



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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**John Hawkins**  
Director Asset Management  
Paramount Resources Ltd  
Suite 2800, 421 – 7 AVE SW  
CALGARY AB T2P 4K9

February 28, 2020

Dear John Hawkins:

**Exemption: Paramount Resources Ltd. ACW-2018-010-PAR-H-78-WID0156**

On February 28, 2020, the Office of the Regulator of Oil and Gas Operations (OROGO) received a request for a variation to the Paramount Resources Ltd. (Paramount) Well Approval to Alter the Condition of a Well (ACW) for the Celibeta No. 2 H-78 well.

The original well abandonment program, approved on February 11, 2019, required the removal of bridge and cement plugs at 1112 mKB and 1154 mKB to ensure isolation of the Slave Point and the Sulphur Point zones, as required by section 56 of the *Oil and Gas Drilling and Production Regulations* (OGDPR).

In-field pressure testing of the Celibeta No. 2 H-78 well identified a lack of well bore integrity in the 203 mKB to 333 mKB casing interval. This interval represents an increased safety risk due to the potential for loss of well control if the casing is exposed to excess pressure or vacuum during the removal of the bridge plugs.

Paramount's proposed variation does not contemplate removing the bridge plugs. The purpose of the proposed variation is to ensure well control is maintained while completing the abandonment program. However, as a result, the zonal isolation required under section 56 of the OGDPR will not be achieved.

Section 54(1)(b) of the *Oil and Gas Operations Act* (OGOA), gives the Chief Conservation Officer (CCO) and the Chief Safety Officer (CSO) the authority to grant an exemption from regulatory requirements specified under OGOA and the OGDPR, provided that the measures being implemented meet appropriate safety, environmental and conservation standards. Based on the information provided by Paramount, the CCO and the CSO are both satisfied that the level of safety, protection of the environment and conservation of the resource proposed in the revised program are satisfactory. Therefore, the CCO and CSO exempt Paramount from the requirement to isolate the zones in question as required under section 56 of the OGDPR.

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Bureau de l'organisme de réglementation des opérations pétrolières et gazières

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DIIMS # 102581262

The Chief Conservation Officer will be following up with a decision letter in regards to Paramount's request for a variation to ACW-2018-010-PAR-H-78-WID0156.

  
**Pauline de Jong**  
 Chief Conservation Officer

  
**Brian Heppelle, P.Eng.**  
 Chief Safety Officer

c. Richard Bean, Paramount Resources Ltd.

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