



Northern Oil and Gas Annual Report 2023

Foreword

The *Northern Oil and Gas Annual Report* is prepared in accordance with section 109 of the *Canada Petroleum Resources Act* which states:

The Minister shall, within ninety days after the end of each year, cause to be prepared a report with respect of the administration of this Act during that year, and shall cause the report to be laid before each House of Parliament on any of the first fifteen days on which that House is sitting after the day the report is prepared.

The management of oil and gas resources on Crown lands in the Northwest Territories and Nunavut, and in the Arctic offshore, is administered by the Petroleum and Mineral Resources Management Directorate under the mandate of the *Canada Petroleum Resources Act* by:

- Granting and managing Crown exploration and production rights;
- Administering the public register of northern petroleum interests and instruments; and,
- Governing rights issuance, the financial administration of interests, benefits, environmental considerations and royalty management.

Information about northern petroleum resource management regime and the program can be found at: www.rcaanc-cirnac.gc.ca/eng/1100100036087/1538585604719.



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This publication is also available in French under the title: Pétrole et gaz du nord Rapport annuel 2023



Minister's Message

As required by the *Canada Petroleum Resources Act*, the Government of Canada tables before Parliament an annual report on the administration of the Act in the Northwest Territories, Nunavut, and northern offshore.

Canada's northern oil and gas sector marked several important milestones this year. First, to assess the potential impact of Arctic offshore oil and gas exploration and development, the Government of Canada, Northern Indigenous organizations, and territorial governments co-developed and completed the science-based climate and marine reviews for the Western and Eastern Arctic.

Second, the Government of Canada renewed the moratorium on new licences and the Order prohibiting exploration, drilling and other activities in Canada's Arctic offshore waters, effectively ensuring the region remains off-limits to oil and gas development. Canada will continue working with northern partners on a subsequent review to help inform future decisions regarding the moratorium.

Finally, the Government of Canada, the Inuvialuit Regional Corporation, the Government of the Northwest Territories, and the Government of Yukon signed the Western Arctic – Tariuq (Offshore) Accord which will allow for the shared management of oil and gas rights. This Accord will ensure Inuvialuit, along with residents of the Yukon and the Northwest Territories, are the primary beneficiaries of any economic activity from oil and gas development in their regions.

I invite you to read this report for further details on Canada's northern oil and gas resources sector for 2023, including the public registry of petroleum interests, exploration, significant discovery, and many other subjects of interest to those living in Canada.

The Honourable Daniel Vandal, P.C., M.P.

Minister of Northern Affairs, Minister responsible for Prairies Economic Development Canada and Minister responsible for the Canadian Northern Economic Development Agency



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CANADA PETROLEUM RESOURCES ACT ACTIVITIES

Current Disposition of Interests

The Government of Canada maintains a public registry of petroleum interests and instruments registered under Part VIII of the *Canada Petroleum Resources Act*. This registry is the official record of rights holders, and any transfer of rights or change of ownership must be registered.

More information is available at <https://www.rcaanc-cirnac.gc.ca/eng/1100100036364/1583277191056>.

Table 1: Exploration Licences as of December 31, 2023

Licence	Area (in hectares)	Representative	Effective Date	End of Period 1	Expiry Date ²
<i>Beaufort Sea</i>					
EL317 ¹	105,150	BP Canada Energy Development Company	5 Oct 1986	N/A	N/A
EL329 ¹	339,434	BP Canada Energy Development Company	5 Sep 1987	N/A	N/A
EL476	205,321	Imperial Oil Resources Limited	1 Sep 2012	31 Jul 2019	31 Jul 2019
EL477	202,380	Imperial Oil Resources Limited	1 Sep 2012	30 Sep 2018	30 Sep 2020
EL478	205,359	BP Exploration Operating Company Limited	1 Sep 2012	30 Sep 2018	30 Sep 2020
EL479	203,635	BP Exploration Operating Company Limited	1 Sep 2012	30 Sep 2018	30 Sep 2020
EL481	205,946	Chevron Canada Limited	1 Sep 2012	31 Aug 2019	31 Aug 2021
EL483	196,497	ConocoPhillips Canada Resources Corp.	1 Sep 2012	30 Sep 2018	30 Sep 2020
EL485	29,350	Franklin Petroleum Canada Limited	1 Sep 2012	31 Aug 2019	31 Aug 2021
EL488	24,574	Franklin Petroleum Canada Limited	6 Mar 2013	5 Mar 2020	5 Mar 2022
EL489	35,544	Franklin Petroleum Canada Limited	6 Mar 2013	5 Mar 2019	5 Mar 2022
EL491	100,677	Franklin Petroleum Canada Limited	6 Mar 2013	5 Mar 2020	5 Mar 2022
EL496	14,820	Franklin Petroleum Canada Limited	1 Jun 2014	31 May 2021	31 May 2023

