



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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Duncan MacRae,
Director
Strategic Oil & Gas Ltd.
Suite 1100, 250 – 6 AVE SW
CALGARY, AB T2P 3H7

February 3rd, 2023

Dear Duncan MacRae:

Inspection: Cameron J-37 (WID 1751) Well – ACW-2021-SOG-J-37-WID1751

Inspectors Michael Martin, Chief Safety Officer/Chief Conservation Officer, and Brandon Bradbury, Safety Officer/Conservation Officer inspected the abandonment of the Cameron I-74 (WID1792) well on January 20th, 2023.

The inspection was carried out to ensure Strategic Oil & Gas Ltd. was adhering to the terms of the Well Approval for this operation (ACW-2021-SOG-J-37-WID1751). The Inspectors met with Mr. Mike Young, Well Site Supervisor/Consultant, 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 Brandon_Bradbury@gov.nt.ca.

Sincerely,

Brandon Bradbury
Safety Officer
Conservation Officer

Encl. Cameron J-37 (WID 1751) Operation Summary Inspection Report – January 20th, 2023

- c. Department of Lands, South Slave Region.
Department of Environment and Natural Resources, South Slave Region.
Chris Gemmill, Director of Operations, Environmental Liability Management Inc.

OROGO Operations Inspection Summary Report

Well Information

Well name: Cameron J-37

4 digit WID: 1751

Operator: Strategic Oil & Gas Ltd

Well status: Suspended

OROGO risk level: Level 2

Shallow wellbore plug? Yes No24-hour operations? Yes NoCoordinates (*In decimal degrees; verified onsite*)Datum: NAD 27 NAD 83 Unknown

Lat: 60° 06' 37.1" N

Long: 117° 36' 29.7" W

Completed in H₂S zone? Yes Estimated % of H₂S: 0.85% or Measured % of H₂S: 0%

Program step on arrival: 61: Pick up and RIH with 177.8 mm permanent bridge plug on 73.0 mm tubing. Position and land the BP at 1125 mKB.

Program step on departure: 71: Pull and stand the 73.0 mm tubing, Circulate over to fresh water.

Inspection Date and Contact Information

Date of inspection: January 20th, 2023

Access method: Vehicle

OROGO Inspectors:

- Michael Martin – Chief Safety Officer /
Conservation Officer- Brandon Bradbury – Safety Officer/Conservation
Officer

Activity Inspected

OA#: OA-2018-003-Strategic

Nature of activity: Abandonment

ACW#: ACW-2021-SOG-J-37-WID 1751

Contractor on site (if applicable):

Name: Mike Young

Company: Roll'n Oilfield Industries Ltd.

Rig Number: 33

Phone: (403) 343-1710

Email: N/A

Inspection Results

Rig Safety

Accumulator
function test Compliant Non-Compliant Corrected Non-Compliance

Comments: Function Test Compliant – did not drop below 8.4 MPa after three functions and recharged in <5 min. (Photo #1)

Initial Pressure: 21.0 MPa

Pipe Ram Closed: 4 sec / 17.5 MPa

Pipe Ram Open: 5 sec / 16.6 MPa

Annular: 30 sec / 13.5 MPa

Recharge: 109 sec / 21.75 MPa

Version: August 23, 2022

Equipment certifications	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: Serial Numbers of the BOP matched the certifications submitted to OROGO on December 20, 2022. - Annular: SPH1311 - Double Gate: 10920 (Photos #2 & #3).
Authorization / Approval available	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: Authorizations issued by OROGO located in the Consultants trailer and the Doghouse.
Boiler inspection	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non-Compliance	Comments: Boiler certifications were readily available and matched the on-site equipment. (Photos #4 through #6)
Guards and covers on moving equipment	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: All guards and covers on moving equipment were in a condition satisfactory to the Inspectors
Pump lines and hoses secured, intact and appropriate?	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: All pump lines/hoses were secured in a condition satisfactory to the Inspectors (Photo #7)
Adequate lighting	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: The inspection was conducted during daylight hours.
Wind indicators visible and functional	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: Wind indicators were present on the crown of the derrick. No concerns were noted since the wind indicator was in a highly visible area. (Photo #8)
Fire extinguishers	<input type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input checked="" type="checkbox"/> Corrected Non- Compliance	Comments: Most fire extinguishers inspected have been re-certified within the last 12 months but unfortunately the two (2) fire extinguishers located adjacent to the P-tank and Flare stack could not be verified by Inspectors. Prior to the end of the inspection, ELM staff delivered two extra fire extinguishers to site for replacement at the P-tank and Flare stack line. (Photo #9)

