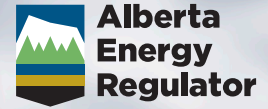


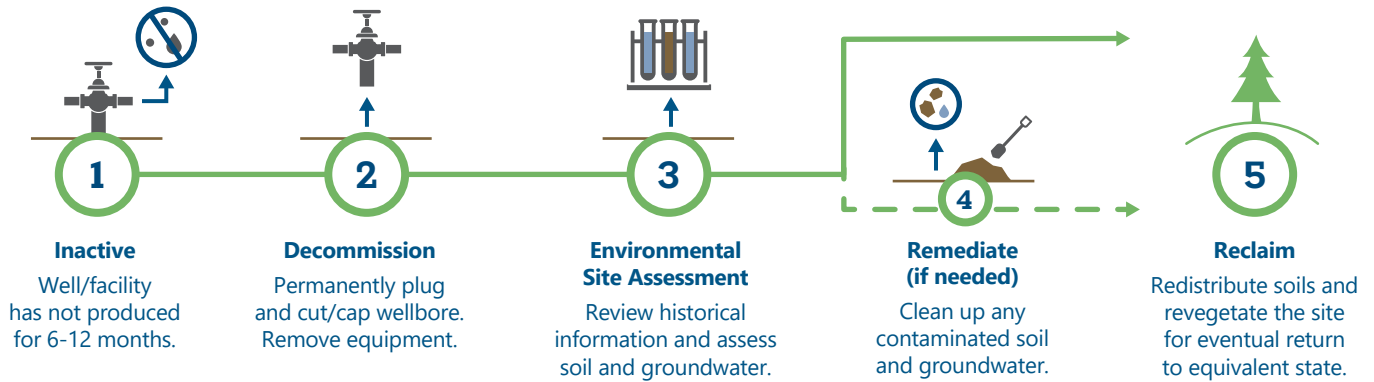
# Liability Management 2023

December 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:



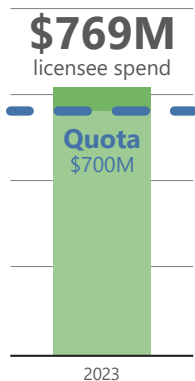
## HOW IS INDUSTRY PERFORMING?

Between 2002 and 2010, there was a 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 2023:

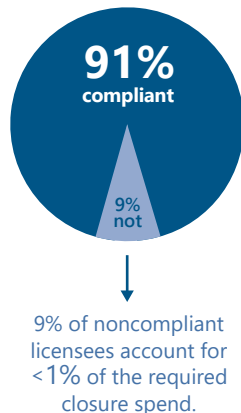
### SURPASSING REQUIREMENTS

The industry-wide closure spend was set at \$700 million. Licensees surpassed the requirement by 10%.



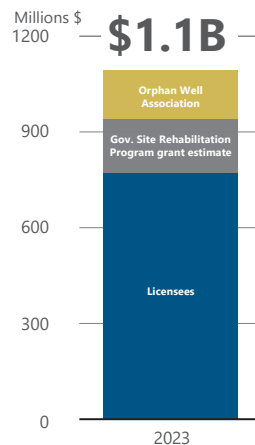
### ENSURING COMPLIANCE

Almost 500 licensees were compliant with their 2023 closure quota.



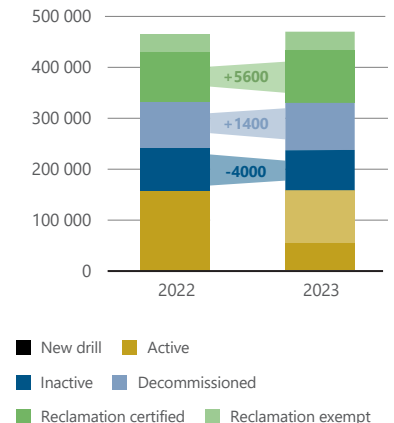
### INCREASING TOTAL SPEND

Almost \$1.1 billion was spent on closure.



### PROGRESS TOWARDS CLOSURE

Inactive wells decreased by 5%, decommissioned increased by 6%, and reclamation certified increased by 6%.



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).

