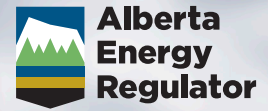


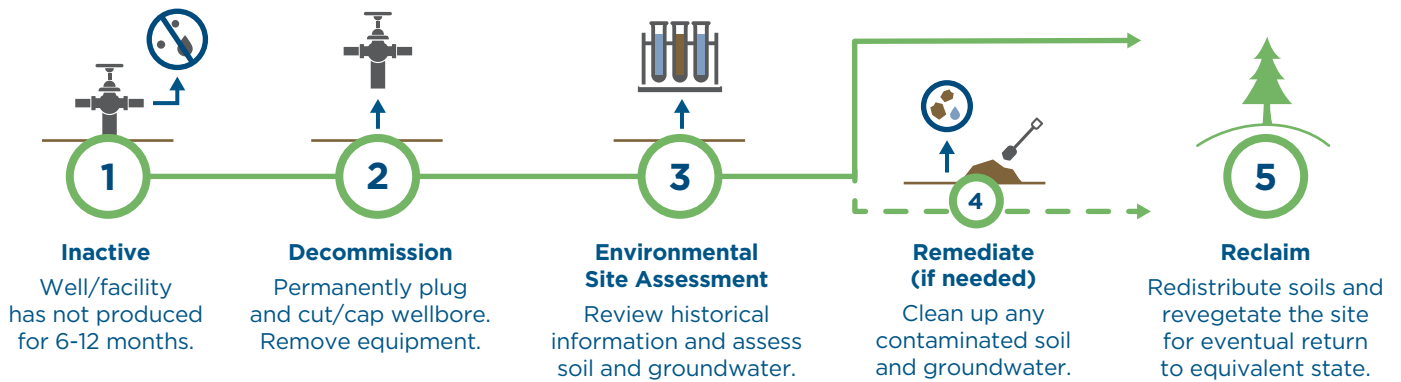
# Liability Management 2022

January 2024



## WHAT IS CLOSURE AND LIABILITY?

If energy companies are going to profit from Alberta's energy resources, they must be responsible and properly decommission, remediate, and reclaim their sites – activities otherwise known as “closure.” The costs and responsibility for closure – known as “liability” – rests with industry. Closure looks like:



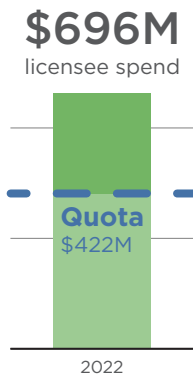
## HOW IS INDUSTRY PERFORMING?

Between 2002 and 2010, there was significant growth in active wells due to drilling activity. As the number of active wells levelled off and began to decline, the number of inactive wells in the province grew 5% annually between 2000 and 2020.

Industry continues to work on this backlog of inactive infrastructure. In 2022:

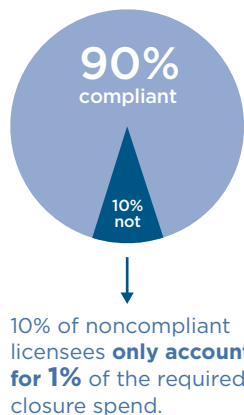
### SURPASSING REQUIREMENTS

The industry-wide closure spend was set at \$422 million. Licensees surpassed the requirement by 65%.



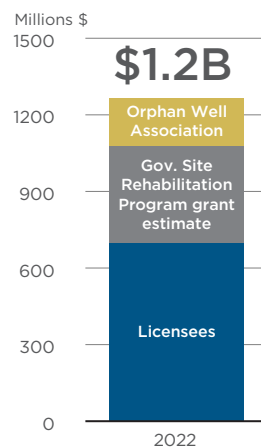
### ENSURING COMPLIANCE

Over 457 licensees were compliant with their 2022 closure quota.



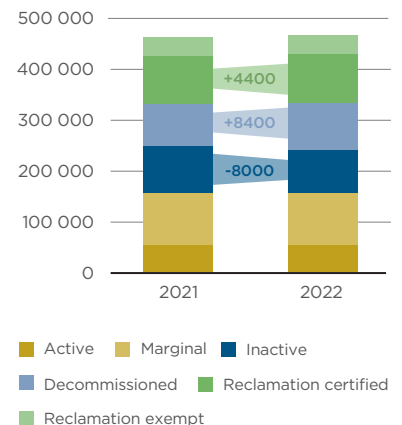
### INCREASING TOTAL SPEND

\$1.2 billion was spent on closure.



### PROGRESS TOWARDS CLOSURE

Inactive wells decreased by 9%, decommissioned increased by 10%, and reclamation certified increased by 5%.



We're committed to improving transparency about industry's management of conventional oil and gas liabilities.

For more information on how we manage liability, visit [aer.ca](http://aer.ca).

