



*Long-Term Thinking
for Today's Issues*

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Private Oil and Gas Wells in Ontario A CFFO Position Statement

Preamble

The Christian Farmers Federation of Ontario (CFFO) is concerned with the on-going regulatory difficulties that farmers with low-pressure oil and gas wells are facing from the Ministry of Natural Resources (MNR).

Note: The CFFO does not endorse the adoption of any methods or regulations that would unduly place the health and safety of Canadians and the environment at risk.

What we Know

- 1.) Some of the natural gas fields underlying parts of Southern Ontario are largely depleted.
- 2.) The low pressure wells drawing from these depleted gas fields do not realistically require the same restrictive regulations as high pressure wells.
- 3.) These low pressure wells are not viable for commercial use. However they are an economic asset to farmers that face rising energy costs.

Concerns

- 1.) There seems to be an aggressive campaign of random enforcement of various provisions of the Oil, Gas and Salt Resources Act that is taking place in Haldimand-Norfolk, which seem to inevitably result in "orders to plug."
- 2.) Farmers are being required to plug wells at their own expense, even if the wells were never utilized by the current owner.

Recommendations

- 1.) The CFFO requests that a moratorium be placed on "orders to plug" until such time as the conflicts surrounding the issue are resolved.
- 2.) We request that low volume, low pressure, private gas wells have regulations developed that are transparent and appropriate to the nature of the operation.
- 3.) The Ministry of Natural Resources should grandfather the regulations of the time period when the wells were built, as they more accurately reflect the needs and concerns surrounding these types of wells.
- 4.) The CFFO recommends that the original company that leased the well be held responsible for covering the cost of plugging or decommissioning abandoned or derelict wells. In the event that this is impossible (the company may no longer exist) then financial assistance from the Ministry of Natural Resources should be made

available to these farmers through its Abandoned Works Program. Alternatively, funding could be sourced through the Environmental Farm Plan, whichever is deemed appropriate by government.

- 5.) Low-pressure wells that are used to provide heat for farm buildings should be considered an agricultural structure for regulatory purposes.

Adopted by Provincial Council
Christian Farmers Federation of Ontario
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