¹ Under work prohibition order P.C. 1987-2265 pursuant to section 12 of the *Canada Petroleum Resources Act*.

² In the Arctic Offshore, terms of existing Licences as well as oil and gas activities are suspended under Order in Council P.C. 2023-1215 pursuant to subsection 12(1) of the *Canada Petroleum Resources Act*.

**Table 2: Land disposition as of December 31, 2023***In Hectares*

Region	Exploration Licence	Significant Discovery Licence	Production Licence	Former Rights ¹	Total
Arctic Islands of Nunavut	0	327,981	0	0	327,981
Eastern Arctic Offshore	0	11,184	0	0	11,184
Beaufort Sea	1,868,687	224,623	0	0	2,093,310
Norman Wells Proven Area	0	0	0	654	654
Total (in hectares)	1,868,687	563,788	0	654	2,433,129

By Interest Type (number of licences)

Region	Exploration Licence	Significant Discovery Licence	Production Licence	Former Rights ¹	Total
Arctic Islands of Nunavut	0	20	0	0	20
Eastern Arctic Offshore	0	1	0	0	1
Beaufort Sea	13	48	0	0	61
Norman Wells Proven Area	0	0	0	6	6
Total	13	69	0	6	88

¹ Permits and/or leases issued under former legislative regimes and continued in force pursuant to subsection 112(2) of the *Canada Petroleum Resources Act*.

Rights issuance

In December 2016, as part of the *Canada – U.S. Joint Arctic Leaders' Statement* the Government of Canada announced a new partnership, to embrace opportunities and confront challenges, with Indigenous and Northern partners, in the changing Arctic, through a science-based approach to oil and gas. Canada designated all Arctic Canadian waters as indefinitely off limits to future offshore Arctic oil and gas licencing – commonly known as the Arctic offshore oil and gas moratorium, to be reviewed every five-years through a climate and marine science-based life-cycle assessment.

In 2022, the Government of Canada finalized the climate and marine science-based reviews that were co-developed with Northern Indigenous organizations and territorial governments to assess the potential impact of Arctic offshore oil and gas exploration and development, taking into account marine and climate change science. The climate and marine science-based review reports may be viewed at [Arctic offshore oil and gas \(rcaanc-cirnac.gc.ca\)](https://rcaanc-cirnac.gc.ca).

Following careful consideration, including the review of the reports of the five-year science-based review, the Government of Canada decided to maintain the indefinite moratorium and to support a subsequent review to inform future decisions with regard to the moratorium to be co-developed with northern partners.



In August 2023 the Government of Canada signed the Western Arctic – Tariuq (Offshore) Accord with the Inuvialuit Regional Corporation, the Yukon Government and the Government of the Northwest Territories. The Accord establishes a four-party joint-management regime for the management and regulation of oil and gas activities in the Western Arctic offshore, and assigns Northerners as the primary beneficiaries of the revenues from oil and gas activities in the Accord area. A copy of the Accord may be viewed at [Accord between the Government of Canada, the Inuvialuit Regional Corporation, the Government of the Northwest Territories, and the Government of Yukon for the shared management and regulation of petroleum resources in the Western Arctic - Tariuq \(offshore\) \(rcaanc-cirnac.gc.ca\)](https://rcaanc-cirnac.gc.ca).

