



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
1110, 250 – 6 AVE SW
CALGARY AB T2P 3H7

February 1, 2021

Dear Duncan MacRae:

**Decision: Amendment to Operations Authorization
for the Cameron Hills Field (OA-2018-003-SOG) (variation #2)**

On September 24, 2020, the Office of the Regulator of Oil and Gas Operations (OROGO) notified Alvarez & Marsal Canada ULC, receivers for Strategic Oil and Gas Ltd. (Strategic) that the status of the Cameron B-38 well (WID 2002) changed from abandoned to suspended based on information received from the Department of Lands, Government of the Northwest Territories.

On September 30, 2020, OROGO notified Strategic that the well must be brought back into production or abandoned by January 31, 2023, in accordance with the *Well Suspension and Abandonment Guidelines and Interpretation Notes*.

The status of the B-38 well was amended after the approval of Strategic's Operations Authorization (OA) for the Cameron Hills Field (OA-2018-003-SOG variation #1). Therefore, the approved scope of work does not incorporate the required activities associated with the Cameron B-38 well. As a result, the scope of OA-2018-003-SOG variation #1 must be varied to include the maintenance, monitoring and abandonment of the Cameron B-38 well and associated facilities.

On August 2, 2020, I was designated as Regulator under section 121 of the *Oil and Gas Operations Act* (OGOA). The Regulator may issue an (OA) under section 10(1)(b) of OGOA and may vary an existing OA under section 10(6) of OGOA.

Varying the scope of OA-2018-003-SOG variation #1 requires the same level of review as the original OA application. The Regulator, or its delegate, must fulfill its obligations as a regulatory authority under the *Mackenzie Valley Resource Management Act* (MVRMA). It must also determine the adequacy of Aboriginal consultation, where a decision has the potential to adversely impact an asserted or existing Aboriginal right.

I make the following findings with respect to varying Strategic's OA by adding the maintenance, monitoring and abandonment of the Cameron B-38 well and associated facilities to the scope of OA-2018-003-SOG variation #1:

.../2

1. Activities Consistent with OGOA - Based on Strategic's original application for OA-2018-003-SOG and its work plan received on January 27, 2021, which includes the maintenance, monitoring and abandonment of the Cameron B-38 well and associated facilities, I have determined that Strategic intends to conduct the proposed activities in a manner consistent with the purposes set out in OGOA.
2. Preliminary Screening – The Cameron Hills field was subject to several environmental assessments by the Mackenzie Valley Environmental Impact Review Board (MVEIRB) (EA00-004, EA01-005 and EA03-005). It is therefore exempt from preliminary screening in accordance with Schedule 1, section 2.1 of the Exemption List Regulations established under the MVRMA.

OROGO will advise the MVEIRB of this determination.

3. Land Use Plan Conformity – The proposed activities take place near the Alberta border in the South Slave region of the NWT. They do not fall within the boundaries of a Land Use Plan approved under the MVRMA. Therefore, there is no requirement to assess land use plan conformity under the MVRMA.
4. Indigenous and Community Consultation – Strategic has conducted consultation and engagement activities with the relevant organizations representative of Aboriginal rights holders. The MVEIRB and MVLWB also undertook public processes for the environmental assessments of the Cameron Hills field and the issuance of the Land Use Permit and Water Licence associated with the field. Considering the nature and scale of the activity and the concerns raised, consultation undertaken by Strategic on the activities proposed under OA-2018-003-SOG continues to be adequate.
5. Proof of Financial Responsibility – Strategic has provided satisfactory proof of financial responsibility in accordance with sections 13 and 64(1) of OGOA. This proof of financial responsibility must remain in force for the duration of the activity.
6. Safety – I have consulted with the Chief Safety Officer, in accordance with section 12 of OGOA, and am satisfied with the safety of the proposed activities.

OA-2018-003-SOG variation #1 is varied to include the maintenance, monitoring and abandonment of the Cameron B-38 well and associated facilities, subject to the terms contained in the attached Operations Authorization. Strategic must post a copy of the attached Operations Authorization 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. Operations Authorization OA-2020-001-SOG variation #2

OPERATIONS AUTHORIZATION

Subject to the terms listed below, authorization 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	Company Operating Licence #
Strategic Oil and Gas Ltd.	NWT-OL-2014-007
Responsible Officer and Title	
Duncan MacRae, Director, Alvarez & Marsal Canada ULC	

to proceed with the works and activities described in its November 21, 2018 application and subsequent submissions for


Scope of Work	Settlement Area or Region
Well and infrastructure maintenance and abandonment/ decommissioning leading to the closure of the Cameron Hills field.	South Slave

This authorization, originally issued on March 20, 2019, has been varied by the Regulator or its delegate under Section 10 of the *Oil and Gas Operations Act* and may be further so varied.

This authorization expires on November 30, 2026.

Dated at Yellowknife, Northwest Territories on February 1, 2021.

Name of Regulator / Delegate	Signature of Regulator / Delegate
Ms. Pauline de Jong	
Title 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 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, the safety plan, the environmental protection plan and contingency plans.
5. Strategic Oil and Gas Ltd. shall notify OROGO immediately of any changes to its financial situation and shall submit to OROGO audited financial statements within ten (10) business days of their public release.
6. Strategic Oil and Gas Ltd. shall submit to OROGO confirmation that its insurance policy remains in place annually upon its renewal.
7. Strategic Oil and Gas Ltd. shall notify OROGO at least ten (10) days prior of commencement of field inspection, maintenance and/or monitoring activities.
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. Strategic Oil and Gas Ltd. shall provide notification to OROGO at least five (5) days prior to cessation of winter field maintenance operations.

10. Strategic Oil and Gas Ltd. shall submit an updated Emergency Response Plan annually, by June 1 of each year.
11. 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.