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Equipment spacing Compliant
 Non-Compliant
 Corrected Non- Compliance

Comments: The lease site at J-37 was located on the northeast side of Cameron River valley providing a tight working area. Although most equipment had adequate spacing, the Flare stack and Pressure tank were below the minimum spacing requirements from the well centre.

- Flare stack - Well centre = 47.5m (>50m)
- Rig pump - Rig tank = 7.0m
- Rig Tank - Well centre = 53.0m
- Pressure tank - Well center = 13.75m (>20m)
- Doghouse - Well center = 32.0m
- Flare stack - Pressure tank = 32.0m

Although it appears that on site personnel made use of what space allowed for this site, Strategic Oil & Gas Ltd. is still required to ensure **all** spacing requirements adopted by OROGO, listed in the Alberta Energy Regulator's Directive 36, are met during future operations.

Should the lease site not allow appropriate spacing while maintaining safe ingress/egress of the site, an exemption must be applied for through OROGO prior to the commencement of operations.

Engine kills	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: Engine kills (2 on the service rig and 1 on the rig tank pump) operated as designed and required manual reset of the air kill mechanism.
Sufficient N ₂ back-up?	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: Nitrogen Gas back ups were confirmed to be sufficient by on-site staff for the accumulator and BOP.
Flow turns	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: All flow turns inspected were compliant and installed correctly.
General housekeeping	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: The site was generally clean and waste items were being segregated and securely stored, Overall the Inspectors had no concerns with housekeeping throughout the site.

Other Rig Safety notes:

Although BOP function tests are required to be conducted at the beginning of operations and every week there after, the rig crew were conducting and recording these tests at the beginning of every shift.

Personnel Safety

Valid safety tickets	<input checked="" type="checkbox"/> Compliant	Comments: All safety tickets inspected were valid at the time of inspection and no concerns were noted.
<input checked="" type="checkbox"/> First Aid / CPR	<input type="checkbox"/> Non-Compliant	
<input checked="" type="checkbox"/> H2S	<input type="checkbox"/> Corrected Non- Compliance	
<input type="checkbox"/> WHIMS		
<input type="checkbox"/> TDG		
<input checked="" type="checkbox"/> BOP		
<input type="checkbox"/> Other (specify in comments)		
Safety meetings and documentation	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: Safety practices were re-enforced, and potential hazards of that day's operations were identified and therefore, no concerns were noted.
SCBAs and/or supplied air available and visible	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: SCBA: Four (4) located at Muster point #1, and two (2) were located at Muster point #2, and 1 personal SCBA located in the air hands truck. (7 total) SABA: 6 masks total with a 10-tank capacity. The air hand had approximately 750 feet of hose inside the trailer to connect to the manifold. 2 manifolds were present on site and the certifications for all equipment was provided to Inspectors upon request.
First Aid equipment and EMS on site and accessible	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: First aid kits located through out site. There was a paramedic at camp as well as a medic located centrally to the 3 active operations in the area. The aerosol style eye wash equipment in the boiler shack was expired and must be replaced at the earliest opportunity. This concern was discussed with the Boiler hand on-site and he verified to Inspectors that this concern would be addressed prior to the next Inspection. (Photo #10)
Gas detection equipment on site and accessible	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: J-37 is a known H ₂ S site, and the Inspectors were pleased to see wind indicators, along with all personnel wearing individual gas detection monitors that included H ₂ S sensors.
Communication plans available	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments:
Hazard identification and signage	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: Hazard signage was placed at the lease entrance and no concerns were noted (Photo #11).
ERP available upon request	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: Was located in the Doghouse during operations.
Safety Plan available upon request	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: Click or tap here to enter text.

