



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

P.O. Box 1320, Yellowknife, NT X1A 2L9

Tel: 867-767-9097 • Fax: 867-920-0798 • Web: www.oroogo.gov.nt.ca

Courier Address: 4th floor, 5201 – 50th Avenue, Yellowknife, NT X1A 3S9

Angie Stastook
Specialist Asset Liability & EGS
Prairie Provident Resources Canada Ltd.
Suite 1100, 640 – 4 AVE SW
CALGARY AB T2P 3G4

February 10, 2022

Dear Angie Stastook:

Inspection: Mount Coty 2K-02 (WID 1993) Well – ACW-2021-2K-02-PPR-WID1993

Inspectors Michael Martin, Chief Safety Officer/Chief Conservation Officer, and Jim Slavik (through a Service Agreement with the Alberta Energy Regulator) inspected the abandonment of the Mount Coty 2K-02 (WID1993) well from January 24 to 26, 2022.

The inspection was carried out to ensure Prairie Provident Resources Canada Ltd. was adhering to the terms of the Well Approval for this operation (ACW-2021-2K-02-PPR-WID1993). The inspectors met with Mr. Justin Schneider, Well Site Supervisor, on site.

Please see the attached Operations Summary Inspection Report for your reference. This report will be posted to the Office of the Regulator of Oil and Gas Operations' Public Registry at www.oroogo.gov.nt.ca.

If you have any questions, please contact me at (867) 767-9097 or by email at Mike.Martin@gov.nt.ca.

Sincerely,

Michael Martin
Chief Safety Officer
Chief Conservation Officer

Encl. Mount Coty 2K-02 (WID 1993) Operation Summary Inspection Report – January 24-26, 2022

- c. Department of Lands, Dehcho Region;
Department of Environment and Natural Resources, Dehcho Region.
Clive Mountford, Chief Engineer, Vertex Resource Group Ltd.

OPERATION SUMMARY INSPECTION REPORT

Well/Facility Name:	Mount Coty 2K-02	Operator:	Prairie Provident Resources Canada Ltd.
Location of Inspection:	N 60° 11' 34.8" / W 123° 31' 14.9"	Access method:	Winter Road at KM 123 off British Columbia Hwy 77
Site Contractor:	Precision Well Servicing – Rig #830 Acho Dene Koe Corporate Group	Status:	Suspended
Approval Info	ACW-2021-2K-02-PPR-WID1993 (At time of inspection)	WID:	1993
Date of Inspection	January 24-26, 2022	H2S Site:	Potential 0.005 ppm H ₂ S

Summary of Inspection

Conditions	Satisfactory (Y/N)	Comments
Rig Safety		
Accumulator function test	Y	January 25, 2022 - Accumulator Function test passed (See Photo #2 & 3): <ul style="list-style-type: none"> Starting Pressure – 22.5 MPa Blind Ram (Close) – 19 MPa in 6 seconds Blind Ram (Open) – 17.5 MPa in 5 seconds Annular – 13 MPa in 7 seconds Recharge in 78 seconds
Equipment Certifications	Y	
Approvals available	Y	January 24, 2022: Approvals available in the Well Site Supervisor's office and the doghouse (See Photo #4)
Boiler Inspection	Y	
Guards and covers on moving equipment	Y	
Pump lines and hoses	Y	January 24-26, 2022: All pump lines and hoses are properly secured, rated and selected for this operation (See Photo #5-7)
General Housekeeping	Y	January 24-26, 2022: The site and was well organized allowing for unobstructed movement and easy location of all equipment critical to safety and environmental protection.
Adequate lighting in each workspace	Y	
Wind indicators visible	Y	
Fire extinguishers	Y	
Other	N/A	
Personnel Safety		
Valid safety tickets: FA-CPR/H2S/WHMIS/TDG	Y	January 26, 2022: All personnel had appropriate safety tickets for this operation (See Photo #8 & 9).
Safety meetings and documentation	Y	January 26, 2022: Records of daily safety meeting that were signed by all staff were available in the doghouse for review (See Photo #10).
SCBAs available and visible	Y	January 24, 2022: 2 SCBA's were present at the lease entrance and a supplied air trailer was on site on the opposite side of the rig. (See Photo #11)
First Aid equipment and EMS	Y	January 24-26: First aid equipment was readily available on site and there was a Medic on lease during all activities.
Gas detection equipment	Y	Rig crew were all wearing a four head personal detector.
Communication plans	Y	
Hazard identification and signage	Y	Appropriate signage was displayed at lease entrance and throughout the site (See Photo#12)
ERP, Safety Plan available upon request	Y	January 24, 2022: Visually confirmed with Well Site Supervisor that the copy of the ERP was the one approved with the Operations Authorization.
Other	N/A	

