



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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Steve Sterling
Manager, Regulatory and Environment
Obsidian Energy Ltd.
SUITE 200 PENN WEST PLAZA
207 – 9 AVE SW
CALGARY AB T2P 1K3

February 9, 2022

Dear Steve Sterling:

Decision: Request for Variation #2 to ACW-2019-007-OBS-K-32-WID1860

On February 9, 2022, the Office of the Regulator of Oil and Gas Operations (OROGO) received a request from Obsidian Energy Ltd. (Obsidian) to amend ACW-2019-007-OBS-K-32-WID1860 variation #1 for the abandonment of the Fort Liard K-32 well (WID1860). Obsidian is requesting a variation to the well abandonment program.

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, including the terms of a Well Approval. On August 2, 2020, the Commissioner in Executive Council designated me as the Regulator under section 121 of OGOA.

I have reviewed Obsidian's description of its proposed activity and find that the updated well abandonment program demonstrates that this activity will be conducted safely, without waste and without pollution, in compliance with the *Oil and Gas Drilling and Production Regulations*. Therefore, Obsidian's application for an amendment is approved, subject to the terms contained in the attached Well Approval.

Please note that term #5 of the attached Well Approval has been varied in response to Obsidian's updated well abandonment program submitted on February 9, 2022.

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

Sincerely,



Pauline de Jong
Regulator

Encl. Well Approval ACW-2019-007-OBS-K-32-WID1860, variation #2

- c. Aaron Smith, Senior Vice President, Development & Operations, Obsidian
Cliff Swadling, Senior Director, Production & Operations, Obsidian
Craig Langford, Environmental Coordinator, Obsidian
regulatory@obsidianenergy.com

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 Obsidian Energy Ltd.	Company Operating Licence # NWT-OL-2014-015
Responsible Officer and Title Steve Sterling, Manager, Regulatory and Environment	


to proceed with the works and activities described in its October 9, 2020 application and subsequent submissions for

Type of Work Well abandonment	Settlement Area or Region Dehcho
Scope of Work Abandonment of the Fort Liard K-32 Well (WID1860)	

This approval, originally issued on May 10, 2021, has been varied by the Regulator or its delegate under Section 10 of the *Oil and Gas Operations Act*.

This approval is granted under Operations Authorization OA-2019-001-OBS and expires on November 1, 2022.

Dated at Yellowknife, Northwest Territories on February 9, 2022.

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

ADDITIONAL TERMS

1. Obsidian Energy 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.
2. Obsidian Energy 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*.
3. Obsidian Energy 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 received October 9, 2020, and subsequent submissions.
4. Obsidian Energy Ltd. shall request approval from the Regulator 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.
5. Obsidian Energy Ltd. shall request approval from the Regulator prior to excavating and cutting and capping the wellbore. The request must include:
 - i. Information on the transfer and containment on site of fluid recovered from the well bore during Step 11 of the February 9, 2022 Well Abandonment Program;
 - ii. Information on the process for disposing of fluid recovered from the well bore during Step 11 of the February 9, 2022 Well Abandonment Program at an approved disposal facility;
 - iii. Confirmation that excavation, cutting and capping of the wellbore will not use helicopter support to mobilize equipment and contractors as stated in step 12 of the February 9, 2022 Well Abandonment Program; and
 - iv. Confirmation that abandonment operations will be completed prior to March 31, 2022.
6. Obsidian Energy 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.
7. Obsidian Energy Ltd. shall notify OROGO at least 10 days prior to the start of well abandonment operations.
8. Obsidian Energy 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.



9. Obsidian Energy Ltd. shall submit to OROGO an updated operator contact list for this program prior to any work or activity.
10. Obsidian Energy 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.
11. Obsidian Energy Ltd. shall report any emergency flaring or venting in accordance with section 67(b) of the *Oil and Gas Drilling and Production Regulations*.