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BOP drills and documentation	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: Inspectors had the site personnel conduct a BOP drill during the inspection and overall, no concerns were noted.
Function tests and documentation	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: Tower sheets and daily reports identified function tests being conducted daily.

Other Personnel Safety notes:

Rig crew, testers and other on-site personnel showed a knowledge and understanding of the safe operation of the service rig and associated equipment.

Blowout Prevention Equipment

BOP certifications	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: Serial Numbers of the BOP matched the certifications submitted to OROGO on December 20, 2022. - Annular: SPH1311 - Double Gate: 10920 (Photos #2 & #3).
BOP pressure rating	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: The BOP used for this operation was 7 1/16"/34.5 MPa which is an appropriate pressure rating for this well.
Kill sheet in dog house	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments:
Stabbing valves and cross-overs	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments:
Flow lines and choke lines secured	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: As seen in Photo #7, flow lines and choke lines were secured.

Other Blowout Prevention Equipment notes:

All blowout prevention equipment had a valid certification and appeared to be well maintained.

Specific to Shallow Wellbore Plug (Not Applicable)

Snubbing unit in place	<input type="checkbox"/> Compliant <input checked="" type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: The tubing plug at 60mKB was removed on January 16, 2023. The operator failed to provide notification to OROGO prior to and following this operation as required by the 'OROGO Safety Bulletin for Shallow Wellbore Plugs'. On January 17, 2023, the Regulator provided notice of non-compliance to the operator in regards to the shallow tubing plug.
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Other Shallow Wellbore Plug notes:

Click or tap here to enter text.

Specific to 24-Hour Operations (Not Applicable)

Cross-over notes	<input type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: Click or tap here to enter text.
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Other 24-hour operations notes:

Click or tap here to enter text.

Environment

Rig matting	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: Rig matting was placed below the service rig.
Drip trays	<input type="checkbox"/> Compliant <input checked="" type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: Drip trays were not located under equipment and must be present during future operations to prevent the likelihood of hydrocarbon impacts to the underlying soils.
Materials handling and storage	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments:
Spill response equipment on site and accessible	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: Although spill response materials were on site, Inspectors recommend that spill kits be readily available in the vicinity of all fuel handling and storage locations to minimize the response time in the event of a spill during re-fueling.
Tubing laydown area protection	<input checked="" type="checkbox"/> Compliant <input type="checkbox"/> Non-Compliant <input type="checkbox"/> Corrected Non- Compliance	Comments: Tubing racks were not utilized on the site and they were being stood upright on the monkey bars at the time of the inspection. No concerns were noted since no obvious impacts were observed on the ground surface near the Service rig.

Other Environment notes:
[Click or tap here to enter text.](#)

Safety Plan

Compliant? Yes No Comments: [Click or tap here to enter text.](#)

Environmental Protection Plan

Compliant? Yes No Comments: [Click or tap here to enter text.](#)

Emergency Response (Contingency) Plan

Compliant? Yes No Comments: [Click or tap here to enter text.](#)

Authorization and Approvals

Following program as approved? Yes No Comments: At the time of the inspection, the program was being followed as approved with no requirement for a variation.

Meeting all conditions? Yes No Comments: On January 17, 2023, the Regulator provided notice of non-compliance to the operator in regards to the shallow tubing plug.

Other Documents Requested / Received During Inspection

Details:

Photographs

Number of photographs attached: 12

Additional Comments / Observations

SPACING: If minimum spacing requirements cannot be achieved while rigging up the site, Strategic Oil & Gas Ltd. personnel must do the following:

- 1) Notify OROGO of the spacing limitations;
- 2) Provide a site diagram with proposed locations and distances of equipment; and
- 3) Identify site limitations, with rationale, on how to maximize the allowable spacing between equipment and the wellbore.