Blowout Prevention Equipment		
BOP Certifications	Y	BOP identification numbers were able to be confirmed. <ul style="list-style-type: none"> BOP Certifications provided by Prairie Provident Resources Canada Ltd. on January 24, 2022. Certifications listed the double gate identification number to be: 2330358 (See Photo #13)
BOP Pressure rating	Y ¹	<p>January 24-26, 2022: 69 MPa BOP stack was suitable for this operation and meets the requirements under the Alberta Energy Regulator's Directive 36.</p> <ol style="list-style-type: none"> January 24, 2022: CORRECTED NON-COMPLIANCE: At the time of the inspections, the 69 MPa BOP stack was being assembled in preparation for the stump test. The inspectors were informed of the change from a 34.5 MPa to a 69 MPa BOP due to the pressuring rating of the well head being 69 MPa. While it was reasonable to change out this BOP, Term 7 of ACW-2021-2K-02-PPR-WID1993 requires that all certifications and inspection documents for any service rig, well controls and associated equipment at least 10 days prior to operation. The inspectors worked with the Well Site Supervisor to submit this documentation for the new 69MPa BOP to bring the operation back into compliance and allow OROGO to verify that the onsite equipment is appropriately certified and able to conduct this work. <ul style="list-style-type: none"> January 25, 2022: The Chief Safety Officer approved the change of the BOP stack as it met/exceeded the safety requirements for this operation.
Kill sheet in doghouse	Y	
Stabbing valves and cross overs	Y	
BOP crew drills	Y	<p>January 25, 2022: BOP drill was conducted while inspectors were on site. There was some minor confusion by the inexperienced members of the Rig Crew but the well was appropriately secured and everyone on site mustered to the appropriate area safely and in a timely manner for the debrief.</p> <ul style="list-style-type: none"> Immediately following the debrief, the rig manager had the inexperienced staff review BOP drill procedures.
All flows lines, choke lines secured	Y	See Photo #5
Environment		
Rig matting	Y	
Drip trays	Y	
Materials handling and storage	Y	
Spill response equipment	Y	
Other	N/A	
Additional Site Hazards:		
<p>At the time of the inspection the rig was being set up, and well kills were attempted to allow safe removal of the tubing string.</p> <p>Well history documented H₂S at 0.005ppm. Until the formation could be sufficiently isolated, the site was being treated as a sour gas site.</p>		
Comments and Summary:		
<p>Equipment Spacing:</p> <ul style="list-style-type: none"> Pressure Tank to Flare = > 25m (37m) Wellhead to Rig Tank = > 25m (52m) Rig Pump to Rig Tank = > 7m (9m) – (See Photo #14) <p>Engine Kills (Air Kill)</p> <ul style="list-style-type: none"> Service Rig < 3 seconds Rig Tank < 3 seconds 		

On January 26, 2022 the lower tubing plug, located at 4559.88 mKB, failed the 7MPa pressure test. Prairie Provident Resource Canada Ltd. decided the plug required removal to safely kill the well to allow operations to continue. This approach was not included in the approved well abandonment program under ACW-2021-2K-02-PPR-WID1993. While entering the well with the wireline, this approach was brought to the attention of the inspectors. The inspectors worked with the Regulator appointed under the *Oil and Gas Operations Act*, the Well Site Supervisor and the company's Chief Engineer to have Prairie Provident Resources submit a formal request for variation from the approved well abandonment program under Term 4 ACW-2021-2K-02-PPR-WID1993.

