

STRATEGIC OIL & GAS LTD. c/o ALVAREZ & MARSAL CANADA INC

STRATEGIC ET AL SWEDE

J-37 60-10N 117-30W

Wellbore Abandonment

August 10, 2021

CONTACTS:

Engineering:	Ken Nikiforuk	Cell	403 804-2510
Field Consultant:	To be determined	Cell	
Production Foreman:	To be determined	Cell	
Construction:	To be determined	Cell	
Facilities :	Kurt Hewitt	Cell	780 830-8303
Director, A&M:	Duncan MacRae	403 538-7514	Cell 403 815-0297

ATTACHMENTS:

OBJECTIVES:

To abandon the Sulphur Point and cut and cap the wellbore

SAFETY:

SOG Completions safety guidelines given in the "Employee Safety Manual", the "Contractor's HSE Pamphlet" and the "SOG Cameron Hills HSE Assurance plan" will be followed during all completion activities. Discuss the contents of the Contractor's HSE Pamphlet with the rig crew plus all service company personnel prior to the commencing work. Conduct a service rig safety inspection. Fill out the "Service Rig Safety Inspection" sheets; discuss and remedy all unsatisfactory comments and document when follow-up is completed on the daily reports. **Safety meetings are to be held with all on site personnel prior to each event. The wellsite supervisor must notify all personnel of potential hazards and ensure workers are aware of the responsibilities and duties in accordance with the SOG and OROGO regulations and that all workers comply with these regulations. A record of all safety meeting minutes and hazard assessments should be kept on site and submitted along with the daily reports to the Calgary Office at the end of the job. All service companies supplying materials will review Material Safety Data Sheets at the safety meetings and keep the MSDS papers posted on site.**

Contact the lead operator 48 hours prior to moving on to the lease. If this is an existing lease with production equipment, one of the operators should provide site-specific safety concerns and isolate the production equipment as required.

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UWI: 300J376010117300

OROGO Well ID: 1751

AFE: to be determined

WORKING INTEREST: 88%

ELEVATIONS: KB: 729.4 m
GL: 725.7 m

TD: 1576.0 mKB TVD: 1576.0 mKB PBTD: 1485.0 mKB (BP and cement)

DEVIATION: Vertical wellbore.

SURFACE CASING: 244.5 mm, 53.57 kg/m, J-55, LT&C. Landed @ 393.0 m KB. Cemented with 30.0 tonnes 0:1:0 'G' + 2.0% CaCl₂. 4 m³ of good cement returns to surface.

INTERMEDIATE CASING: 177.8 mm, 29.76 kg/m, J-55, ST&C. Landed at 1252.0 mKB. Cemented with 20.0 tonnes 0:1:8 'G' + 0.5% T-10 followed by 14.0 tonnes 1:1:0 G + 0.5% T-10 + 1.0% CaCl₂. Had no cement returns to surface. Good circulation during mixing but decreased to a trickle during displacement. Logged cement top at 490 mKB (CBL dated Mar 19, 1990).

PRODUCTION CASING: 114.3 mm, 14.14 kg/m, J-55, ST&C. Landed at 1575.0 mKB. Liner hanger at 1137.6 mKB. Cemented with 5.0 tonnes 0:1:8 'G' + 0.5% T-10 followed by 7.0 tonnes 1:1:0 G + 15% NaCl + 1.0% NFL-1 + 0.1% SPC12000. No mention of returns during liner cement job.

TUBULAR DATA:

	<u>Casing</u>	<u>Liner</u>	<u>Tubing</u>
Size (mm)	177.8	114.3	73.0
Weight (kg/m)	29.76	14.14	9.67
Grade	J-55	J-55	J-55
Connections	ST&C	ST&C	EUE
Drift I.D. (mm)	160.81	100.71	59.61
Collapse (kPa)	15650	22820	52950
Burst (kPa)	25790	30200	50060
Capacity (m ³ /m)	0.021120	0.008476	0.003019

PRODUCTION TUBING: see attached wellbore schematic dated March 25, 2003

PERFORATIONS:

