

MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN

**THE GOVERNMENT OF THE NORTHWEST TERRITORIES REGULATOR OF OIL
AND GAS OPERATIONS (the “GNWT Regulator”)**

AND

THE NATIONAL ENERGY BOARD (the “NEB”)

(HEREINAFTER REFERRED TO COLLECTIVELY AS THE “PARTICIPANTS”)

WHEREAS, the GNWT Regulator is responsible for the regulation of exploration, drilling, production, conservation, processing and transportation of petroleum in the onshore Northwest Territories, outside of the Inuvialuit Settlement Region (ISR) and federal areas, pursuant to the *Oil and Gas Operations Act*, S.N.W.T. 2014,c.14 (OGOA) and the *Petroleum Resources Act*, S.N.W.T. 2014,c.15 (PRA);

AND WHEREAS, the NEB is responsible for the regulation of exploration, drilling, production, conservation, processing and transportation of petroleum in the onshore ISR in the Northwest Territories outside of federal areas¹, pursuant to OGOA and PRA, and in the offshore and all federal areas in the Northwest Territories pursuant to the *Canada Oil and Gas Operations Act*, R.S.C., 1985, c. O-7 (COGOA) and the *Canada Petroleum Resources Act*, R.S.C. 1985, c. 36 (2nd Supp.) (CPRA);

AND WHEREAS, pursuant to the *National Energy Board Act* (NEB Act), the NEB regulates the construction and operation of interprovincial and international pipelines; pipeline traffic, tolls and tariffs; the construction and operation of international and designated power lines; the export and import of natural gas, and the export of oil and electricity;

AND WHEREAS, pursuant to OGOA, PRA, COGOA and CPRA, the NEB and the GNWT Regulator have concurrent regulatory responsibilities in respect of the ISR and federal areas within the onshore, in the case of the NEB, and in respect of the onshore other than the ISR and federal areas, in the case of the GNWT Regulator;

AND WHEREAS, pursuant to OGOA and PRA, the NEB and the GNWT Regulator have concurrent powers to establish guidelines and interpretation notes relating to the application of the Acts, for the area in which each exercises jurisdiction;

¹ For the purposes of this MOU, federal areas are areas within the onshore Northwest Territories to which COGOA applies, pursuant to paragraph 3(a) of that Act.

AND WHEREAS, it is desirable that there be a mechanism for cooperation between the NEB and the GNWT Regulator in the regulation of areas within their respective jurisdiction, and in the development of consistent information requirements, guidelines and interpretation notes under territorial legislation, to the extent practicable and desirable;

AND WHEREAS, the Participants are entering into this MOU to collaborate, share information, and to promote cooperation in areas of mutual interest and benefit, including by working together to efficiently and consistently carry out their respective responsibilities and exercise their respective powers under OGOA and PRA.

NOW THEREFORE, FOR THE PURPOSES OF THIS MOU, THE PARTICIPANTS CONCUR AS FOLLOWS:

1. Purpose

The purpose of this MOU is to establish and promote a mechanism for collaboration, cooperation, information sharing and dialogue between the Participants with respect to the exercise of their respective regulatory responsibilities under OGOA, PRA, COGOA, CPRA and the NEB Act. The Participants intend to cooperate in order to minimize to the extent practicable regulatory gaps, inconsistent regulatory requirements and divergent guidance.

2. Areas of Cooperation and Coordination of Activities

2.1. Regulatory Matters

2.1.1 The Participants will cooperate through ongoing dialogue and information exchange on regulatory matters in relation to their respective responsibilities under OGOA and PRA, in order to facilitate, where practicable, the consistent and efficient development of regulatory tools, such as:

- requirements and additional approvals for authorizations;
- requirements for development plans, significant discovery declarations or commercial discovery declarations; and
- guidelines, interpretation notes or other guidance for the benefit of applicants and operators.

2.1.2 The Participants will notify each other, at the earliest possible opportunity, of their intent to develop any of the regulatory tools described at subparagraph 2.1.1 above.

