



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

John Hawkins
Director, Asset Management
Paramount Resources Ltd.
SUITE 2800, 421 – 7 AVE SW
CALGARY AB T2P 4K9

August 19, 2022

Dear John Hawkins

Status of SW Arrowhead O-15 Well (WID1834) and Previous Zonal Abandonment

On May 18, 2022, I issued a letter to Paramount Resources Ltd. (Paramount) indicating that the status of the SW Arrowhead O-15 well (WID1834) had changed from suspended compliant to suspended non-compliant because the well history information provided with Paramount's application for ACW-2022-PAR-O-15-WID1834 indicated there were not two independent and tested barriers in place in the suspended well.

On June 14, 2022, Paramount responded expressing concerns that the change in well status would affect the Regulator's acceptance of the existing zonal abandonment for the purposes of the well abandonment operations scheduled for winter 2023.

The status of the well does not affect the acceptance of the existing zonal abandonment.

The status of the well is based on compliance with the suspension requirements established in the 2017 *Well Suspension and Abandonment Guidelines and Interpretation Notes* (2017 Guidelines). When the 2017 Guidelines were issued, the Office of the Regulator of Oil and Gas Operations reviewed all suspended wells in its jurisdiction to determine compliance with the Guidelines. All suspended wells that could not confirm two independent and tested well barriers were designated as suspended non-compliant in 2017. The decision to change the status of the SW Arrowhead O-15 well to suspended non-compliant is consistent with this approach.

Under the 2017 Guidelines, suspended non-compliant wells had a 2019 deadline for abandonment and suspended compliant wells had a 2023 deadline for abandonment. The earlier abandonment deadline for suspended non-compliant wells does not apply because the change in status occurred in 2022. The SW Arrowhead O-15 well is scheduled to be abandoned by March 31, 2023.

.../2

-2-

The 2017 Guidelines and revised *Well Suspension and Abandonment Guidelines and Interpretation Notes* (issued May 25, 2022) both state that wells and zones that were abandoned prior to the coming into force of the 2017 Guidelines are not required to be re-abandoned to the standards contained in the Guidelines unless they are found to be leaking. The change in well status does not affect the acceptance of the existing zonal abandonment under either version of the Guidelines.

If you have any further questions, please do not hesitate to contact OROGO at orogo@gov.nt.ca or 867-767-9097.

Sincerely,

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

Pauline de Jong
Regulator