Keg River	1506.0 to 1507.0 mKB (cement squeezed)
Cement retainer	coe at 1501.0 mKB
Keg River	1495.0 to 1497.0 mKB (abandoned)
BP and cement	1485.0 to 1490.0 mKB
Sulphur Point	1398.0 to 1403.0 mKB (suspended)
Sulphur Point	1393.0 to 1395.5 mKB (suspended)

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H2S: 0.85% - from gas analysis dated March 25, 2002
RESERVOIR PRESSURE: 9715.0 kPa – 7.1 kPa/m – Static Gradient dated March 25, 2003
MAX FLARE VOLUME: 3.6 e3m3 – 1.5 times hole volume at 10,000 kPa

1. Contact the on shift Area Foreman – to be determined - 48 hours prior to moving rig to location.
2. Hold and record a safety and procedural meeting with all personnel on location. Review and confirm safety certificates of all workers. Job hazard analysis is to be performed on all critical tasks. Complete a site specific ERP form and review it at the safety meeting if required.
3. A sweep of the wellsite shall be performed to confirm the presence or absence of LEL and H2S.
4. MIRU service rig complete with pump, tank and Class III BOP's. Rig up all equipment to SOG and OROGO requirements. RU P-tank, safety services and an air trailer. Conduct a walk around lease inspection and hazard assessment. Ensure all necessary safety equipment is strategically positioned on site and tested to ensure proper operating condition prior to commencing the zonal abandonment operations. Document all controls initiated to mitigate identified hazards.
5. Read and record SITP and SICP.
6. Conduct a 10 minute bubble test on the surface casing vent using the procedure found in OROGO's Well Suspension and Abandonment Guidelines section 4B. Ensure that the wellhead and SCV piping is not in a frozen state. Check and monitor LEL and H2S levels at wellhead and investigate for evidence of gas migration at surface. Report the results on the daily report and the AER form "Surface Casing Vent Flow FAC-38". Ensure that the vent stays open and clear of obstructions throughout all operations and note any subsequent flows on the daily report. **Contact Ken Nikiforuk with the results of the bubble test.**
7. Tie in circulating lines with a return line tied into P-tank. Properly stake surface lines and pressure test lines and manifold to 1,400 kPa (low) and 14,000 kPa (high) and hold each for 10 minutes.
8. The reservoir is underpressured (less than 10 kPa/m) so fresh water will suffice to kill the well. Ensure there is at least 1.5 times hole volume on location prior to commencing kill operations.
9. Bleed off tubing to P-tank.
10. Pressure test the tubing to 7000 kPa for ten minutes.
11. Bleed off casing to P-tank.
12. Pressure test the casing to 7000 kPa for ten minutes.
13. Install the working spool and BOP's onto the BOP test stump. If required, warm up the BOP stack with steam. Function test the blind rams and pipe rams on the test stump. Close the blind rams and pressure test the working spool, the blind rams and BOP flange 1400 kPa and 21 MPa for 10 minutes each. Install a ported tubing pup and stabbing valve through the BOP's on the BOP test

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stump. Pressure test the pipe rams and stabbing valve to 1400 kPa and 21 MPa for 10 minutes each. Pressure test the annular preventer to low of 1400 kPa and high of 7000 kPa.