Prohibition Order in Canadian Arctic Offshore Waters

On July 30, 2019, the Governor in Council issued an *Order Prohibiting Certain Activities in Arctic Offshore Waters*. The Order prohibits any person, including an interest owner of a licence, to commence or continue any work or activity authorized under the *Canada Oil and Gas Operations Act* on the frontier lands that are situated in Canadian Arctic offshore waters and in respect of which the Minister of Northern Affairs has administrative responsibility for natural resources. The Order continues to be renewed while the moratorium is in place. A copy of the Order may be viewed at [Canada Gazette, Part 2, Volume 157, Number 26: Order Amending the Order Prohibiting Certain Activities in Arctic Offshore Waters, 2022](#).



Figure 1: The Beaufort Sea Region

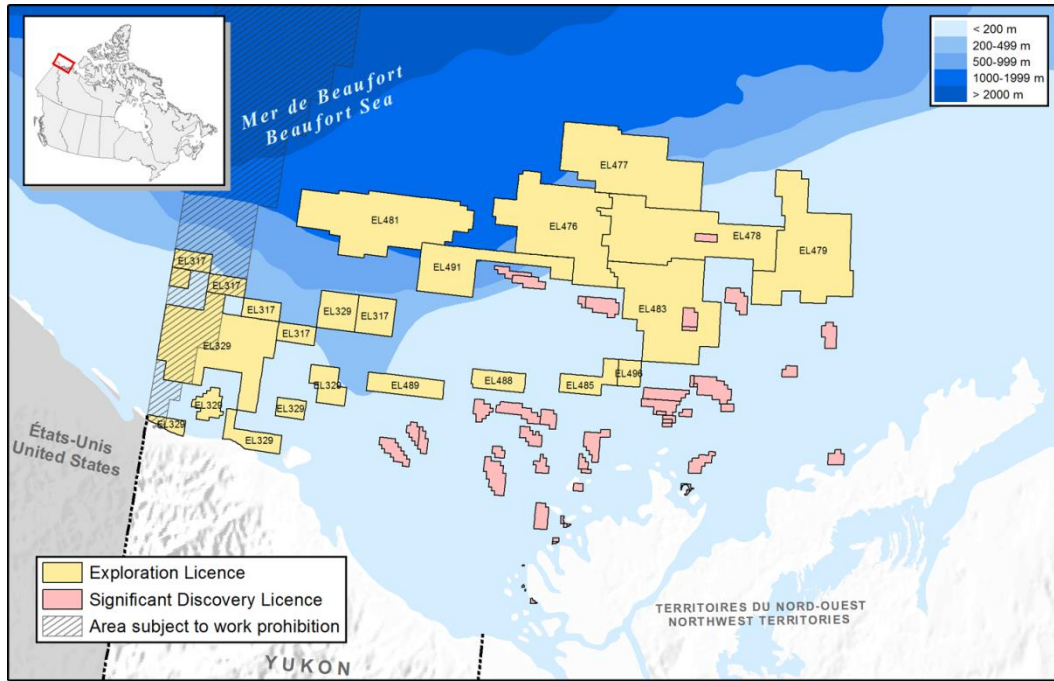


Figure 2: The Arctic Islands Region

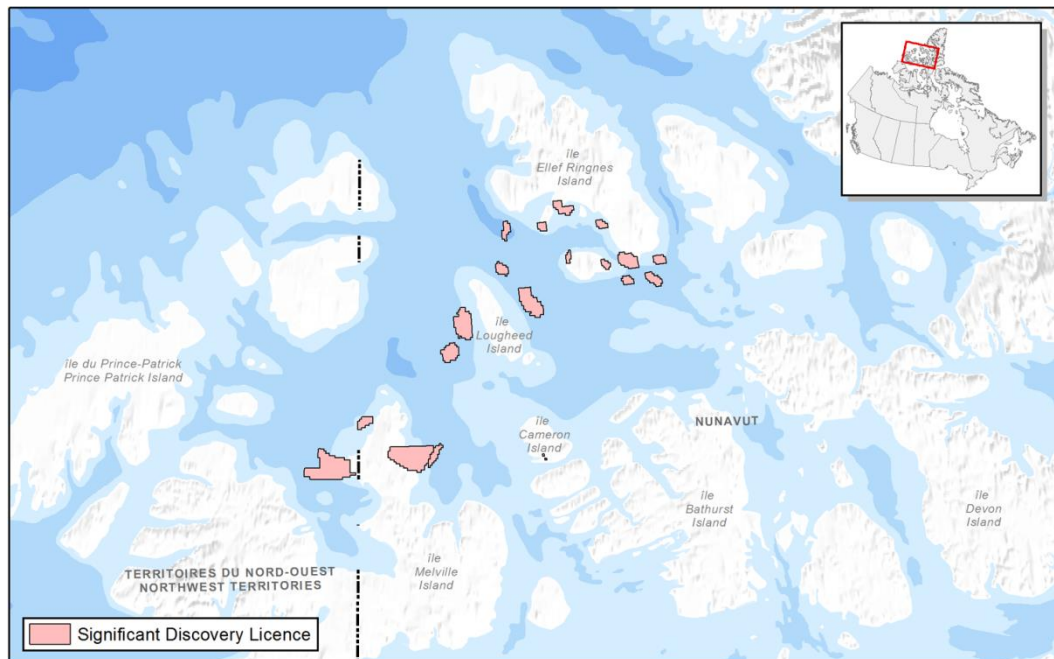
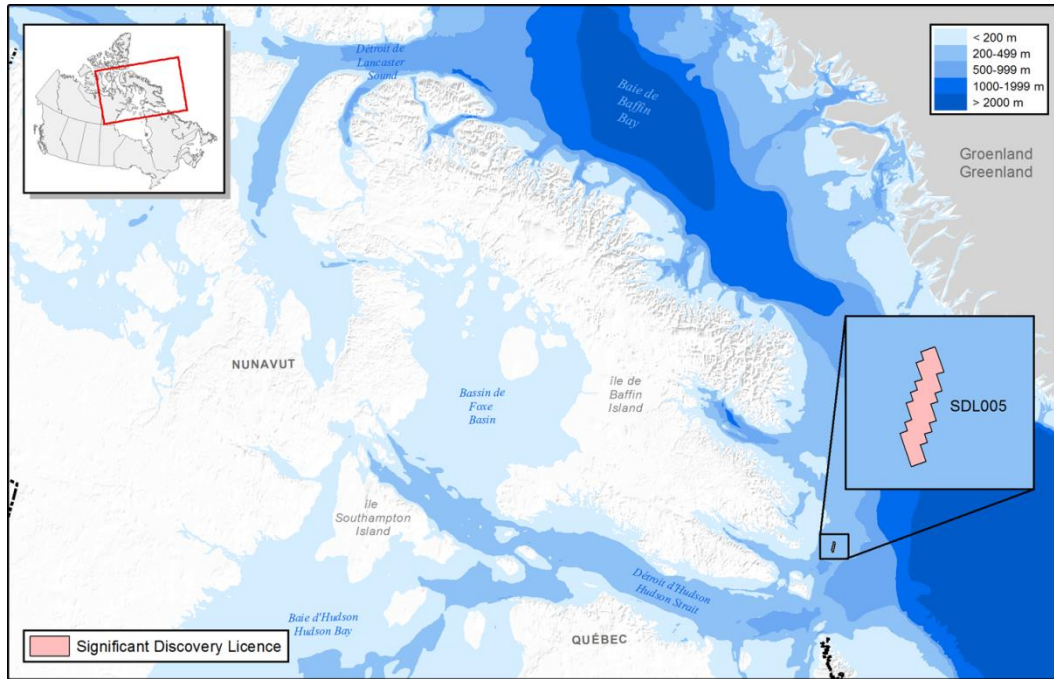




Figure 3: The Eastern Arctic Region



Financial Administration of Interests

Table 3: Revenues from Administration of Interests, 2019-2023

Expressed in dollars

	2019	2020	2021	2022	2023
Non-refundable rentals ¹	993	993	993	993	993
Fees ²	2,585	0	397	30	1,984
Total	3,578	993	1,390	1,023	2,977

¹ Norman Wells Proven Area leases issued under the *Canada Oil and Gas Land Regulations* which continued in force pursuant to subsection 114(4) of the *Canada Petroleum Resources Act*.

