



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.orogo.gov.nt.ca

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

Duncan MacRae
Director, Alvarez & Marsal Canada ULC
SUITE 1100, 250 6 AVE SW
CALGARY AB T2P 3H7

December 16, 2022

Dear Duncan MacRae:

Decision: Variation to ACW-2021-SOG-N-06-WID2067

On December 9, 2022, the Office of the Regulator of Oil and Gas Operations (OROGO) received an application from ELM Inc., consultants to Alvarez & Marsal Canada ULC, receivers for Strategic Oil & Gas Ltd. (Strategic), to vary ACW-2021-SOG-N-06-WID2067 for the abandonment of the Cameron N-06 well (WID2067). Strategic is requesting a change to the Wellbore Abandonment Program.

The Regulator, designated under section 121 of the *Oil and Gas Operations Act* (OGOA), may issue an Operations Authorization under section 10(1) of that act, subject to any Well Approvals that the Regulator may require under section 10(4) of OGOA. The Regulator may vary the terms of an Operations Authorization under section 10(6) of OGOA, including the terms of a Well Approval. On August 2, 2020, the Commissioner in Executive Council designated me as the Regulator under section 121 of OGOA.

I have reviewed Strategic's description of its proposed activity and find that the application demonstrates that this activity will be conducted safely, without waste and without pollution, in compliance with the *Oil and Gas Drilling and Production Regulations*. Therefore, Strategic's application for a variation is approved, subject to the terms contained in the attached Well Approval.

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Strategic must post a copy of the attached Well Approval in a clearly visible location at the work site.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Pauline de Jong', is written over the typed name.

Pauline de Jong
Regulator

Encl. Well Approval ACW-2021-SOG-N-06-WID2067 variation 1

c. Christopher Gagnon, ELM Inc.

WELL APPROVAL

Subject to the terms listed below, well approval **ACW-2021-SOG-N-06-WID2067 variation #1** is granted under Section 10 of the *Oil and Gas Operations Act* and Part 2 of the *Oil and Gas Drilling and Production Regulations* to

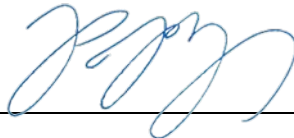
Company Name	Operating Licence #
Strategic Oil and Gas Ltd.	NWT-OL-2014-007
Responsible Officer	Operations Authorization #
Duncan MacRae, Vice President, Alvarez & Marsal Canada ULC	OA-2018-003-SOG

for

Well Name and Well ID#	
Cameron N-06 (WID2067)	
Type of Work	Region
Abandonment	South Slave

This approval, originally issued on November 5, 2021, has been varied by the Regulator or its delegate under Section 10(6) of the *Oil and Gas Operations Act*.

This approval expires on **November 1, 2023**

Issued at	Issued on
Yellowknife, Northwest Territories	December 16, 2022
Issued by	Signature
Pauline de Jong, Regulator	

Additional Terms

1. Strategic Oil and Gas Ltd. shall cause the approved work and activities to be conducted in accordance with the requirements of the *Oil and Gas Operations Act* and the *Oil and Gas Drilling and Production Regulations*, as well as any other acts or legislation as may apply.
2. Strategic Oil and Gas Ltd. shall cause the approved work and activities to be conducted in accordance with any guidelines and/or interpretation notes issued by the Regulator under section 18 of the *Oil and Gas Operations Act*.
3. Strategic Oil and Gas Ltd. shall cause the approved work and activities to be conducted in accordance with the specifications, standards and other information referred to in its application received July 12, 2021, request for variation received December 9, 2022, and subsequent submissions.
4. Strategic Oil and Gas Ltd. shall request approval from the Regulator prior to undertaking any change to or deviation from the authorized work or activities, including but not limited to key personnel.
5. Strategic Oil and Gas Ltd. shall provide all staff and contractors for this program with its Emergency Response Plan and the OROGO 24-hour Incident Reporting phone number (867-445-8551) prior to commencing any work or activity.
6. Strategic Oil and Gas Ltd. shall notify OROGO at least 10 days prior to the start of well abandonment operations.
7. Strategic Oil and Gas Ltd. shall submit to OROGO certificates and inspection documents for any service rig, well control and associated equipment (including boilers) at least 10 days prior to the rig commencing work.
8. Strategic Oil and Gas Ltd. shall submit to OROGO an updated operator contact list for this program prior to any work or activity.
9. Pursuant to section 67 of the *Oil and Gas Drilling and Production Regulations*, Strategic Oil and Gas Ltd. is approved to conduct controlled venting and/or flaring of gas as part of well kill operations at a maximum daily flow rate of $2.6 \times 10^3 \text{ m}^3/\text{day}$ for a maximum daily duration of 4.0 hours per day. Strategic Oil and Gas Ltd. shall include the volume, flow rate and composition of any amount of vented gas in its daily report to OROGO. Flaring and/or venting of any volume, daily flow rate and/or duration greater than the approved maximum daily flow shall be reported to OROGO as an incident under section 75 of the *Oil and Gas Drilling and Production Regulations*.
10. Strategic Oil and Gas Ltd. shall notify OROGO of and demonstrate, to the satisfaction of the Regulator, the location of the cement top prior to completion of wellbore and surface abandonment. Notification must include the results and interpretation of the completed radial cement bond log as outlined in Step 54 of the Wellbore Abandonment Program.

11. Strategic Oil and Gas Ltd. shall notify OROGO of and demonstrate, to the satisfaction of the Regulator, the location of the cement top prior to commencing remedial cementing, as outlined in Step 59 to 73 of the Wellbore Abandonment Program. Notification must include the results and interpretation of the completed radial cement bond log as outlined in Step 57 of the Wellbore Abandonment Program, including proof of ground water isolation as required by section 6B of the *Well Suspension and Abandonment Guidelines and Interpretation Notes*.
12. Steps 56 to 58 of Strategic Oil and Gas Ltd.'s abandonment program, added as a contingency to address a potential casing failure during the abandonment process, do not meet the requirements of Section 6A of the *Well Suspension and Abandonment Guidelines and Interpretation Notes*. If Strategic Oil and Gas Ltd. is required to engage these contingency steps as a result of a casing failure, it is hereby exempt from setting a bridge plug with a minimum of 15 meters of circulated cement and is authorized to abandon the well as described in the December 9, 2022 abandonment program.
13. Strategic Oil and Gas Ltd. must notify OROGO immediately if any of the following contingency steps, identified in the December 9, 2022 abandonment program, are to be utilized:
 - a. Steps 38-50 – Failure of existing bridge plug (1357 mKB) pressure test;
 - b. Steps 31-37 – Failure of setting a bridge plug at 1272 mKB; and
 - c. Steps 59-85 – Remedial cementing procedures.
14. Strategic Oil and Gas Ltd. shall submit to OROGO a Daily Report outlining all activities undertaken for each day of the operation under this well approval no later than 10:00 a.m. the following day.
15. Strategic Oil and Gas Ltd. shall submit to OROGO a completed Change of Well Status form 30 days after the service rig release date or when the operation has been successfully completed.