Overall, there were no major concerns noted during the inspection and the Inspectors were pleased with operation and the cooperation of the onsite staff.

This inspection was conducted under the *Oil and Gas Operations Act* and associated regulations.

Name: Michael Martin

Designation: Chief Safety Officer

Date: 2023-02-03

Signature:



Name: Brandon Bradbury

Designation: Safety Officer

Date: 2023-02-03

Signature:





PHOTO #1: Accumulator shack and nitrogen bottles located adjacent to the Doghouse.

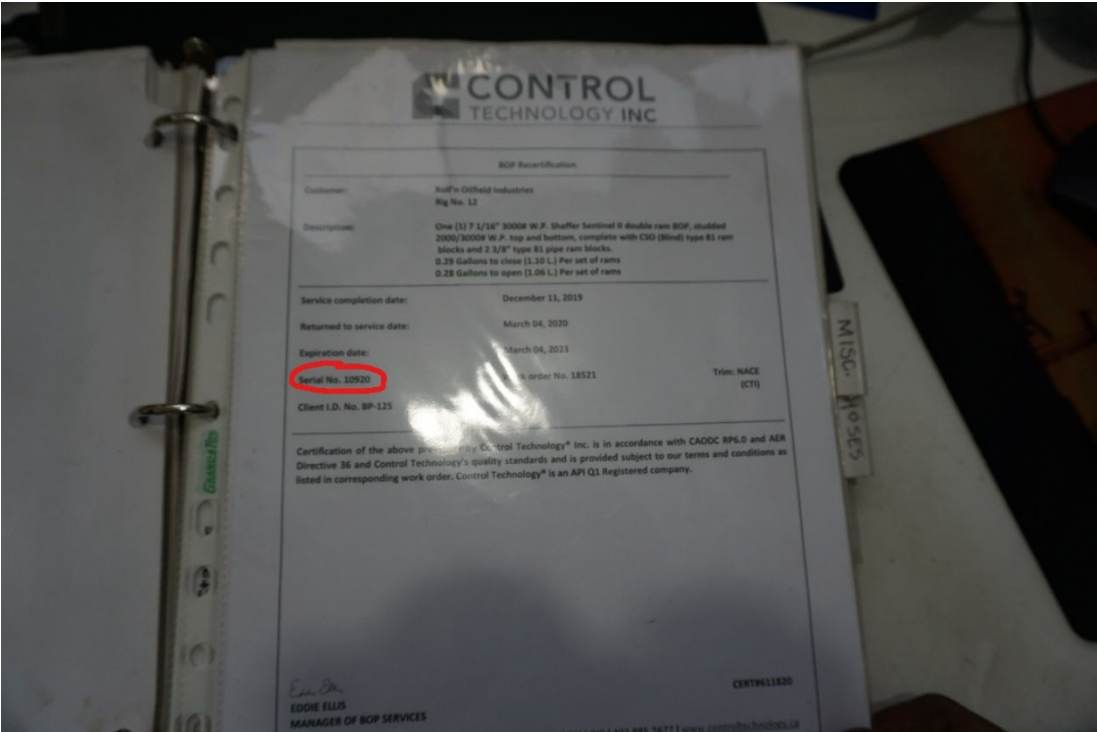


PHOTO #2: Double gate certifications were present on site and available upon request.

