



## The Northwest Territories

The Canol shale formation of the Sahtu Region in the central Mackenzie Valley is believed to be one of the largest potential sources of oil shale on the continent, with estimates of recoverable oil by fracking of between three and five billion barrels. Drawing comparisons to the prolific Bakken Basin that straddles the U.S.-Canada border, major oil and gas corporations, including Imperial Oil, Shell, ConocoPhillips, MGM Energy and Husky, have invested \$628 million since 2011 to lease 15 parcels in the central Mackenzie Valley for potential fracking projects. In July 2013, the federal government announced an additional 10 parcels of land would be available for lease. There is also potential for fracking in the southwest corner of the Northwest Territories (NWT) in the Fort Liard area.

In November 2012, an application by MGM Energy and Shell Canada for a land use permit and water licence for exploratory horizontal fracking was withdrawn by the company. The application was referred instead to the environmental assessment process.

In June 2013, the Sahtu Land and Water Board (SLWB) gave ConocoPhillips the green light to drill two exploratory horizontal fracking wells near Tulita, granting a land use permit and a water licence for the fracks without requiring an environmental assessment. The National Energy Board approved this project on October 31, 2013 and fracking is expected to begin in the



Council of Canadians Northwest Territories Chapter organizes march for second annual Global Frackdown. Photo by Bob Wilson.

### RESOURCES AND REGULATIONS

Government of NWT Department of Industry, Tourism and Investment  
[www.iti.gov.nt.ca](http://www.iti.gov.nt.ca)

Sahtu Land and Water Board  
[www.slwb.com](http://www.slwb.com)

Northwest Territories legislation (oil and gas activities regulated by the National Energy Board)  
[www.neb-one.gc.ca/clf-nsi/rpblctn/ctsndrgltn/ctsndrgltn-eng.html](http://www.neb-one.gc.ca/clf-nsi/rpblctn/ctsndrgltn/ctsndrgltn-eng.html)

Canada Oil and Gas Operations Act  
[www.neb-one.gc.ca/clf-nsi/rpblctn/ctsndrgltn/rgltnsdgdlnsprnttthrcct/cndlndgsprtnsct/cndlndgsprtnsct-eng.html](http://www.neb-one.gc.ca/clf-nsi/rpblctn/ctsndrgltn/rgltnsdgdlnsprnttthrcct/cndlndgsprtnsct/cndlndgsprtnsct-eng.html)

Canada Petroleum Resources Act  
[www.canlii.org/en/ca/laws/stat/rsc-1985-c-36-2nd-supp/latest/](http://www.canlii.org/en/ca/laws/stat/rsc-1985-c-36-2nd-supp/latest/)

Canada Oil and Gas Drilling and Production Regulations  
[bit.ly/1gTcxNj](http://bit.ly/1gTcxNj)

Dene Nation resolution  
[www.denenation.com/Motions%20DLM.html](http://www.denenation.com/Motions%20DLM.html)

### GROUPS WORKING ON FRACKING

The Council of Canadians Northwest Territories Chapter  
[www.cocnwt.ca](http://www.cocnwt.ca)

Dene Nation  
[www.denenation.com](http://www.denenation.com)

Ecology North  
[www.ecologynorth.ca](http://www.ecologynorth.ca)



winter of 2013-2014. This is the first horizontal fracking project permitted in the NWT.

While some people in the Sahtu see oil and gas development as a promising source of revenue and jobs for the NWT, many are concerned about the impacts of fracking. The Dene Nation is concerned about pollution caused by fracking and opposes the process. In 2011, the Dene Nation passed a resolution calling for a moratorium until further research is conducted and proper regulatory requirements and safeguards are in place.

Water is a highly valued resource in the NWT. In 2006 the NWT became the only Canadian province or territory to declare water a fundamental human right.

Companies and government agencies are exploring the mining of silica sand deposits in two areas of the NWT to use in the fracking process. This further increases environmental disturbances and risks to public health and safety from fracking operations. The World Health Organization and the U.S. Department of Labor have also issued alerts that silica sand causes lung cancer, tuberculosis and silicosis, a lung disease affecting a person's ability to breathe.

Representatives of the NWT government and Aboriginal government took a tour of the Bakken formation in Saskatchewan and North Dakota in October 2013. However, the lessons learned from this major fracking development have not yet affected public policy with respect to the Canol shale formation.

In June 2013, Canada and the NWT signed a devolution agreement that will transfer administrative control of public land, water and resources to the territorial local government. The agreement takes effect April 1, 2014, but maintains legislative control in Ottawa. This transfer will result in non-renewable resources revenues being split as follows: federal government: 44 per cent; NWT government: 33 per cent; Aboriginal governments (seven "regions"): 23 per cent. However, given that federally-proposed amendments to the Mackenzie Valley Resource Management Act will consolidate greater federal legislative control over non-renewable resource development in the NWT, it is not clear whether devolution will increase territorial authority over these resources.

The NWT government has committed to releasing a draft set of horizontal hydraulic fracturing guidelines for public review in the fall of 2013, but this timeline may be extended.



The Mackenzie River, NWT. Photo by Adam Jones, Ph.D./Wikimedia Commons CC BY-SA 3.0