² Fees for service (section 15 of the *Frontier Lands Registration Regulations*).

Environmental Considerations

The Government of Canada's *Budget 2016* provided funding to help assess the potential environmental impacts of future offshore oil and gas activity in Arctic regions, and inform whether oil and gas activity should proceed in these regions .

Strategic Environmental Assessments (SEAs)

The Beaufort Regional Strategic Environmental Assessment and the Strategic Environmental Assessment in Baffin Bay and Davis Strait have been finalized. Ongoing monitoring work is



being supported and continued throughout 2023 in both regions. This work is focused on addressing recommendations and outcomes from the final reports produced as part of the SEAs.

For more information on the SEAs or their respective recommendations and outcomes, visit the following:

- <https://rsea.inuvialuit.com/> for the Beaufort Regional Strategic Environmental Assessment
- <https://www.nirb.ca/content/strategic-environmental-assessment> for all documents related to the Strategic Environmental Assessment in Baffin Bay and Davis Strait

Environmental Studies Research Fund

The Environmental Studies Research Fund is a provision of the *Canada Petroleum Resources Act*, and is funded through levies applied to oil and gas lands held under licence. The research program sponsors environmental and social studies related to the exploration, development and production of oil and gas resources on frontier lands. Based upon the recommendations of the Environmental Studies Research Fund Management Board, the Minister approved a levy of zero for each northern region for 2022-2023, as all oil and gas activities in the Arctic offshore continue to be suspended pursuant to the *Order Prohibiting Certain Activities in Arctic Offshore Waters*.

The Environmental Studies Research Fund Management Board is currently supporting one project in the northern regions, using remaining funds collected prior to the moratorium. The project started in 2021-2022 and is using undersea autonomous glider technology to monitor marine mammals and ships in the eastern Beaufort Sea, an area with existing but undeveloped oil and gas leases that is frequented by bowhead and beluga whales. Further details on the Environmental Studies Research Fund, including annual reports and publications can be found at www.esrfunds.org.

Royalty management

Given that there are no producing fields in Nunavut or in offshore Arctic waters, the amount of offshore royalty received by Canada in the 2023 calendar year is \$0.

Pursuant to the *Northwest Territories Land and Resource Devolution Agreement*, the Norman Wells Proven Area remains under federal jurisdiction. The Government of Canada continues to collect petroleum royalties associated with the Norman Wells Proven Area and remits these royalties to the Government of the Northwest Territories.

The Ikhil gas field lies on Inuvialuit Lands and continues to be administered by Canada on behalf of the Inuvialuit pursuant to Section 7(94) of the *Inuvialuit Final Agreement*. Canada's



responsibility to collect and remit royalties to the Inuvialuit continued after April 1, 2014, pursuant to the terms of the *Northwest Territories Land and Resource Devolution Agreement*.

Benefits

In 2023, no benefits plans were submitted as no exploration activity was conducted in Frontier Lands under Crown-Indigenous Relations and Northern Affairs Canada jurisdiction.

Subsection 5.2 of the *Canada Oil and Gas Operations Act* and section 21 of the *Canada Petroleum Resources Act* require that a benefits plan be approved by the Minister before authorization of any oil and gas work or activity, or approval of a development plan relating to a pool or field on Frontier Lands in Nunavut, the Northwest Territories, and in the Arctic offshore.



