

October 3, 2025

The 2025 Mine Financial Security Program Update: Security Collected for Aging Syncrude Mine Offers a First Estimate of Mine Closure Costs

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Documents Commented On: [Annual Mine Financial Security Program Submissions 2025 Submissions for 2024 Reporting Year; Mine Financial Security Program – Security and Liability, September 29, 2025.](#)

This is our annual update post in response to submissions for the Mine Financial Security Program (MFSP) being posted to the [Alberta Energy Regulator \(AER\) website](#). See last year's post [here](#). The MFSP is Alberta's troubled system for obtaining financial security to ensure the closure (decommissioning, remediation, and reclamation) of oilsands and coal mines when they stop operating. For a detailed assessment of the weaknesses in the MFSP, see our 2023 paper coauthored with Andrew Leach, "[Not Fit for Purpose: Oil Sands Mines and Alberta's Mine Financial Security Program](#)". The government conducted a review of the MFSP from 2021-2024 that concluded in February 2025 with minor changes that do not repair fundamental problems with the MFSP – see [our post here](#).

In brief, the MFSP collected security from an oilsands mine operator for the first time in ten years: Syncrude was required to post \$868,626,731 in security due to depletion of the mine's oilsands reserves. The total estimated closure liability also decreased by \$5 billion, due to operators reporting decreased estimated tailings treatment costs.

OLD Security Collected from Syncrude and Total Liability for Tailings Reduced

The MFSP's operating life deposit (the 'OLD' – and that is the official MFSP program acronym, not a joke by the blog authors) is intended to ensure that full security for mine closure is in place six years before a mine's reserves are depleted by raising the required security by 10% of the mine's estimated closure liability each year starting when the mine has 15 years of estimated reserves remaining.

An operating life deposit was collected for the first time. Syncrude posted \$868,626,731 in security, bringing the total security for Syncrude Mildred Lake-Aurora North to \$1,073,929,755. This means that the MFSP considers Syncrude's Mildred Lake-Aurora North mine to have 15 years of reserves remaining. If the MFSP operates as expected, Syncrude will post \$1,073,929,755 in security annually for the next 9 years. It also indirectly suggests that Syncrude and the MFSP estimate the closure cost for the Syncrude Mildred Lake-Aurora North mine at just over \$10.7 billion. The ease with which that can now be calculated is notable and significant, as it means that the MFSP estimated liability for the Syncrude Mildred Lake-Aurora North mine is effectively now

public information, while the estimated liabilities for the other mines are not. Both the AER and industry have been steadfast in their refusal to disclose these mine specific estimates or to subject them to third party scrutiny, as requested by some First Nations.

A strange feature of the OLD payments is that when OLD payments will be triggered is non-transparent: the public is not told when mines are expected to reach the end of their reserves (or their reserve Life Index in the MFSP terminology). We had read every published document on the MFSP and one of us participated in the recent MFSP review, and we did not know that Syncrude would be required to make an OLD payment for 2025. Although planned end of mine for the oilsands mines is stated as part of regulatory applications, the MFSP reserve life calculations are different and the MFSP continues to allow some mines to [include in situ reserves accessed by wells in their reserve calculations](#) (see [AER Manual 024](#), s 2.4).

The approved end of life for the oilsands mines (as stated in the most recent regulatory approvals we could find) are below (Table 1). Mildred Lake-Aurora North is 11 years from end of mine life, and the Suncor Base Mine is only 8 – but Mildred Lake-Aurora North made their first OLD deposit in 2025 and Suncor Base Mine has not posted an OLD deposit yet.

Table 1: Scheduled End of Mine Life (Oil Sands Mines)

Approval Holder	Project	End of Mine Life	Source
Canadian Natural Resources Limited	Horizon Oil Sands	2055 (seeking extension to 2057)	CNRL application for Horizon North Pit extension, SIR 2, at 1.
Fort Hills Energy Corporation	Fort Hills Oil Sands	2063	AER Decision 20190225A at para 30.
Imperial Oil Resources Ventures Limited	Kearl Oil Sands	2056	AER decision 20180716A at para 35
Canadian Natural Upgrading Limited	Muskeg River Mine	2058	AER decision 20180523A, at para 30
Canadian Natural Upgrading Limited	Jackpine Mine	2052	AER decision 20180523B, at para 36
Suncor Energy Inc.	Base Operations	2033	AER decision 20171025A, at para 419.
Syncrude Canada Ltd.	Mildred Lake, Aurora North	2036	2019 ABAER 006 , at para 840

Information on when mines will begin to make OLD payments is also not public, though we can think of no good reason for why that is the case. The schedule for OLD payments would be needed to get a fair understanding of the expected functioning of the MFSP. From the table above, it appears likely Suncor base mine will start making OLD payments any year now, but no other mine is likely to start making OLD payments until at least 2037.