- January 26, 2022: The Regulator approved the variation to allow the safe killing of the well.

OROGO would like to highlight that communication and reporting requirements established under the Operations Authorizations and Well Approvals need to be adhered to at all times.

Inspectors were pleased with the quick action taken to address non-compliance issues as well as cooperation of the onsite staff.

Documents Requested/ Collected:

- Emergency Response Plan
- H₂S Alive
- First Aid
- BOP
- Tower Sheets
- Daily Safety Meetings
- CAODC Service Rig Inspection Checklist

Inspection conducted under the authority of the Oil & Gas Operations Act (OGOA) and associated regulations.

Michael Martin (OROGO) / Jim Slavik (AER – through
service agreement with OROGO)

Inspected By

10-FEB-2022

Date Signed



Signature of OROGO Chief Safety Officer

If you would like this information in another official language, contact us at (867) 767-9097.



Photo #1: Mount Coty 2K-02 (WID 1993) well abandonment operations surface overview.



Photo # 2: Accumulator post January 25, 2022 function test.



Photo #3: Verification blind ram closed during January 25, 2022 function test.

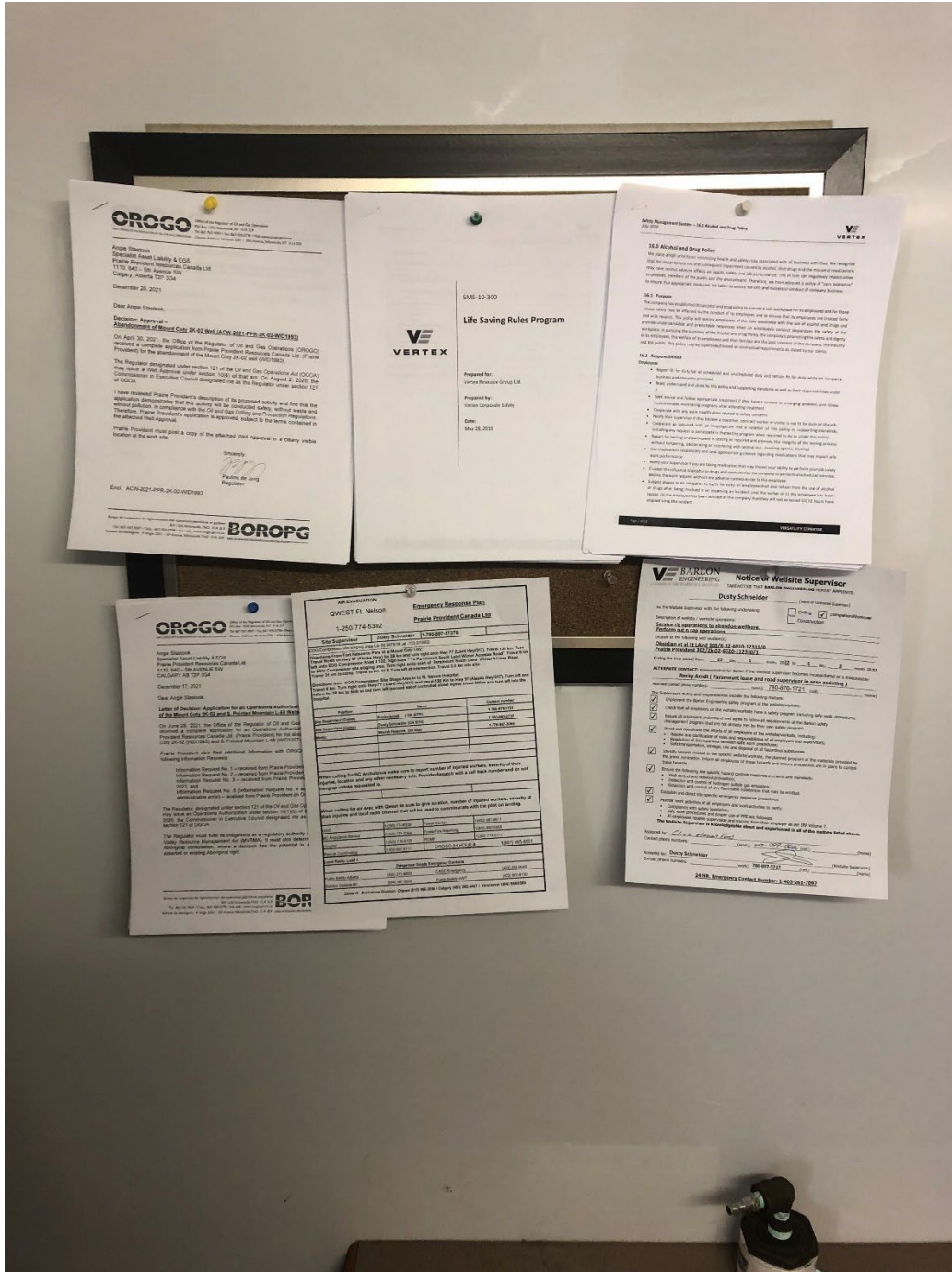


Photo #4: Approvals posted in the Well Site Supervisors Office in a public place.



Photo #5: Flow lines to the rig tank raised from the ground and Anchored at each connection with one continuous high tensile strength line.



Photo #6: BOP Stack with fire retardant kelly hoses which were confirmed to extend > 7m from the well centre.



Photo #7: Rig Tank Pump with OTECO Pressure Relief Valve set with 2 orange shear pins = 34.4 MPa.

