

The Canol Oil Shale Play Central Mackenzie Valley, Northwest Territories: Geoscience, Operations and Social License

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Abstract:

The June 2011 federal landsale within the Central Mackenzie Valley saw 11 parcels, totalling almost 900,000 ha (2.2 million acres) awarded to five companies for a combined work commitment in excess of \$534 million Canadian Dollars.

Two middle Devonian-aged shale intervals within this basin, the Canol and Bluefish shales, show significant potential for shale oil resource development. Geochemical, petrographic and sedimentologic analysis of the subsurface and outcrop combined with regional seismic interpretation have allowed for a comprehensive evaluation of the exploration potential of these shales and for comparison to other shale formations currently being produced.

New wells have drilled, cored and tested the shale intervals and a large amount of new 2D and 3D seismic data has been acquired. With encouragement from drilling and testing programs these world-class shale formations may hold an exciting future for the Central Mackenzie Valley and Canadian First Nation's communities.

There are many challenges associated with drilling in the Canadian arctic including a complex and cumbersome regulatory regime, lack of infrastructure and ongoing consultation to ensure Social License. If the play is proven successful, ongoing communication between government, regulators, industry, communities and Canadian First Nations is required for the life of the project.