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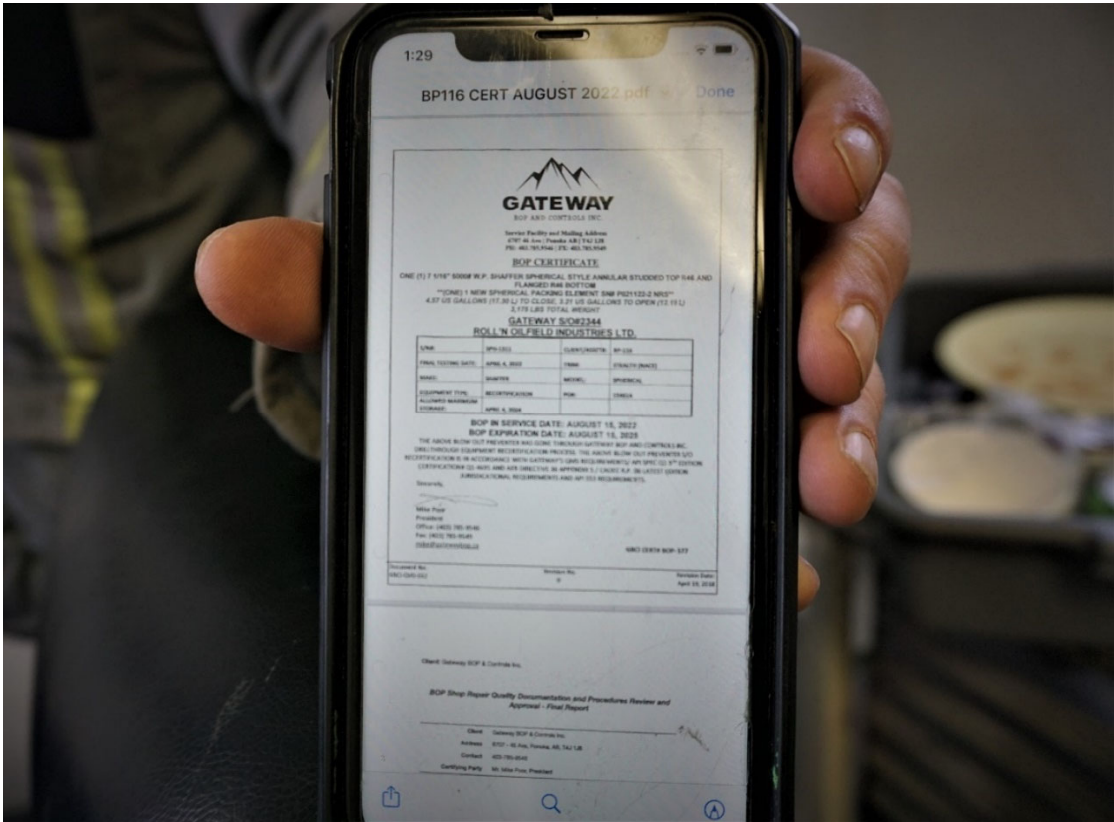


PHOTO #3: Annular certifications were present on site and available upon request.



PHOTO #4: Inside view of the boiler and water tank.