FOR FURTHER INFORMATION

Petroleum and Mineral Resources Management Directorate

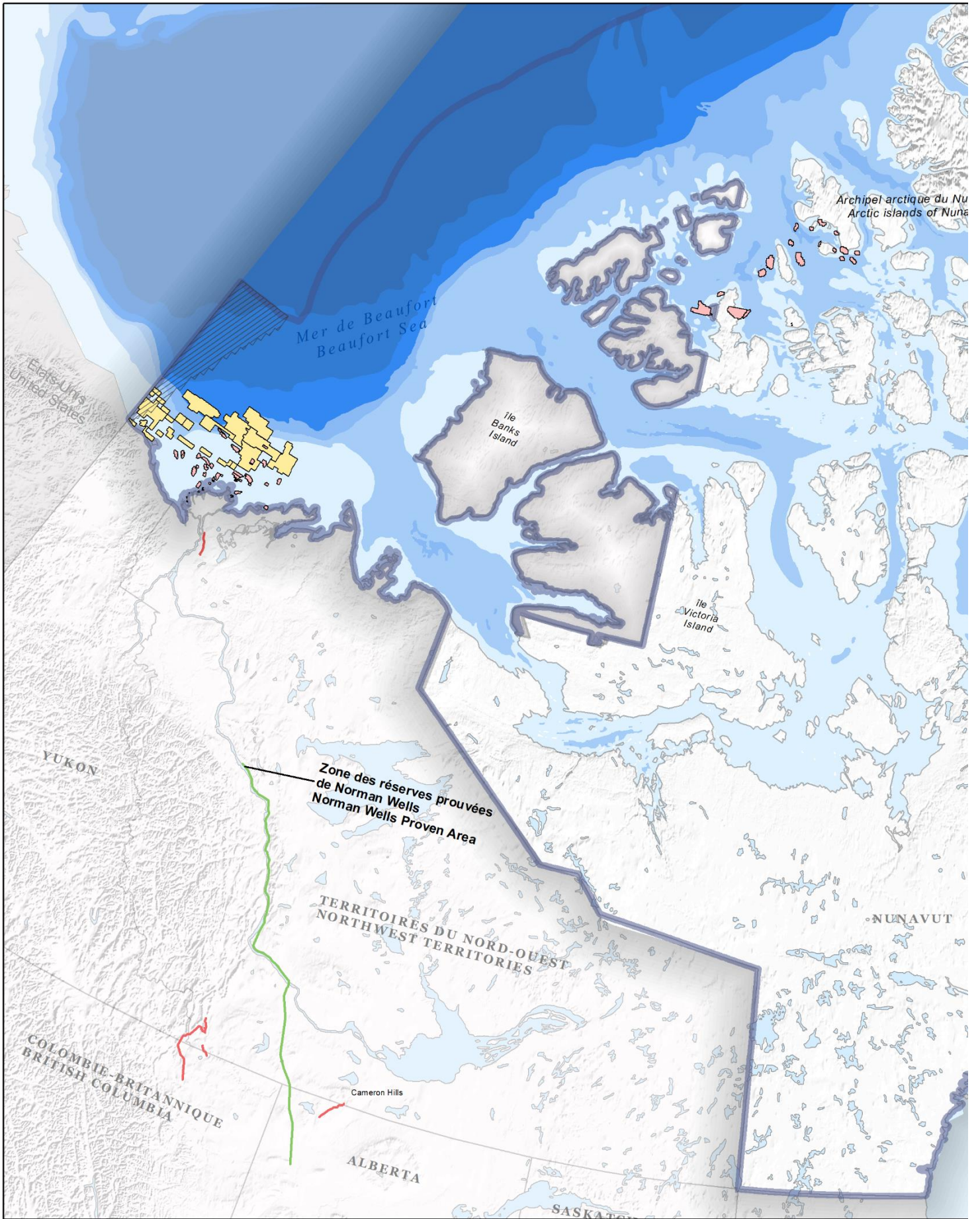
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Dispositions des droits pétroliers et gaziers en date au 31 décembre 2023 / **Oil & Gas Dispositions as of December 31, 2023**

