

Comments from the Ontario Petroleum Institute (OPI) on the Proposed Amendments to the *Oil, Gas and Salt Resources Act* (the “Act”).

March 11, 2022

1. *Point 1 from NDMNRF Proposal - Narrow the prohibitions on the injection of carbon dioxide so that going forward, the prohibition would only apply to the injection of carbon dioxide for the purpose of carbon sequestration, when used in association with a project to enhance the recovery of oil or gas*

OPI fundamentally **disagrees** that there should be a prohibition on the injection of carbon dioxide when used in association with a project to enhance recovery of oil or gas. OPI respectfully feel that this would be an added benefit of carbon sequestration in producing reservoirs, which would help enhance the economics of carbon sequestration projects and perhaps lead to more widespread adoption of these projects. It would provide additional incentives to oil and gas producers enabling them to more effectively extract the oil and gas natural resources of Ontario, while having the added benefit of removing carbon dioxide from the environment and storing it within the producing reservoirs. Allowing the carbon sequestration to work in conjunction with enhanced oil and gas recovery will more than likely lead to a more successful uptake of carbon storage in our industry while enabling Ontario’s natural resources to be more effectively extracted resulting in a win/win situation for all involved.

2. *Point 2 from NDMNRF Proposal - Add the ability for us to enter into agreements with companies that want to use wells to explore, test, pilot or demonstrate new technologies (such as carbon storage) in relation to wells used for oil, gas, solution-mined salt as well as underground storage resources. This would provide the ability to bring new types of projects that are associated with the same subsurface spaces where oil, gas, salt or underground storage occur, under the scope of the Oil, Gas and Salt Resources Act*

OPI is supportive of this proposed change to the Act.

3. *Point 3 from NDMNRF Proposal - enhance provisions for corporate accountability and enhance existing protections to allow for the issuance of orders to prevent risks to the public or environment*

OPI does not understand how this change relates in any way to the proposal related to carbon storage in geologic reservoirs. However, OPI **disagrees** that additional provisions on corporate accountability are required to be made to the Act as these provisions already exist and appear to be sufficient and effective. Making the corporate accountability provisions excessively onerous or punitive could have the unintended result of discouraging ownership of oil and gas assets in Ontario which would lead to the premature abandonment of provincial assets or orphaned wells as no one wishes to take responsibility if the provisions are not fair and reasonable. If these changes are made, OPI respectfully submits that they only apply to corporate accountability with respect to carbon sequestration projects and not traditional oil and natural gas extraction and well operating activities. The OPI would require more detail (as requested in previous submission to this comment period) on the proposed changes in order to provide more meaningful feedback.

Please direct your response to Scott Lewis, Chair of OPI at 519-871-0876 or slewis@lagasco.ca.