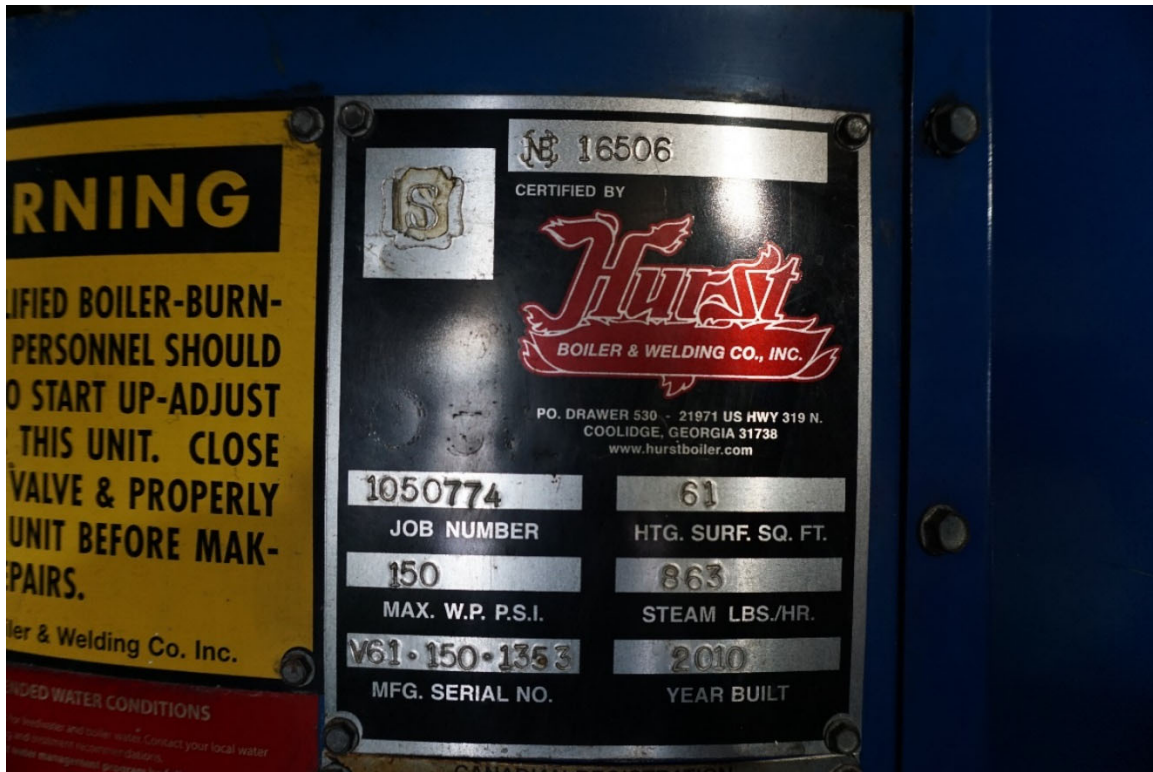


PHOTO #5: Close up view of the boiler serial number.

