MR. NORMAN YAKELEYA MLA, SAHTU

AUG 2 4 2015

Oral Question 855-17(5) Responsible Energy Exploration and Development

This letter is further to my commitment made in the Legislative Assembly on Tuesday, June 2, 2015, regarding Oral Question 855-17(5) Responsible Energy Exploration and Development.

During our discussion, I committed to confirm whether officials from the Department of Industry, Tourism and Investment (ITI) had responded to the Sahtu Secretariat Incorporated (SSI) Motion call for a joint SSI / Government of the Northwest Territories (GNWT) meeting to look at the issue of hydraulic fracturing in the Sahtu Region and how to proceed.

I offer the following information:

GNWT departments have developed "made in the Northwest Territories" (NWT) draft Hydraulic Fracturing Filing Regulations (HFFR). This work is grounded not only in analyses of hydraulic fracturing regulations and environmental stewardship in several jurisdictions in Canada and the United States, but also an understanding of what makes the NWT unique. This includes the Sahtu and its distinctive geology.

The GNWT has at its disposal additional technical expertise sourced from the Alberta Energy Regulator which has monitored and protected the Alberta environment where over 9000 wells have been drilled and hydraulically fractured. This expertise will continue to be used to ensure the safety of any future operations in the NWT.

From April until August 2015, the Petroleum Resources Division (PRD) of ITI has undertaken a public engagement program to facilitate dialogue and the exchange of ideas and information regarding the draft HFFR. Specifically, hydraulic fracturing and related oil and gas activities in general, and how these activities are monitored and managed within the NWT regulatory framework. There is an email address that has been made available at the following link: HFRegulations@gov.nt.ca until August 31, 2015, for the public to submit comments. All the information gathered will be presented in a "What We Heard" report.

On April 14, 2015, officials from the PRD of ITI and the Sahtu Regional Office met with the Board of Directors of the SSI to discuss hydraulic fracturing, including the GNWT proposed HFFR.

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During that meeting, SSI informed ITI officials that it would like to see more baseline groundwater and surface water data collected and analyzed before hydraulic fracturing moves forward in the Sahtu Region.

In addition, SSI would also like to see an environmental monitoring, evaluation and reporting system established that involves the necessary governments, industry, communities and universities.

SSI emphasized the importance of education and work opportunities for their youth, as many of them are currently on income support.

SSI also reiterated that companies must sign access and benefit agreements prior to conducting exploration and development work on its lands.

On July 27, 2015, an ITI official from the PRD contacted the Executive Director of SSI, offering to have further discussions on the Hydraulic Fracturing Regulations, and also to discuss any possible future oil and gas activity in the Sahtu Region. No further response has been received to date.

Thank you for your interest in this matter. I trust this response addresses your questions.

David Ramsay Minister

Mr. Peter Vician Deputy Minister, ITI

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Mr. Tim Mercer Clerk of the Legislative Assembly

Mr. David Hastings Legislative Coordinator