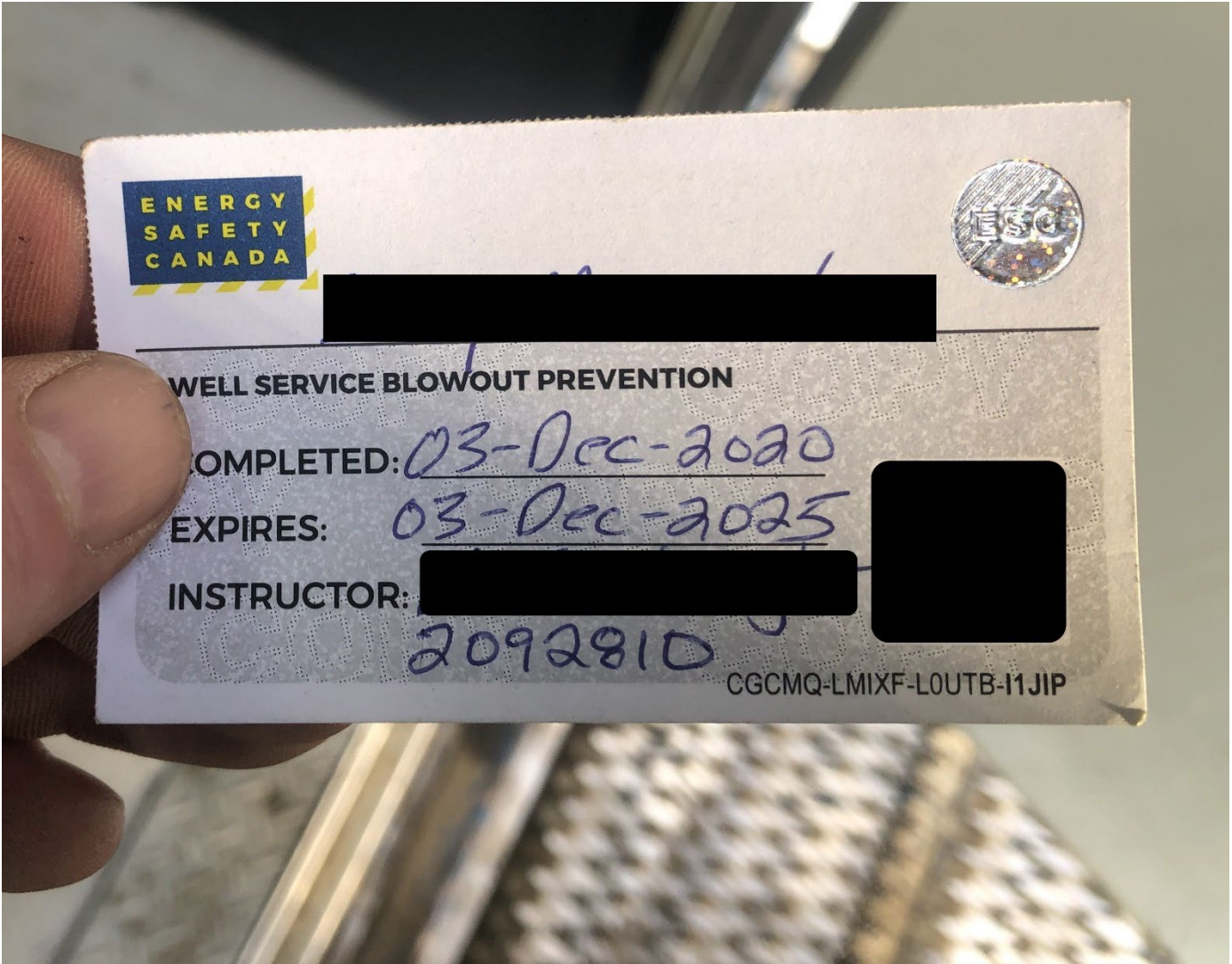


Photo # 8: Driller's valid Blowout Prevention ticket