- 2.1.3 The Participants may cooperate to jointly develop the regulatory tools described in subparagraph 2.1.1, and may jointly consult and communicate with external stakeholders or the public on these matters.
- 2.1.4 The Participants will cooperate and coordinate with each other in exercising their respective regulatory responsibilities for projects that overlap the jurisdictional boundaries between the ISR or federal areas, as regulated by the NEB, and the onshore Northwest Territories outside of the ISR and federal areas, as regulated by the GNWT Regulator.
- 2.1.5 The Participants will endeavour to cooperate through ongoing and open information exchanges on their respective regulatory practices, oversight approaches, and processes.
- 2.1.6 Activities to be coordinated under this MOU may also include any other activity that is of mutual benefit and interest to the Participants.

2.2. Emergency Management

- 2.2.1 The Participants may coordinate emergency management activities by participating in and sharing information on emergency management planning, exercises and response, joint training initiatives, staff exchanges and meetings.
- 2.2.2 The Participants concur that, in an emergency response situation, they may provide support to each other in the form of staff and technical resources.

3. General

- 3.1. This MOU is not legally binding and does not impose, nor is it intended to impose, any legal commitments on, or give rise to any legal rights not otherwise held by the Participants. This MOU is not intended to derogate from or fetter the Participants' respective authorities under the OGOA, PRA, COGOA, CPRA or NEB Act nor to supersede or modify any binding arrangement between the Participants.
- 3.2. Each Participant will pay for its own costs related to the activities under this MOU. Activities carried out under this MOU are subject to the availability of each Participant's staff and financial resources.

- 3.3. The Participants will endeavour to maintain communication by phone or email, or to meet in person as needed, for the purposes of identifying potential future opportunities for information sharing and cooperation.
- 3.4. The Participants will encourage staff within their respective organizations to informally exchange information, as appropriate, within their specific areas of responsibility, on an ongoing basis.
- 3.5. The Participants will jointly determine, in writing and either formally or informally, activities to be carried out under this MOU before their realization, and to jointly review and coordinate these activities.

4. Administration of this MOU

- 4.1. The following are the titles of each designate and their contact information for the purposes of carrying out this MOU:

FOR THE NEB

Vice President, Strategy &
Analysis
517 10th Ave SW
Calgary, Alberta T2R 0A8
(403) 292-4800

FOR OFFICE OF THE GNWT REGULATOR

Executive Director
P.O. Box 1320
Yellowknife, Northwest Territories
X1A 2L9
(867) 920-6267

5. Disclosure and Use of Information

- 5.1. The Participants plan to exchange information on energy and regulatory matters that are in the public domain or for which exchange of information is otherwise contemplated in accordance with legislation.
- 5.2. The Participants will treat information exchanged pursuant to this MOU in accordance with all applicable laws and GOC and GNWT standards, as these laws or standards relate to the collection, use, disclosure, retention and disposal of such information.
- 5.3. The Participants will make this MOU and any amendments publicly available.

6. Termination

- 6.1. Either Participant may terminate this arrangement, by providing at least sixty (60) days' written notice to the other Participant.

6.2. This MOU may be terminated at any time, with the mutual written consent of the Participants.

7. Amendment and Monitoring

7.1. The Participants intend to jointly review this MOU every three (3) years or as may otherwise be agreed.

7.2. The Participants may amend this MOU at any time with the written approval of both Participants. Any amendment to the MOU becomes effective upon the date of the last Participant's signature, unless otherwise indicated.

7.3. Each Participant will notify the other Participant of any change to its enabling legislation, related regulations or policies that may impact this MOU as soon as practicable after having discovered the change.

8. Languages

8.1. This agreement is written in English and French, each text being equally valid.

9. Effective Date and Signature

9.1. This MOU will take effect upon the date of the last Participant's signature.

9.2. This MOU may be signed in one or more counterparts, each of which is deemed an original, and all of which together constitute the same arrangement.

FOR THE NEB

Original signed July 13, 2015

Peter Watson
Chair and CEO

Date

FOR THE GNWT REGULATOR

Original signed July 27, 2015

Hon. David Ramsay
Regulator

Date