



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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Ryan E. Rawlyk
President & Chief Executive Officer
Prairie Provident Resources Canada Ltd.
1100, 640 – 5 AVE SW
CALGARY AB T2P 3G4

February 22, 2024

Dear Ryan Rawlyk:

**Information Request No. 4: South Pointed Mountain L-68
Well Abandonment (ACW-2021-PPR-L-68-WID1207 variation 5)**

On February 5, 2024, the Office of the Regulator of Oil and Gas Operations (OROGO) received a request from Prairie Provident Resources Ltd. (PPR) to extend ACW-2021-PPR-L-68-WID1207 variation 5 to September 15, 2026, to accommodate a delay in well abandonment operations until summer 2026.

OROGO has reviewed the information provided by PPR and requires additional information to complete its review as set out in the attached Information Request No. 4.

Please send your written responses and any associated correspondence to OROGO at oreogo@gov.nt.ca or through OROGO's secure file transfer site, on or before 4:00 p.m. on March 7, 2024.

If you have any questions, please contact OROGO at oroogo@gov.nt.ca or by phone at 867-767-9097.

Sincerely,



Pauline de Jong
Regulator

Encl. Information Request No. 4

c. Angie Stastock, Prairie Provident Resources Canada Ltd.

Information Request No. 4
South Pointed Mountain L-68 Well Abandonment
ACW-2021-PPR-L-68-WID1207 variation 5

4.1 Working with Other Operators

Preamble:

In its February 5, 2024, request for extension, PPR states that working with other operators in the Fort Liard area has reduced the environmental impact of its operations and increased operational efficiencies and safety.

Two other operators will be active in the Fort Liard area in the summer of 2024. One operator will be using a service rig to complete a well abandonment should the SCVF on its well still be present in spring 2024. The other will be removing surface infrastructure. These are the last planned operations in the Fort Liard area.

OROGO agrees that working together with other operators may provide efficiencies and may decrease environmental impact. However, it is not clear how PPR's request to delay operations until 2026 will support such cooperation.

Request:

Provide more information on how delaying operations until 2026 will allow PPR to work together with other operators in the Fort Liard area, including information on the operators involved and proposed activities.

4.2 Timelines of Other Operators

Preamble:

In its February 5, 2024, request for extension, PPR states that an extension to September 15, 2026, "is in line with other operator's timelines in NT".

All other well abandonments in OROGO's jurisdiction are scheduled to be completed by March 31, 2025, at the latest, with well approval end dates in the fall of 2025 to allow for post-operations reporting and review.

Request:

Provide more information on why PPR believes an extension to September 2026 is in line with other operator's timelines, including information on the operators involved and proposed activities.

4.3 Impact of Sale of Alberta Properties

Preamble:

In its February 5, 2024, request for extension, PPR states it is divesting several properties in Alberta and intends to use the funds from these transactions to complete the abandonment of the South Pointed Mountain L-68 well. PPR indicates that delays in obtaining regulatory approval for one of these transactions “has now significantly delayed our ability to plan and execute the L-68 Well Abandonment in the 2024 summer season”.

PPR’s reliance on funds from this transaction to complete the well abandonment raises questions about PPR’s financial ability to meet its obligations under Operations Authorization OA-2021-001-PPR and fully implement its safety plan, environmental protection plan, and contingency plans as approved by the Regulator.

Request:

Provide more information on the status of the divestment transactions described in the request for extension, including documentation of the regulatory status of those transactions.

Provide the following financial information:

- Audited financial statements for the most recent fiscal year end.
- Quarterly financial statements for the most recent quarter.
- A description of how PPR would satisfy any financial liability which could arise from the well abandonment, including the means or options PPR would exercise to obtain the funds needed.

4.4 Potential for Summer 2025 Operations

Preamble:

In the status report (dated August 28, 2023) submitted for its well abandonment operations in summer 2023, PPR states “PPR is planning to suspend operations and demobilize equipment immediately until the Summer of 2024.”

In the Well Operations Report (dated October 4, 2023) submitted for its well abandonment operations in summer 2023, PPR ends its description of operations by stating “rig operations were completed at this point until 2024”.

In its February 5, 2024, request for extension, PPR presents several arguments to justify not completing its abandonment of the South Pointed Mountain L-68 well in summer 2024, as committed. PPR does not consider completing operations in summer 2025 or provide any explanation for proposing to delay operations to summer 2026 rather than summer 2025.

Request:

Provide a detailed rationale for PPR's failure to consider completing well abandonment operations in summer 2025.