



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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Ken Nikiforuk
Manager, Completions
Strategic Oil and Gas Ltd.
1100, 645 – 7TH AVENUE SW
CALGARY AB T2P 4G8

December 18, 2019

Dear Ken Nikiforuk:

Letter of Decision:

Application for An Amendment to ACW-2019-003-SOG-I-73-WID1937

On November 14, 2019, the Office of the Regulator of Oil and Gas Operations (OROGO) received an application from Strategic Oil and Gas Ltd. (Strategic) to amend Well Approval ACW-2019-003-SOG-I-73-WID1937 for the suspension of the Cameron I-73 well, which is experiencing a serious surface casing vent flow.

On November 22, 2019, OROGO issued Information Request No. 1 to Strategic requesting additional information. Strategic provided the requested information on December 6, 2019.

The Regulator, designated under section 121 of the *Oil and Gas Operations Act* (OGOA), may issue an Operations Authorization under section 10(1) of that act, subject to any Well Approvals that the Regulator may require under section 10(4) of OGOA. The Regulator may vary the terms of an Operations Authorization under section 10(6) of OGOA. The Regulator has delegated its powers under section 10 of OGOA to me, in accordance with section 8 of that act.

I have reviewed Strategic's application for an amendment and find that the proposed activity will be conducted safely, without waste and without pollution, in compliance with the *Oil and Gas Drilling and Production Regulations*. Therefore, Strategic's application for an amendment is approved, subject to the terms contained in the attached Well Approval.

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

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DIIMS # 97167983

OROGO would like to remind Strategic that the Cameron I-73 well is not in compliance with the *Well Suspension and Abandonment Guidelines and Interpretation Notes* (Guidelines). The deadline for bringing the well into compliance with the Guidelines, which was August 31, 2019, is extended to April 1, 2020.

Strategic must post a copy of the attached Well Approval in a clearly visible location at the work site.

Sincerely,



Pauline de Jong
Chief Conservation Officer

Encl. Well Approval ACW-2019-003-SOG-I-73-WID1937, variation #2

c. Alyssa Bruce, Manager, Land, Strategic Oil and Gas Ltd.

Buffalo <small>AIR</small> Express		BUFFALO PARCEL COURIER SERVICES LTD., 1000 BUFFALO DRIVE, HAY RIVER, N.W.T. X0E 0R9 PHONE: EDMONTON (780) 455-9283 HAY RIVER (867) 874-3307 CALGARY (403) 271-3887 YELLOWKNIFE (867) 873-2084 GST # 100686765RT0001 TOLL FREE 1 800 465 3168				B 1437467		
FROM OROGO - JLS STREET ADDRESS (P.O. BOX NOT ACCEPTABLE) 4 th NWTEL TOWER		PICK-UP COURIER L	TIME 1:15 PM	YR 19	MO 12	DAY 19	CUSTOMER NO.	PREPAID <input checked="" type="checkbox"/> COLLECT <input type="checkbox"/>
CITY YELLOWKNIFE		DESCRIPTION OF ITEMS KIT STATE KIT	SPECIAL INSTRUCTIONS		No. PKGS (ENV) 1	WT. SUBJECT TO CORRECTION 1 Kg	COURIER TARIFF	
POSTAL CODE X1H 3S7	TELEPHONE NUMBER (867) 717 7097	PROVINCE NT	DECLARED VALUE \$		IMPORTANT		INTER-LINE ADVANCE	BILL OF LADING FOR NON-NEGOTIABLE SHIPMENTS.
TO STRATEGIC OIL & GAS SUITE 116, 145-7 th AVE SW		SHIPPER X SIGNATURE [Signature] PLEASE PRINT NAME [Name]		INTERLINE/CUSTOMER REFERENCE No.		OTHER	DECLARED VALUE CHARGE	
CITY CALGARY	PROVINCE AB	CARRIAGE SUBJECT TO THE FOLLOWING CONDITIONS IN ADDITION TO THOSE ON BACK		TOTAL		G.S.T.		
POSTAL CODE T2P 4A8	TELEPHONE NUMBER (403) 767 7010	1. CARRIER WILL NOT BE RESPONSIBLE FOR FAILURE TO PERFORM OR COSTS INCURRED FOR DELAYS IN SHIPPING. 2. UNLESS SPECIFICALLY AGREED IN WRITING CARRIER IS LIMITED TO RESTRICTED LIABILITY AS DESCRIBED ON REVERSE SIDE OF THIS BILL. WARNING - ALL DANGEROUS GOODS MUST BE DISCLOSED TO THE CARRIER - SEE REVERSE SIDE						IMPORTANT SEE REVERSE

5 SHIPPER'S COPY

WELL APPROVAL

Subject to the terms listed below, a well approval is granted under Section 10 of the *Oil and Gas Operations Act* and Part 2 of the *Oil and Gas Drilling and Production Regulations* to

Company Name	Company Operating Licence #
Strategic Oil and Gas Ltd.	NWT-OL-2014-007
Responsible Officer and Title	
Ken Nikiforuk, Manager, Completions	

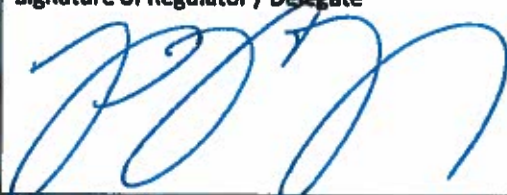
to proceed with the works and activities described in its February 25, 2019 application for

Type of Work	Settlement Area or Region
Suspension	South Slave
Scope of Work	
Suspension of the Cameron I-73 well.	

