

March 13, 2019

Government of the Northwest Territories
Office of the Regulator of Oil and Gas Operations (OROGO)
P.O. Box 1320
Yellowknife, NT X1A 2L9

**Attention: Pauline de Jong, Chief Conservation Officer Via Email: orogo@gov.nt.ca
Pipeline Suspension Approval, Alvarez & Marsal Receiver - Strategic Oil & Gas Ltd. - NWT
H-03 to A-03 (4") 101 mm Pipeline**

Energy Works Management, acting on behalf of Alvarez & Marsal, the receiver of Strategic Oil and Gas Ltd. - NWT Assets, requests approval to proceed with the subject pipeline suspension, in response to OROGO email request for information Mar 10/2020.

The procedural steps are outlined in (step 4) for deactivation/suspension of the H-03 to A-03 water disposal pipeline. Should additional safety measures at the field level be required they will be coordinated by the field supervisor as per the safety and hazard assessment meeting conducted.

1. A description of the pipeline proposed for deactivation (location/volume/use).

The A-03 is a water injection pipeline to be disconnected, the pipeline is 4" approx. 60m long, with a volume of 0.6m³.

An air compressor will be used to displace a foam pig and the contents of pipeline from the injection building to the A-03 injection wellsite.

The fluids recovered from the pigging operations will be directed into a sealed tank truck up supplied by Four-L-Enterprise.

2. An estimate of the total volume of flaring, maximum daily flaring volume and maximum anticipated flow rate during flaring operations;

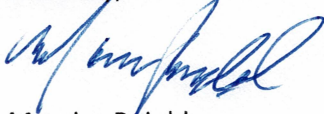
The is no flaring or venting is required to remove fluid/water contents from the pipeline.

3. Confirmation that the pipeline proposed for deactivation is currently NOT above atmospheric pressure; and

The pipeline end flange had been removed during well servicing activities and it is currently at atmospheric pressure.

4. Summary of the safe working procedures and equipment (including air quality monitoring) that will be utilized for flaring operations.
 1. The supervisor will conduct & record a safety and procedures meeting with all workers, identify hazard and controls. Ensure H2S sour controls are in place.
 2. Use a steamer to heat the riser ends at H-03 & A-03.
 3. Ensure both the A-03 well end and the H-03 pump end are "0" gauge pressure.
 4. Don breathing apparatus and remove flange from H-03 pipeline end, ensure no workers are in line-of-fire of flange in case of hydrates.
 5. Install a 4" foam pig in the flowline at H-03 end install flange /valve to connect air compressor to flange (DO NOT START AIR COMPRESSOR YET).
 6. Don Breathing apparatus at A-03 end, install flange for seal tank truck at A-03 end and connect seal tank truck.
 - a. No Flaring will be conducted, fluid from pipeline contents will be directed into a sealed tank truck.
 - b. No air quality monitoring will be carried out as there is no venting or flaring to atmosphere.
 7. Ensure all valves on the tank truck are open, start the air compressor and force the pig towards A-03 end (0.6 m3 fluid is expected to be recovered).
 8. When the pig is recovered at A-03, a second pig may be required if first pig is damaged indicating insufficient evacuation of pipeline contents.
 9. Remove the air compressor and the pig received at A-03 and install blind flanges at each end of the pipeline.
 10. Install Discontinuation signs/tags at each end of the pipeline to indicate the date of the discontinuation work and the medium left in the pipe (Air).
 11. Complete a daily report in Petrosight under the A-03 well reporting, complete Waste manifest and dispose of the fluid recovered at AER Alberta waste facility.
 12. De-mob services.

Sincerely,



Maurice Bujold

VP Completions and Well Intervention

Energy Works Management

Suite 2500, 333 – 7th Ave SW

Calgary, AB

T2P 2Z1