No other oilsands mine was required to post security for 2025.

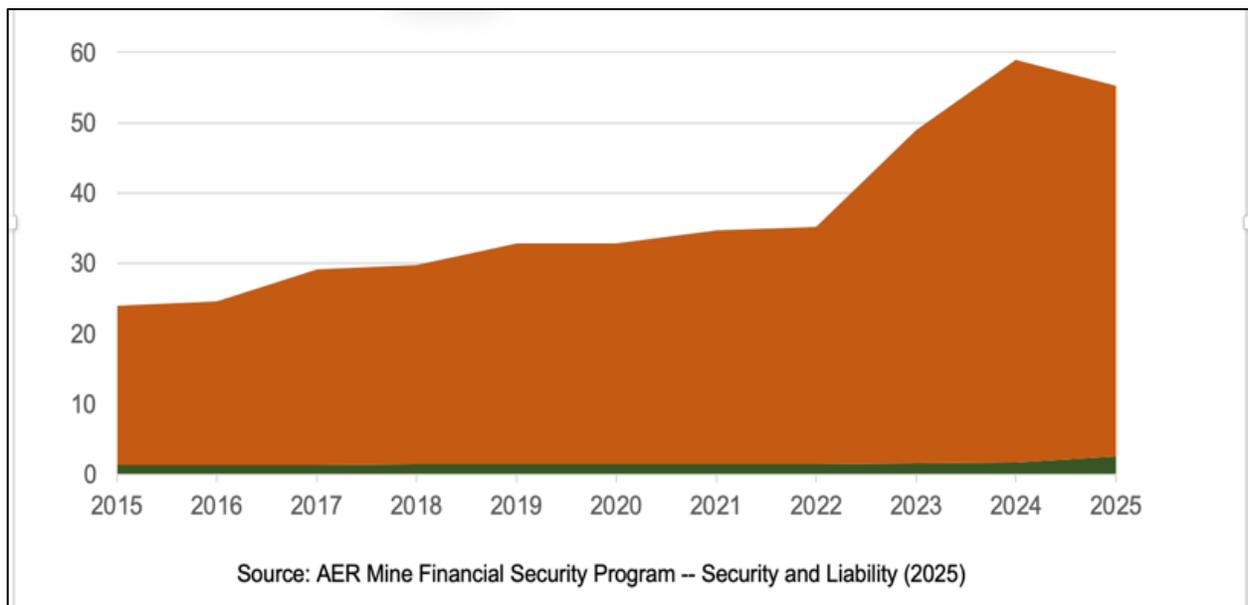
Coal Mines

The MFSP collected \$9,145,522 in security for the closure of two coal mines: the Vista Coal Mine and the Grand Cache Coal Mine.

First Reporting of the Total MFSP Asset Value

On September 29, 2025, the MFSP held \$2.6 billion in security against an officially estimated \$52.7 billion in liability (see Figure 1).