This approval, originally issued on February 25, 2019 under OA-1237-001, has been varied by the Regulator or its delegate under Section 10 of the *Oil and Gas Operations Act* and may be further so varied.

This approval is extended under Operations Authorization OA-2018-003-SOG and expires on April 1, 2020.

Dated at Yellowknife, Northwest Territories on December 18, 2019.

Name of Regulator / Delegate	Signature of Regulator / Delegate
Ms. Pauline de Jong	
Title	
Chief Conservation Officer	

ADDITIONAL TERMS

1. Strategic Oil and Gas Ltd. is authorized to conduct procedure steps 1 through 11 and the well logging described in Step 12 of the document "Zonal Abandonment, SCVF Remediation Rev. 1.0" dated November 12, 2019. Following determination of the cause of the serious surface casing vent flow (SCVF) and prior to proceeding with further well operations, Strategic Oil and Gas Ltd. shall provide to OROGO:
 - a. An assessment of the source and cause of the serious SCVF;
 - b. A well logging report - If the cause of the serious SCVF is determined to be the result of a poor cement bond, the well logging report must include a temperature and noise log, a gamma ray casing collar locator log and a segmented cement bond; and
 - c. An updated well suspension or abandonment program detailing all proposed procedures for bringing the well into compliance with the *Well Suspension and Abandonment Guidelines and Interpretation Notes*. If the cause of the serious SCVF is determined to be the result of a poor cement bond, the updated suspension or abandonment program must include procedures to conduct a cement squeeze on the existing sulphur point perforations.
2. Strategic Oil and Gas Ltd. is authorized to conduct controlled flaring using functional separator packages and/or flare stacks as part of the approved well repair operations with a maximum approved total volume of 50 x 103m³. Strategic shall include the volume, rate and composition of any amount of flared gas in its daily well operation reports to OROGO. Flaring volumes greater than that approved shall be reported to OROGO as an incident under section 75 of the *Oil and Gas Drilling and Production Regulations*.
3. Strategic Oil and Gas Ltd. shall cause the approved work and activities to be conducted in accordance with the requirements of the *Oil and Gas Operations Act* and the *Oil and Gas Drilling and Production Regulations*, as well as any other acts or legislation as may apply.
4. Strategic Oil and Gas Ltd. shall cause the approved work and activities to be conducted in accordance with any guidelines and/or interpretation notes issued by the Regulator under section 18 of the *Oil and Gas Operations Act*.
5. Strategic Oil and Gas Ltd. shall cause the approved work and activities to be conducted in accordance with the specifications, standards and other information referred to in its application and subsequent submissions.
6. Strategic Oil and Gas Ltd. shall request approval from the Chief Conservation Officer prior to undertaking any change to or deviation from the authorized work or activities, including but not limited to key personnel, the safety plan, the environmental protection plan and contingency plans.

7. Strategic Oil and Gas Ltd. shall meet the commitments made in its *Assessment of Cameron Hills October 2018* (filed with OROGO on October 5, 2018) with respect to addressing identified site safety and integrity deficiencies including well head maintenance in conjunction with the approved activity.
8. Strategic Oil and Gas Ltd. shall provide all staff and contractors for this program with its Emergency Response Plan and the OROGO 24-hour Incident Reporting phone number (867-445-8551) prior to commencing any work or activity.
9. Strategic Oil and Gas Ltd. shall notify OROGO at least 10 days prior to the start of well abandonment operations.
10. Strategic Oil and Gas Ltd. shall submit to OROGO certificates and inspection documents for any service rig, well control and associated equipment (including boilers) at least 10 days prior to the rig commencing work.
11. Strategic Oil and Gas Ltd. shall submit to OROGO an updated operator contact list for this program prior to any work or activity.
12. Strategic Oil and Gas Ltd. shall submit to OROGO a completed Change of Well Status form 30 days after the service rig release date or when the operation has been successfully completed.
13. Strategic Oil and Gas Ltd. shall ensure that the Final Well Operations Report for the approved activity lists all work completed at each well site to address:
 - a. Draining, purging and integrity protection of pipes, tanks and pressure vessels;
 - b. Identification/signage requirements for suspended and/or out-of-service infrastructure;
 - c. Maintenance of all-season safe access and egress;
 - d. Maintenance of all safety equipment; and
 - e. Management of all other hazards to ensure human safety and protection of the environment.
14. Strategic Oil and Gas Ltd. shall report any emergency flaring or venting in accordance with section 67(b) of the *Oil and Gas Drilling and Production Regulations*.