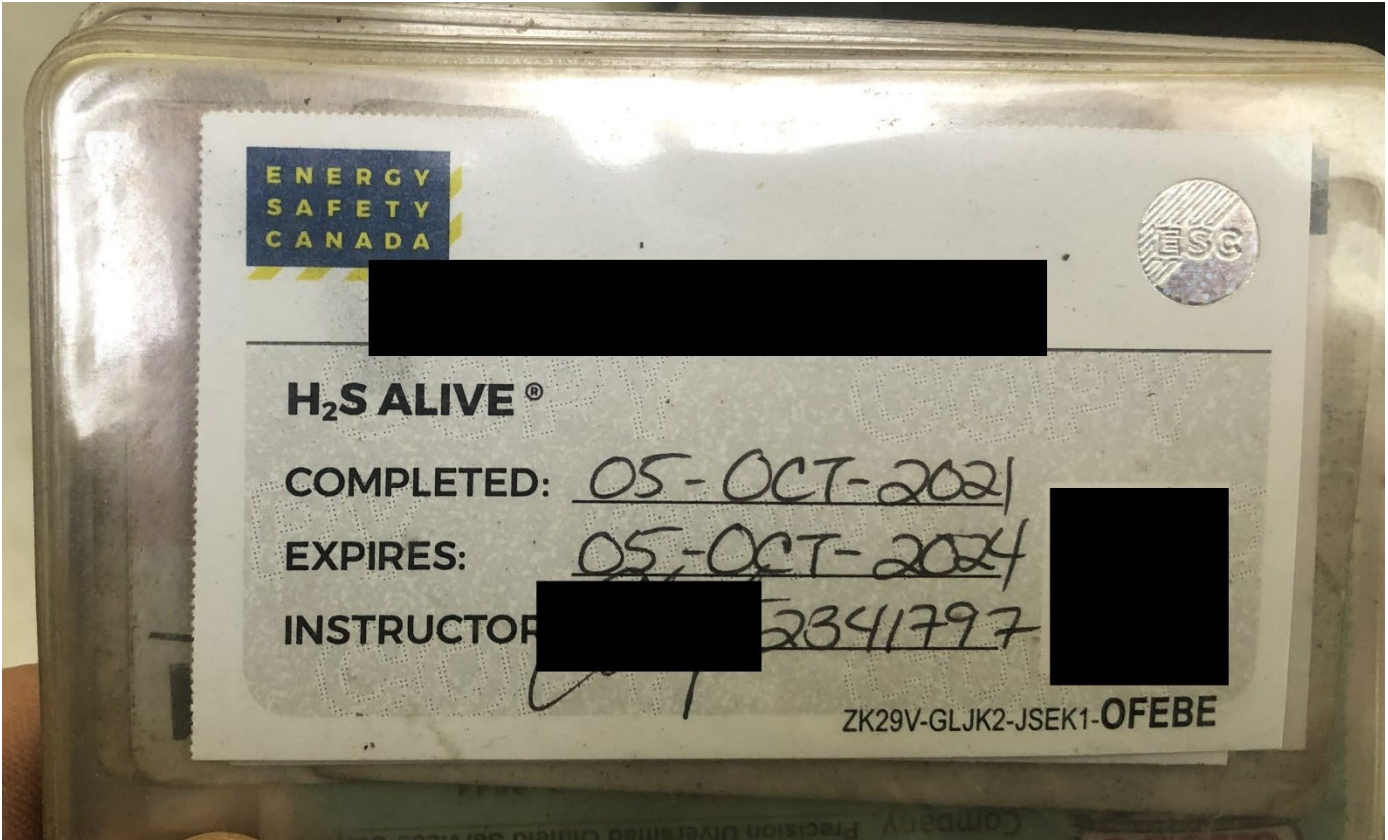
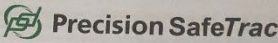


