

Duncan MacRae  
Vice President  
Alvarez & Marsal Canada ULC  
SUITE 1100, 250 – 6 AVE SW  
CALGARY AB T2P 3H7

November 29, 2024

Dear Duncan MacRae:

**Notice of Non-Compliance: Failure to Comply with Chief Safety Officer's Direction**

On November 21, 2024, Alvarez & Marsal (A&M), receiver for Strategic Oil & Gas Ltd., advised the Office of the Regulator of Oil and Gas Operations (OROGO), it was unable to comply with the November 22, 2024, deadline established by the Chief Safety Officer (CSO) for temporary mitigation of safety concerns identified at the Cameron Hills field.

The safety concerns requiring temporary mitigation were identified during an inspection of the Cameron Hills field conducted on September 17-19, 2024. They are:

- Open, hollow piling remains at the Cameron 2H-03 (WID2073) wellsite.
- Unfilled cellars at the Cameron D-49 (WID1973), Cameron J-04 (WID2034), Cameron A-68 (WID1746), Cameron I-74 (WID1792), Cameron B-25 (WID1756), Cameron J-62 (WID1158), and Cameron 2M-73 (WID2026) wellsites.
- An unfilled rat hole at the Cameron I-74 wellsite.

The safety concerns were communicated to A&M on September 25, 2024, by email Notice from the CSO, who set a deadline of October 31, 2024, to implement temporary mitigation. The October 31, 2024, deadline was set to ensure temporary mitigation was in place before winter weather set in, limiting potential operations.

On October 18, 2024, A&M proposed two forms of temporary mitigation for the safety concerns identified by the CSO:

- Installing snow fencing around all excavation openings and the open pilings.
- Filling excavations by shovel and tamper using materials and crew brought in by helicopter.

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The CSO responded on October 18, 2024, indicating no concerns with the proposed temporary mitigations.

On October 25, 2024, A&M requested an extension to the deadline for completing the temporary mitigations to investigate further alternatives. The CSO granted an extension to November 8, 2024, the date A&M requested.

On November 6, 2024, A&M requested an additional, two-week extension to allow for more discussions. After meeting with A&M and the GNWT Department of Environment and Climate Change (GNWT-ECC) to discuss the request, the CSO granted an extension to November 22, 2024, and indicated that no further extensions would be granted.

On November 21, 2024, A&M and GNWT-ECC requested a meeting with OROGO to provide an update on the status of the temporary mitigations, during which they indicated the mitigations would not be in place by the November 22, 2024, deadline. This meeting was followed up by an email from A&M later November 21, 2024. The rationale provided by A&M for its inability to put temporary mitigations in place by the deadline was that the contractor “does not see a practical or safe method to complete the work required by the deadline”. During the discussion between the parties, A&M indicated that the contractor’s concerns were winter weather conditions and lack of daylight.

While I acknowledge that current weather conditions may limit A&M’s ability to comply with the CSO’s direction, A&M had over a month to do so before the initial deadline and before winter weather arrived. I also note A&M requested and received two extensions to the deadline for completing temporary mitigation measures, despite which it has not complied.

**Therefore, I give notice that A&M is in non-compliance with the CSO’s direction with respect to temporary mitigation of safety concerns at the Cameron Hills field.**

I direct A&M to provide a weekly written progress update to OROGO on this matter, starting on Friday, November 29, 2024, until it is resolved to the CSO’s satisfaction.

I also remind A&M that a plan for the permanent correction of all deficiencies noted during OROGO’s September 2024 inspection is due on December 15, 2024, as stated in the *OROGO Well Abandonment Verification Inspection Summary Report* for each

well. At that time, we will consider what further direction to A&M is warranted on this matter.

Sincerely,



Pauline de Jong  
Regulator

- c. Nathen Richea, ADM, Regulatory, Assessment and Authorizations, GNWT-ECC  
Lorraine Seale, Director, Impact Assessment and Security Management, GNWT-ECC  
Jaida Ohokannoak, Regulatory and Securities Specialist, GNWT-ECC  
Norman McCowan, Manager, Resource Management, S. Slave Region, GNWT-ECC  
Jayda Robillard, Resource Management Officer III, S. Slave Region, GNWT-ECC  
Joshua Gauthier, Water Resource Officer, S. Slave Region, GNWT-ECC  
Wendy Bidwell, Senior Water Resource Officer, S. Slave Region, GNWT-ECC