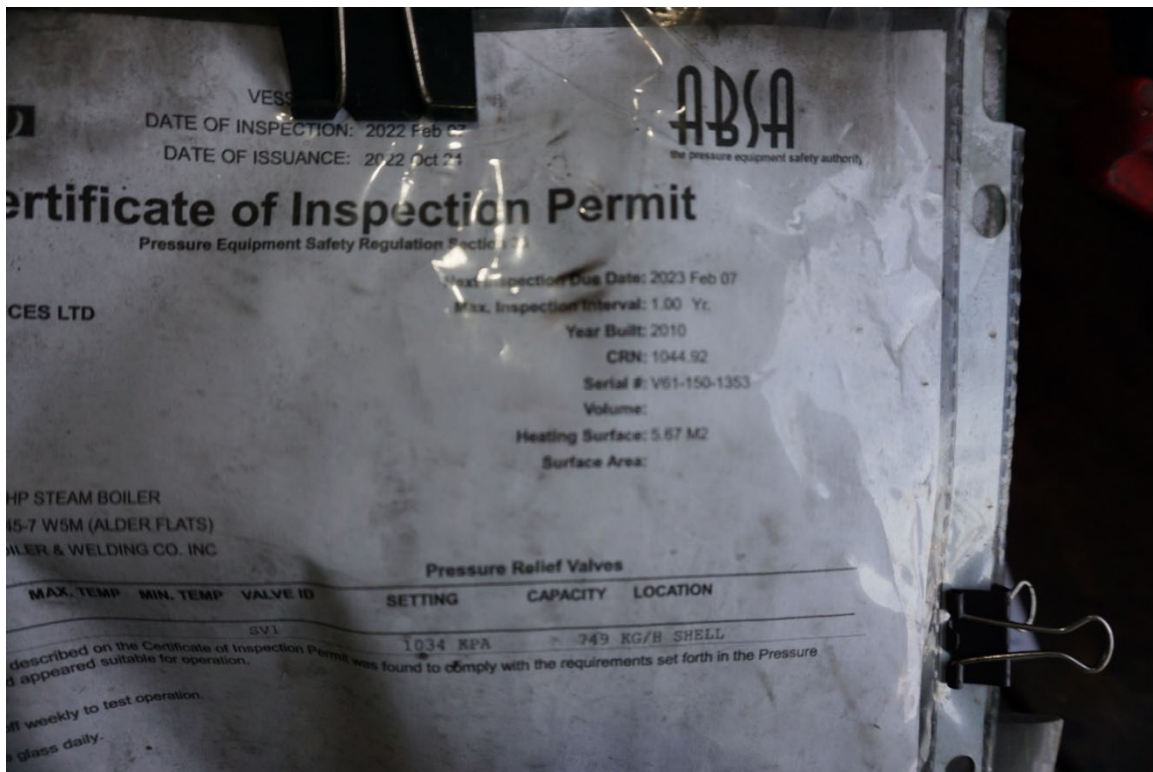


PHOTO #6: Serial number V61-150-1353 matched the boiler serial number above in Photo #5.



PHOTO #7: Pump lines were secured with heavy gauge cable and no concerns were noted.



PHOTO #8: A flag located on the crown of the Derrick.



PHOTO #9: Verified fire extinguishers were brought to site for replacement at the Pressure tank.



PHOTO #10: The white aerosol style eye wash equipment in the background was expired and must be replaced prior to the next scheduled inspection.



PHOTO #11: Hazard signage was present at the lease entrance.

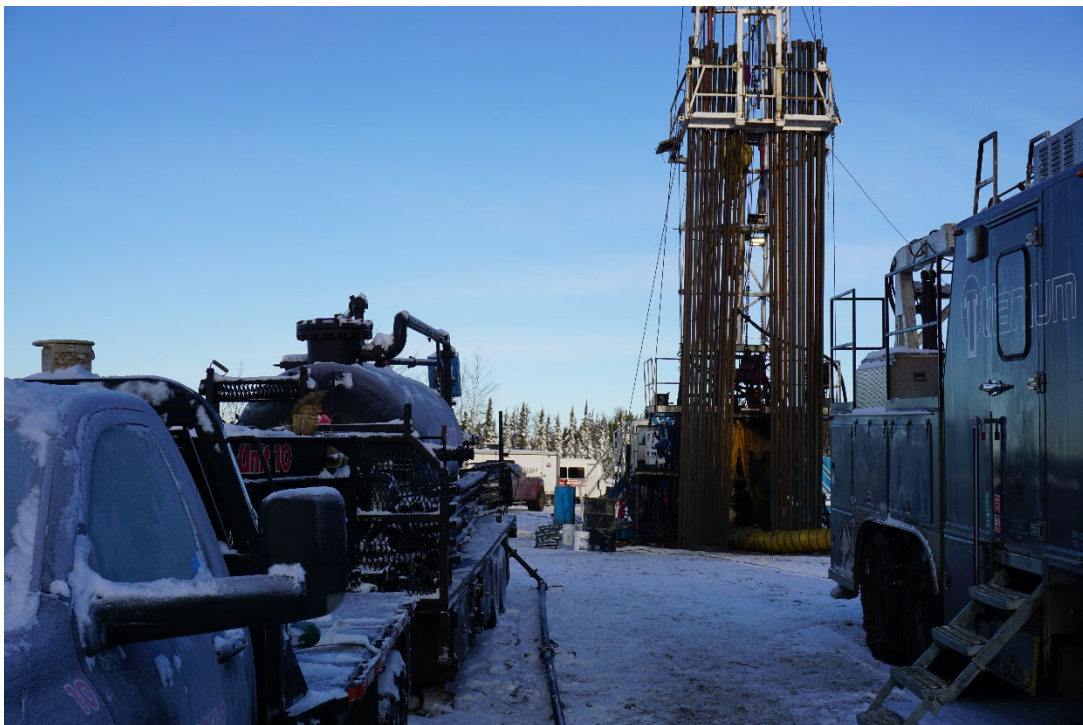


PHOTO #12: 73.0 mm tubing string being staged on the monkey bars.