



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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Terran Bernhard
Program Engineer
Canadian Natural Resources Ltd.
SUITE 2100, 8800 – 2 ST SW
CALGARY AB T2P 4J8

April 3, 2023

Dear Terran Bernhard:

**Notice of Non-Compliance:
Failure to Abandon the Netla K-77 Well (WID1862) by March 31, 2023**

On March 31, 2023, I denied CNRL's request to extend the deadline for abandonment of the Netla K-77 well (WID1862) to March 31, 2025.

CNRL was first made aware of the requirement to abandon the Netla K-77 well when the *Well Suspension and Abandonment Guidelines and Interpretation Notes* (Guidelines) were issued in February 2017.

On August 31, 2017, OROGO issued CNRL a Notice – Assessment of Suspended Wells in which the Netla K-77 well was identified as non-compliant with the Guidelines. The Notice advised CNRL that the well must be re-suspended or abandoned by August 31, 2019 (two years from the date of the Notice).

CNRL submitted its application for an Operations Authorization (OA-2018-005-CNRL) for all well abandonments in the Fort Liard area on November 26, 2018. This application requested an extension to the deadline for abandoning the non-compliant well, including Netla K-77, to the end of the winter 2023 work season, rather than completing them as required under the Guidelines. This request for an extension was denied by James Fulford, then Chief Conservation Officer, on December 17, 2018.

On June 25, 2019, CNRL responded to Information Request No. 4 for OA-2018-005-CNRL proposing to abandon Netla K-77 by the end of the winter 2023 work season. In response, on August 21, 2019, I directed CNRL to submit the Well Approval application for Netla K-77 by October 31, 2019, and complete the abandonment by April 1, 2021. I also confirmed that the Netla K-77 well would remain non-compliant until it was abandoned to the satisfaction of the Regulator.

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Since then, the deadline for abandonment of the Netla K-77 well was extended twice due to recommendations from the GNWT Department of Health and Social Services related to COVID-19, resulting in a deadline of March 31, 2023.

CNRL conducted abandonment operations for the Netla K-77 well between January 15, 2023, and February 8, 2023. These operations did not result in the abandonment of the well and CNRL did not conduct any further operations to bring the well into compliance before March 31, 2023.

Therefore, I give notice that CNRL is non-compliant with the direction provided by the Regulator to abandon the Netla K-77 well (WID1862) by March 31, 2023.

Failure to comply with the direction of the Regulator may result in further enforcement activity, up to and including an order by the Regulator under section 20 of the *Oil and Gas Operations Act* (OGOA).

Sub-section 114(1)(d) of OGOA states:

“Every person is guilty of an offence who fails to comply with . . . an order of the Committee or the Regulator made under this Act.”

Sub-section 114(2) of OGOA states:

“Every person who is guilty of an offence under subsection (1) is liable on summary conviction, to a fine not exceeding \$1,000,000 or to imprisonment for a term not exceeding two years, or to both.”

Sincerely,


Pauline de Jong
Regulator

- c. James Ireland, CNRL
- Wade Hartzel, CNRL
- Dale Duffy, CNRL