



FOR RELEASE

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Yukon government accepts all 21 recommendations of the Select Committee Regarding the Risks and Benefits of Hydraulic Fracturing; announces position on shale gas development

WHITEHORSE—The Yukon government has responded to the report of the Yukon Legislature's Select Committee Regarding the Risks and Benefits of Hydraulic Fracturing and accepts all 21 of its recommendations.

A key element of the government's position is that any proposed hydraulic fracturing activity would require the support of affected First Nations.

The government's response to the report includes: developing an engagement strategy to continue the public dialogue; conducting an economic study; expanding the groundwater monitoring and seismic baseline data, and; seeking expert advice to confirm that baseline information is adequate and that regulatory processes will protect human health and the environment.

"Through the select committee process we have heard from Yukoners and we understand their concerns," Energy, Mines and Resources Minister Scott Kent said. "As a government, it is also our responsibility to consider the potential benefits of a Yukon oil and gas industry and to effectively regulate any activities. Ultimately, we want to promote economic prosperity and job creation, and through our actions in response to the select committee, we will move forward in a cautious and responsible way."

In addition to the response to the report, the Yukon government has arrived at a position on hydraulic fracturing:

- The Yukon government is open to responsible shale gas development opportunities in Yukon, but only in the Liard basin.
- Any shale gas development activity must have the support of affected First Nations.

The Liard basin, located in the far southeast of Yukon, comprises less than two per cent of Yukon's landmass. The total area of Yukon with oil and gas potential (shale and conventional) is approximately 15 per cent of the territory.

"We want Yukoners to have jobs, successful businesses and opportunities for a robust and diverse energy sector in Yukon," Kent added.

The previously announced restrictions around oil and gas development in the Whitehorse Trough remain in place and are unaffected by this response to the committee's report.

See backgrounder below and map above of the Liard oil and gas basin. To view the response and see more information, visit: <http://www.emr.gov.yk.ca/oilandgas/hydraulic-fracturing.html>.

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Background to the Response and Yukon Context

First Nation Engagement

- The Yukon government will continue to work government-to-government with First Nations regarding their concerns around hydraulic fracturing.
- The Yukon government will require the involvement and support of affected First Nations prior to oil and gas development that would require hydraulic fracturing.

Geology and Seismic Activity

- Yukon has eight onshore sedimentary basins, underlying approximately 15 per cent of Yukon's area. The Liard basin comprises approximately 1.3 per cent of Yukon.
- Only five of the basins have had wells drilled, and only Liard and Eagle Plain basins have active dispositions.
- Four of the eight basins in Yukon (Liard, Peel, Eagle Plain and Beaufort-Mackenzie) have high potential for shale oil and/or gas.
- Conventional resource estimates exist for all basins; shale resource estimates have not been completed.
- Shale gas is currently being produced from the Liard basin in British Columbia.
- Earthquakes can occur across Yukon but the larger ones tend to occur in two regions, in southwest Yukon and in northeast Yukon.
- There are 13 existing seismometers in Yukon. Up to 50 new seismometer installations are planned over the next three years as part of ongoing work by various researchers.
- The enhanced array of instruments will improve our ability to pinpoint active faults, and provide data on the background level of seismic activity in different areas of the territory.

Water Monitoring

- Long-term monitoring of Yukon's surface water quality and quantity occurs across Yukon.
- The *Yukon Water Strategy and Action Plan* was released in June 2014. One of the six priority areas is to better-understand and manage Yukon's groundwater, with emphasis on enhancing and formalizing the existing groundwater program in Yukon and developing a regulatory framework to manage groundwater. A hydrogeologist has been hired to work on groundwater-related issues and lend expertise to existing water programs.
- The Yukon government is collaborating with the University of Calgary on an NSERC project to develop monitoring techniques to assess potential impacts of oil and gas extraction, including hydraulic fracturing, on groundwater and surface water. A portion of this project will look at well integrity and the potential transport of hydraulic fracturing fluids and fugitive gas migration into groundwater.
- In 2013, the Yukon government enhanced its existing water monitoring program in the Eagle Plain region. This baseline program includes:

- New hydrometric stations on the Eagle River and McParlon and Dalglish Creeks;
 - Collection of water-quality data from 15 creeks and tributaries in the region.
- In 2014, the Yukon government enhanced its existing water monitoring program in the Kotaneelee region. This baseline program includes:
 - New hydrometric stations on the Beaver and La Biche Rivers;
 - Collection of water quality data from the Beaver and La Biche Rivers.
- Information on Yukon surface water is available online at www.yukonwater.ca.
- The Yukon Water Board and Department of Energy, Mines and Resources are participating in the Coordinated Online Information Network (COIN) initiative to make baseline data regarding water use more easily available for oil and gas project assessments.

Air Monitoring

- Yukon air-quality data is available online through Environment Canada's National Air Pollution Surveillance (NAPS) website.
- The Yukon government will continue to collect long-term air quality trend data for Yukon at the monitoring station located in Whitehorse.
- Three studies on greenhouse gas emissions over the full life cycle of natural gas are available on the Yukon Energy Corporation website.

Economic Development

- The Department of Economic Development will undertake an economic analysis that assesses the potential economic impact of developing shale oil and gas resources in Yukon.
- An assessment of shale resources will be conducted first to determine the extent of the oil and gas resource in Yukon.

Human Health

- The Yukon government will work with Yukon's Chief Medical Officer of Health and expert advisors to determine an appropriate approach to human health issues.
- Review the results of a recently-released three-year health impact study conducted in northeast British Columbia here.

Oil and Gas Regulatory Regime

- There are several regulators, agencies and processes involved in regulating oil and gas activities. Each one contributes to ensuring the safety of people and the environment in Yukon.
- The key statutes are: *Oil and Gas Act*, *Yukon Environmental and Socio-economic Assessment Act*, *Waters Act*, *Environment Act* and *Occupational Health and Safety Act*.
- Hydraulic fracturing requires a well-operation approval under the *Drilling and Production Regulations*, *Oil and Gas Act*.
- The Yukon government is committed to use Frac Focus Chemical Disclosure Registry: <http://www.fracfocus.ca/>
- First Nations have worked with the Yukon government since 1997 to develop all oil and gas legislation and regulations. First Nations have the option to adopt Yukon legislation for Category A lands.

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