14. Conduct an accumulator function test as per the attached procedure from the WSBOP manual.
15. Ensure the well is dead and remove wellhead top section.
16. Install a 73.0 mm landing pup with an open stabbing valve. Strip the BOP's over the landing pup and nipple up the stack. Close the pipe rams on the landing pup and pressure test the BOP connection to the wellhead for 1400 kPa and 21 MPa for 10 minutes each.
17. BOP drills will be performed at the start of wellbore operations and then weekly if required and are to be recorded on the daily reports. BOP equipment will be function tested at least once daily and any equipment found defective will be made serviceable before operations are resumed.
18. MIRU slickline unit. Conduct a walk around lease inspection and hazard assessment. Ensure all necessary safety equipment is strategically positioned on site and tested to ensure proper operating condition prior to commencing the plug recovery operations. Document all controls initiated to mitigate identified hazards.
19. Note there may be trapped pressure underneath the A-3 plug, the FSG plug set in the nipple at 1369.5 mKB potentially could have failed. There is a potential for the retrieving tools and plug to slingshot up the wellbore when the plug is unseated. The measured reservoir pressure from a static gradient dated March 25, 2003 is 9715 kPa.
20. RIH with retrieving tool to the A-3 plug at 60 mKB.
21. Pressure up the tubing to 9000 kPa with fresh water.
22. Unset the A-3 plug and allow the wellbore to equalize.
23. Pull the A-3 plug and retrieving tool into the lubricator.
24. Close the blind rams and bleed off to the P-tank.
25. Open blind rams and top up the tubing with fresh water.
26. RIH with retrieving tool and retrieve the FSG plug from the F nipple at 1369.5 mKB.
27. Rig out and release slickline.
28. Unset the packer (right hand release). Allow 15 minutes for the elements to relax.
29. Pull and stand the 73.0 mm tubing. Inspect the 73.0 mm tubing on the way out of the hole. Lay down any red, blue or green joints.

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30. Pick up and RIH with 114.3 mm permanent bridge plug on 73.0 mm tubing. Position and land the BP at 1385 mKB. Refer to Computalog's Collar Log dated January 16, 2003. Ensure the BP is not set within 2 meters of a casing collar. Collars located at 1351.3, 1363.9, 1370.0 and 1376.0 mKB.
31. Fill the tubing with fresh water and pressure up to 14,000 kPa to set the bridge plug.
32. Fill the annulus with fresh water.
33. Pressure test the bridge plug to 7000 kPa for 15 minutes.
34. Rotate to release off of the setting tool.
35. Establish circulation with fresh water. An entire hole volume shall be used (26.1 m³ m³).
36. Batch mix 0.5 m³ Class G cement slurry and pump down tubing to set as a balanced plug. See attached cementing procedure.
37. Displace with 4.08 m³ fresh water.
38. Slowly pull out and lay down two joints of tubing while rotating pipe.
39. Reverse circulate fresh water at least two tubing volumes or until returns are clean.
40. Pull and lay down tubing. Prior to pulling the last joint out of the hole, circulate over to fresh water.
41. MIRU electric line truck.
42. From the Computalog cement bond log dated March 19, 1990, the cement bond in the 114.3 mm liner looks good. There is no data recorded over the 177.8 mm casing other than the probable cement top at 490 mKB
43. Perform cement bond log from PBTD to surface. Ensure data is transferred for evaluation communications allow. Evaluation results to be forwarded to Ken Nikiforuk and OROGO as soon as they are available.
44. Pick up and RIH with 177.8 mm permanent bridge plug on 73.0 mm tubing. Position and land the BP at 1125.0 mKB. Refer to the recently performed cement bond log for collar depths. Ensure the BP is not set within 2 meters of a casing collar.
45. Fill the tubing with fresh water and pressure up to 14,000 kPa to set the bridge plug.
46. Fill the annulus with fresh water.
47. Pressure test the bridge plug to 7000 kPa for 15 minutes.
48. Rotate to release off of the setting tool and pull up two joints.

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49. Establish circulation with fresh water.
50. Batch mix 0.5 m³ Class G cement slurry and pump down tubing to set as a balanced plug. See attached cementing procedure.
51. Displace with 3.34 m³ fresh water.
52. Slowly pull out and lay down two joints of tubing while rotating pipe.
53. Reverse circulate fresh water at least two tubing volumes or until returns are clean.
54. Pull and stand the 73.0 mm tubing. Prior to pulling the last joint out of the hole, circulate over to fresh water.
55. Depending on the results of the cement bond log evaluation, the decision will be made to go forward with cut and cap operations (proceed to step 72) or to perform remedial cementing operations (proceed to step 56).
56. Correlate all perforating operations to the recently performed cement bond log. Pick up and RIH with 101.6 mm ERHSC perf guns loaded with 39 gram charges spaced at 17 spm and 60 degree phasing. Position and perforate 1.0 meters at a depth to be determined. POOH and inspect guns to ensure all shots fired.
57. Rig out electric line.
58. Pick up and RIH with a 177.8 mm cement retainer on 73.0 mm tubing.
59. Set cement retainer at a depth to be determined.
60. Sting out of retainer and pressure test to 7000 kPa for fifteen minutes.
61. Sting back in to retainer and establish feed rate.
62. Based on the feed rate, the cement blend and volumes will be determined.
63. Sting out of retainer.
64. MIRU cement pumper. Rig up all equipment to SOG and OROGO requirements. RU P-tank, safety services and an air trailer. Conduct a walk around lease inspection and hazard assessment. Document all controls initiated to mitigate identified hazards.
65. Establish circulation between tubing and casing.
66. Batch mix a to be determined volume of a to be determined cement blend.
67. Circulate a to be determined volume of cement down the tubing and sting back in to retainer.