Photo #9: Rig Managers valid H₂S Alive Ticket.

				Detail of Completion	
7:45	8:00	0.25	700	Service and Start Rig Equipment	Check oil levels, service and start equipment.
7:45	8:00	0.25	700	Conduct Daily Safety Meeting	Daily safety meeting with crew company rep and all 3rd party services on location, daily walk around inspection. Function test B valve, helm, crown saver, B brake, inspect anchor points, control pins, ram pin, inspect jacks, base beam, all safety checks.
8:00	8:00	1	400	BOP Function Test Checklist	3rd party BOP, BOP accumulator check pre charge pressure, record on bottles, check system for leaks, check fluid level in tank, start up system and record pressures, stop pumps and perform 3 functions, remaining pressure 10,000 KPA, re charge time 2:23 all tests passed. Remove top section of wellhead to bring up and



SAFETRAC DAILY SAFETY TRAINING MEETING REPORT

V2.0

Submit date: Jan 26, 2022 Response label: Rig 830 2022-01-26 06:17 1289902661 [Convert To PDF](#)

Participant Luke Hesketh

Date: 2022-01-26 Time: 06:17

Rig Manager / Worksite Supervisor
[Redacted]

Rig / Shop / Office (Worksite)
Rig 830

Customer / Worksite Owner
Prairie Provident Resources Canada Ltd

Location / Address
302/2K-02-60-123-30/1

Province / State
 Northwest Territories

Shift
 Day Night

MEETING NOTES

Meeting Chair
[Redacted]

Topic 1
 2. CTA

Description
Wireline braided, review procedures and perform a hazard assessment, review ERP, discuss work conditions and tools being run, discuss pinch points assist in 3rd party rig up, stay clear when tools are being run.

Topic 2
 2. CTA

Description
Function testing bops, stop recharge pump bleed off pressure to zero, check bottle pressure, check fluid levels in reservoir, start pump and inspect for leaks, record pressures when kicked out, turn off pump, close the pipe rams, record closing times, close annular, record time, record remaining pressure, start pump recharge time should take less than 5 mins, ensure function test is done at accumulator and remote stand.

Topic 3
 2. CTA

Photo #10: January 26, 2022 Daily safety meeting record. Confirmed signed by entire staff by the inspector



Photo #11: Supplied Air trailer on site during well abandonment operations.



Photo #12: Lease entrance sign providing notification of potential risks on site as well as check in procedures.



Photo# 13: Double gate placard confirmed to match BOP certification previously provided to OROGO.



Photo #14: Rig pump to rig tank >7m.