

February 3, 2023

**Office of the Regulator of Oil and Gas Operations**  
PO Box 1320  
Yellowknife NT, X1A 2L9

By Email: [orogo@gov.nt.ca](mailto:orogo@gov.nt.ca)

**RE: In Field Variation to M-74 (ACW-2022-SOG-M-74-WID 2063)**

ELM Inc, acting on behalf of Alvarez & Marsal Canada Inc in their capacity as the receiver for Strategic Oil and Gas Ltd is requesting a variation to the currently approved program based on current well conditions observed during the abandonment operation.

ELM has finished step 17 of the program, where the cement and the cement retainer have been drilled out. While drilling on the retainer, once the rubber sealing element on the retainer was removed, water began flowing from the surface casing vent. This water only flowed while pumping on the well. There are several potential causes for this flow, the remedial perforations may be open to the vent, the wellhead seals may have failed, or there is another casing failure.

ELM proposes to determine the source of this flow by adding in a step to run in the well with a packer and pressure test the flowing intervals:

- From surface to just above the perforations
- From surface to just below the perforations
- From just below the perforations to PBTD.

This step would be added in between steps 24 and 25.

Should you have any questions or require further information, please contact the undersigned at [christopher@elminc.ca](mailto:christopher@elminc.ca)

Sincerely,

Christopher Gagnon, EIT

ELM Inc, acting as a consultant to Alvarez & Marsal Canada Inc