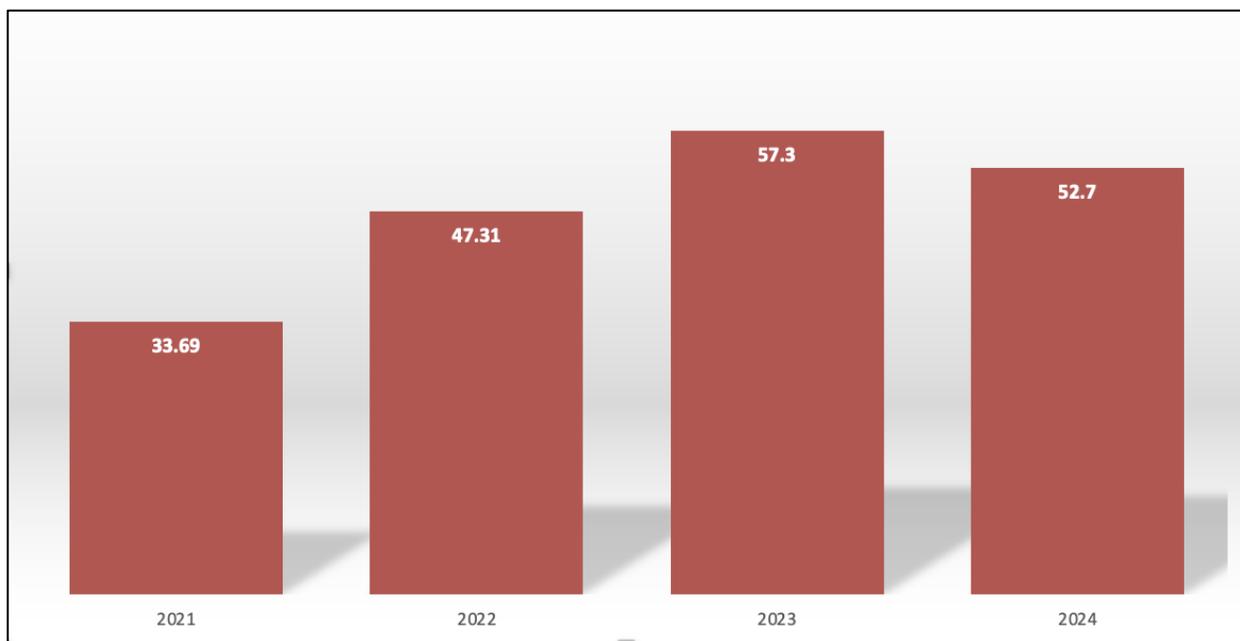
**Figure 1: Mine Financial Security Program (MFSP)
Liability (Orange) and Security (Green)**



After large increases in the past two years (60%), total MFSP liability decreased by \$4.6 billion in 2025 (or just under 10%), the explanation being “[d]ecreases in liability amounts from year to year are due to alignment of oil sands approval holders MFSP liability calculations with the calculations included in the MFSP Standard and decreases reported in tailings treatment costs.” ([MFSP Security and Liability, 2025](#))

This explanation is not enough to explain or justify a \$4.6 billion decrease, just as the explanation in previous years did not adequately explain the increases. As we’ve stated before, the large swings in estimated MFSP liability (Figure 2, below), which according to the [MFSP Guide](#) are supposed to be certified by a company’s CEO or CFO (at s. 3.2), suggest there is a problem with the MFSP’s secretive method for estimating mine liability, and the general explanations provided are not enough to give a sense the problem has been fixed.

**Figure 2. Aggregate CEO/CFO Certified MFSP Liability
2021/22/23/24 (\$CAN billions)**



The total MFSP asset value was also posted for the first time: the AER estimates the collective value of all mines in the province to be \$683 billion. However, the total MFSP asset values for past years were not provided, so that no year-to-year comparisons can be made and no trends can be identified. Because of problems in the MFSP asset value calculation, we do not consider the estimated asset value to be reliable (see Part 4(A) of [the 2023 paper](#)).

Small Improvements in Public Information

The AER made a minor improvement in the reporting on the MFSP – the AER now posts the MFSP documents as compiled PDFs of the reported data since 2014. This makes it much simpler for the public to see how the MFSP has performed without using a web archive service or hoarding old documents.

Conclusion

The collection of security for Syncrude’s Mildred Lake and Aurora North mine is a positive step towards ensuring Albertans have at least some protection from the cost of closure of that mine (about 10%), but it is important to note that this security collection was triggered by the depleting reserves at that mine. For five of the seven mines, the OLD will not protect Albertans from changes in oil markets related to a low or zero carbon energy technologies or attempts to limit the catastrophic impacts of climate change. The security collection does not mean the major problems with the MFSP were corrected. The MFSP will still fail if oil prices decline rapidly due to a combination of decarbonization initiatives in some countries and oil production expansions in other countries.

This post may be cited as: Drew Yewchuk and Martin Olszynski, “The 2025 Mine Financial Security Program Update: Security Collected for Aging Syncrude Mine Offers a First Estimate of Mine Closure Costs” (3 October 2025), online: ABlawg, http://ablawg.ca/wp-content/uploads/2025/10/Blog_DY&MO_MFSP.pdf

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