energy Board Act* (NEB Act). This includes the Enbridge Norman Wells Line 21 from Norman Wells to northern Alberta and three other trans-border pipelines shown in the map below.



QUICK FACTS:

- The NEB regulates oil and gas exploration and development in Nunavut, parts of the Northwest Territories and all of Canada's offshore except for areas covered by a provincial or federal management agreement.
- Our responsibilities stretch for the entire life of the well, from the application stage, through exploration and development activities, and even after a well is abandoned.



Our responsibilities stretch for the entire life of the activity, from the application stage, through exploration and production activities, and even after the well is eventually abandoned.

This role includes a number of specific responsibilities, such as regulating:

- Geophysical surveys (for example, seismic surveys);
- Exploration wells to see if oil or gas is present;
- Delineation wells to confirm the size of a potential oil or gas field;
- Development wells for producing oil and gas;
- Building and operating production facilities and facilities for transporting oil and gas; and
- Abandoning wells and facilities.

Abandoning a well or related facilities means that the operator must prepare the well so that it will be safe indefinitely. The operator must make sure that the well will not leak and damage water supplies or other potential oil and gas reservoirs. The operator is still responsible for the well even after it has been abandoned.

Management of Oil and Gas Resources

While any company wishing to drill in the areas described above must apply to the NEB for a drilling authorization, the first step is to obtain an Exploration Licence. An Exploration Licence gives a company the right to explore for, and the exclusive right to drill and test for, oil and gas.

The process for getting oil and gas rights for land owned by the Government of Canada, including land under the ocean, is called the rights issuance process. The Department of Indigenous and Northern Affairs Canada (INAC) manages this process for areas North of 60 degrees under the *Canada Petroleum Resources Act (CPRA)*.

This means that the financial side of northern and offshore oil and gas development is clearly separated from the safety, environmental, conservation, and technical issues. One federal department looks after the financial side and the NEB focuses solely on the rest. There is a clear separation between issuing oil and gas rights and issuing a regulatory authorization to drill.

