



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

March 10, 2023

Dear Duncan MacRae:

Decision: ACW-2022-SOG-M-31-WID1122 variation 2

On March 10, 2023, 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-2022-SOG-M-31-WID1122 variation 1 for the abandonment of the Cameron Hills M-31 well (WID1122). 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 printed name.

Pauline de Jong
Regulator

Encl. Well Approval ACW-2022-SOG-M-31-WID1122 variation 2

c. Christopher Gagnon, ELM Inc.

WELL APPROVAL

Subject to the terms listed below, well approval **ACW-2022-SOG-M-31-WID1122 variation #2** 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 Hills M-31 (WID1122)	
Type of Work	Region
Abandonment	South Slave

This approval, originally issued on June 13, 2022, 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	March 10, 2023
Issued by	Signature
Pauline de Jong, Regulator	

Additional Terms

1. Strategic Oil & 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 & 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 & 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 dated June 10, 2022, request for variation dated March 10, 2023, and other submissions.
4. Strategic Oil & 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, the safety plan, the environmental protection plan and contingency plans.
5. Pursuant to section 67 of the *Oil and Gas Drilling and Production Regulations*, Strategic Oil & Gas Ltd. is approved to conduct controlled venting and/or flaring as part of well kill operations to a maximum daily flow rate of $2.8 \times 10^3 \text{ m}^3/\text{day}$ for a maximum daily duration of 4.0 hours per day. Strategic Oil & Gas Ltd. shall include the volume and composition of any amount of flared and/or vented gas in its daily report to OROGO. Flaring and/or venting of any volume, daily volume 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*.
6. Strategic Oil & Gas Ltd. is exempt from the requirements of the *Safety Bulletin: Shallow Wellbore Plugs* (OROGO-SB-01) during the wash over and removal of the bridge plug at approximately 9 mKB (steps 1-7 of the Wellbore Abandonment Program).
7. Strategic Oil & 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.
8. Strategic Oil & Gas Ltd. shall notify OROGO at least 10 days prior to the start of approved operations.
9. Strategic Oil & 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.
10. Strategic Oil & Gas Ltd. shall submit to OROGO an updated operator contact list for this program prior to any work or activity.
11. Strategic Oil & 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.

12. Strategic Oil & 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.
13. Strategic Oil & Gas Ltd. shall complete post-abandonment gas migration (GM) testing between July and September 2023, as described in section 4A of the *Well Suspension and Abandonment Guidelines and Interpretation Notes*, to determine if the repair of the GM was effective. Strategic Oil & Gas Ltd. shall notify OROGO at least 10 days prior to conducting GM testing and submit a report of the GM testing results to the Regulator within 30 days of conducting the testing to receive approval to cut and cap the well. Should analysis of the methane be required to determine the thermogenic source, Strategic Oil & Gas Ltd. must notify OROGO with an anticipated timeframe to submit the analytical results.