



June 12, 2024

Mackenzie Valley Land and Water Board

7th Floor – 4910 50th Avenue

P.O. Box 2130

Yellowknife, NT

X1A 2P6

Attention: Angela Love, Regulatory Specialist

**RE: Extension Request to Update Closure and Reclamation Plan (Version 5.1),
MV2022X0018 and MV2010L1-0001
Cameron Hills, Northwest Territories**

Dear Angela:

On January 28, 2020, the Court of Queen’s Bench of Alberta granted an Order pursuant to section 243 of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 and section 13(2) of the Judicature Act, RSA 2000, c.J-2, whereby Alvarez and Marsal Canada Inc. (the “**NWT Receiver**”) was appointed Receiver, without security, of all of Strategic Oil and Gas Ltd. and Strategic Transmission Ltd. current and future assets, undertakings and properties of every nature and kind whatsoever situated in the Northwest Territories, including all proceeds thereof and including, without limited in the generality of the foregoing, any letters of credit issued in respect of assets situated in the Northwest Territories (the “**NWT Property**”). For further information, please visit the NWT Receiver’s website at: www.alvarezandmarsal.com/sog.

Strategic acquired its interest in the Cameron Hills from Paramount Resources (“**Paramount**”) in 2013. The Paramount Water Licence (MV2010L1-0001) was issued on February 11, 2011 for the Cameron Hills Project following an extensive review process (the “**Water Licence**”). Upon new ownership, the Mackenzie Valley Land and Water Board (“**MVLWB**” or “**Board**”) reassigned the Water Licence to Strategic on August 29, 2013. Pursuant to Part I, item I.7 and Annex A Schedule of the Water Licence, Strategic is required to annually review the Closure and Reclamation Plan (at this stage entitled Conceptual Closure and Reclamation Plan) for the Cameron Hills Project, modify as necessary or at the direction of MVLWB, and submit by June 30 each year to the Board for approval. In accordance with the Board’s January 3, 2023 reasons for decision on, a revised CCRP (Version 5.1) is required to be submitted by June 20, 2024.

As you may be aware, on October 4, 2019, the office of the Regulator of Oil and Gas Operations for the Northwest Territories (“**OROGO**”) issued an order requiring the abandonment of 44 wells and decommissioning oil and gas infrastructure, including the gathering system at Cameron Hills within the deadlines set between January 31, 2023 and May 14, 2025. Between December 2022 and March 2024, the NWT Receiver and its consultants have abandoned 43 of the 44 wells and decommissioned all of the oil and gas infrastructure, including the gathering system at Cameron Hills. The NWT Receiver has a plan in place to address the remaining well to be certified abandoned. A further in-depth account of recent work performed will be provided for in the forthcoming Water Licence annual report.

The NWT Receiver attempted to contact each of the K'atlo'deeche First Nation, the Ka'a'gee Tu First Nation, the West Point First Nation, the Deh Gah Got'ie First Nation, the Fort Providence Métis Council and the Northwest Territories Métis Nation (the "**Regional Groups**") and had in-person consultations scheduled in May 2023 with the responding parties, in order to incorporate feedback into the Plan. Unfortunately, uncontrollable events occurred (two forest fire evacuations in Hay River, NT and surrounding areas). While unable to consult in-person in 2023, the NWT Receiver did meet online on December 14, 2023 with K'atlo'deeche First Nation Director of Lands, Resources, and Negotiations, Peter Redvers, to discuss Closure and Reclamation.

The NWT Receiver acknowledges the requirement to submit an updated CCRP by June 20, 2024, which will incorporate a summary of all work onsite to date. However, as a result of the above, the update to the CCRP (Version 5.1) cannot be completed without the necessary community input from the Regional Groups. An extension to this submission is therefore being requested.

The NWT Receiver and its consultants are in the process of arranging meetings with the Regional Groups. Following these meetings, more reasonable timing for the next steps in the CCRP process can be determined.


One item is worthy of clarification outside of a CCRP update. The item pertains to Schedule 7: Conditions Applying to Closure and Reclamation, Item 1(h) which requires "A proposal identifying measures by which reclamation costs will be financed by the Licensee upon closure." The NWT Receiver advises there was no opening cash available to the NWT Receiver from the Licensee, and the Government of the Northwest Territories will be funding the reclamation costs.

We appreciate your time in this regard and would be pleased to review this letter with you at your convenience. Should you have any questions or require further information, please contact the undersigned at (403) 538-7514 or via email at dmacrae@alvarezandmarsal.com.

I trust the foregoing to be in order.

Yours truly,

**Alvarez & Marsal Canada Inc.,
in its capacity as Receiver of Strategic Oil & Gas Ltd.
and Strategic Transmission Ltd.'s NWT Properties
and not in its personal or corporate capacity**


Duncan MacRae
Vice President

Cc:

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