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68. Squeeze a to be determined volume of cement into the formation and sting out of retainer.
69. Slowly pull and lay down two joints of the 73.0 mm tubing while rotating and ensure 15 lineal meters of cement has been circulated on top of the cement retainer.
70. Reverse circulate fresh water at least two tubing volumes or until returns are clean.
71. Pull and lay down tubing. Prior to pulling the last joint out of the hole, circulate over to fresh water.
72. Ensure the well is dead and remove BOP's.
73. Install wellhead. Ensure that bull plugs and needle valves are installed where required and the wellhead valves have been chained and locked.
74. Rig out service rig. Ensure lease is clean and free of debris.
75. MIRU NuWave Industries and cut and cap wellbore as per attached procedure. Ensure pictures are taken.
76. Install abandoned well sign as per attached OROGO specifications.
77. All facilities must be removed while ice road access exists. This can occur either before or after service rig operations have taken place but shall be done during the same winter season.
78. A complete LEL and H2S sweep shall be performed in all areas of the lease including the high line, separator building, tank, flare stack etc.
79. All vessels, tanks and high line shall be drained and purged with air prior to dismantling operations. Any recovered fluid or solids shall be trucked to an approved disposal facility
80. All surface equipment shall be dismantled and taken to the laydown yard at H-03 facility. Further processing shall occur at the H-03 laydown yard. Any reuseable equipment shall be separated. Unusable equipment shall be shredded and shipped to an approved salvage / disposal facility.
81. All piles are to be jet cutted at a depth one meter.
82. The pipeline has been previously discontinued and has already been pigged and purged.
83. The pipeline shall be jet cutted at a to be determined depth. This depth will be past the transition point where the pipeline goes horizontal.
84. A pipeline cap detailing location, size and date of capping shall be installed.
85. Ensure lease is clean and free of debris.

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Upon completion of field work the Wellsite Supervisor shall complete the following:

- Prepare a complete set of downhole and wellhead diagrams showing all serial numbers, pressure ratings, sizes, setting depths, etc.
- A complete lease clean-up shall be conducted. All garbage shall be picked up from the lease, all surplus material shall be transferred to proper storage locations and all rental equipment shall be returned.
- Ensure a sign has been installed.
- Ensure that all field-generated PO.'s MT's etc. are filled out vendor's name and address, a brief description of the work performed and a rough estimate of the final expected costs involved.

MORNING REPORTS: All morning reports are to be e-mailed to the following:

Ken Nikiforuk at kanikiforuk@icloud.com

Kurt Hewitt at kurtw.hewitt@gmail.com

Duncan MacRae at dmacrae@alvarezandmarsal.com

OROGO at orogo@gov.nt.ca

FIELD TICKETS/INVOICES:

Field tickets are to be completed in detail with the **Well Location, AFE Number, Codes** and details of the service work. **Tickets are to be signed by the on site representative. These tickets and all invoices must be made out to Strategic Oil & Gas Ltd. c/o Alvarez & Marsal Canada INC**

Invoices are to be mailed to:

STRATEGIC OIL & GAS LTD. C/O ALVAREZ & MARSAL CANADA INC

#1110, 250 – 6th Avenue SW

Calgary, AB

T2P 3H7

ATTENTION: KEN NIKIFORUK

Prepared By: Ken Nikiforuk
Operations Consultant: _____ Date _____

Approved By: Duncan MacRae
Director, Alvarez & Marsal: _____ Date _____

