



January 29, 2025

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Via email: [mike\\_martin@gov.nt.ca](mailto:mike_martin@gov.nt.ca)

Attention: Michael Martin, Chief Safety Office, Chief Conservation Officer

**RE: Cameron Hills Field Environmental Liabilities**

On January 28, 2020 (the “**Receivership Date**”), the Court of King’s Bench of Alberta granted an Order pursuant to section 243 of the Bankruptcy and Insolvency Act, RSC 1985, c. B-3 and section 13(2) of the Judicature Act, RSA 2000, c. J-2, whereby Alvarez and Marsal Canada Inc. (the “**NWT Receiver**”) was appointed Receiver, without security, of all of Strategic Oil and Gas Ltd. and Strategic Transmission Ltd. (collectively, “**Strategic**” or the “**Company**”) current and future assets, undertakings and properties of every nature and kind whatsoever situated in the Northwest Territories, including all proceeds thereof and including, without limited in the generality of the foregoing, any letters of credit issued in respect of assets situated in the Northwest Territories (the “**NWT Property**”). For further information, please visit the NWT Receiver’s website at: [www.alvarezandmarsal.com/sog](http://www.alvarezandmarsal.com/sog).

On July 29, 2024, the NWT Receiver provided the Office of the Regulator of Oil and Gas Operations (“**OROGO**”) an initial draft of a proposed plan/schedule (“**Proposed Plan**”) to address the environmental liabilities listed in the June 10, 2024 Notice under OROGO’s jurisdiction.

The NWT Receiver hereby notifies OROGO of the updates regarding the Proposed Plan:

- 1) There are eight spills, whereby a review of the documentation has resulted in the NWT Receiver determining that there is adequate information to request file closure.
- 2) There are five spills where the NWT Receiver continues to seek further information (through OROGO, GNWT and, potentially CER as necessary, to corroborate spill information and, potentially, obtain original spill reports).

Details concerning the eight spills, which the NWT Receiver is requesting file closure are attached hereto. For the remaining five spills, a further update will be provided if additional corroboratory information is obtained. If such information does not appear available, the NWT Receiver will provide an updated plan to address next steps. A timeframe to address any remaining steps will be provided pending the results of the NWT Receiver’s ability to obtain additional information.

The NWT Receiver is available to discuss, if desired. Should you require anything further, please contact the undersigned at (403) 538-7514 or via email at [dmacrae@alvarezandmarsal.com](mailto:dmacrae@alvarezandmarsal.com).

Yours truly,

**Alvarez & Marsal Canada Inc., in its capacity as Receiver of  
Strategic Oil & Gas Ltd. and Strategic Transmission Ltd.'s NWT Properties  
and not in its personal or corporate capacity**



Duncan MacRae  
Vice President

Cc:  
Department of Environment and Climate Change  
Department of Environment and Climate Change – South Slave Region  
EnviroSearch Ltd.

Spill Number	Original Spill Report	CER Files <sup>1</sup>	ECC-GNWT Files	Coordinates on Original Spill Report?	Coordinates from NT/NU Spill Database	Occurrence Date (OD) and Details	Actions Taken	Correction Needed	File Comments	Non-Spill Related Outstanding Action Items
2000036	Y (ECC)	Documents: 4 Emails: 0	3	60°04.09N, 117°34.73W	60.0681667267263, -117.57876103689293	<b>OD Feb 20, 2000 C-75 Tank Truck Overflowed</b> Crude oil and produced water approximately 20 barrels (3180L), impacted area 10 m x 10.5 m	<b>Feb 20, 2000 NWT Spill Report:</b> "Hope to clean up area before it warms up. Cleaning in progress. Tried to contact Andrew Forbes at INAC to report this. Contact Stewart Gould in Calgary to put oil spill into affect." Original spill report says "Trucks coming to clean it up." Updated spill report indicates "Cleaning in progress."	OROGO June 10, 2024 Notice letter lists location as C-75. The corrected coordinates on the updated spill report indicate B-25.	<b>REQUEST CLOSURE:</b> Both B-25 and C-75 were inspected September 17-19, 2024. Per the Inspection Report submitted by N. McCowan: B-25 inspection relative to a spill "3. Backfill of well center not completed. 4. No hydrocarbon impacted soils were noted. 5. All other aspects of well site satisfactory." For further information, C-75 inspection relative to a spill "2. Backfill of well center satisfactory. 4. No hydrocarbon impacted soils were noted. 5. Site satisfactory. No further remediation work required."	Complete backfill of well center at B-25.
2004664	Y (ECC)	Documents: 3 Emails: 0	2	60°10'N, 117°50'W Lat 60.03958 Long 117.65234	60.0410625, -117.5214375	<b>OD Nov 10, 2004 H-03 Wellsite</b> Knockout Tank Overflowed, oil/water (50%), 400 L. Terrain is snow covered, clean up with tractor, shovels. Absorbent pads to Hazco Containers. Extent of Contaminated area 4m2	<b>Original Spill Report:</b> Shut off source to spill. Snow and oil/H <sub>2</sub> O mix to large container. Absorbent pads to Hazco Bag. Final Cleanup will be Nov 11, 2004. <b>Updated Spill Report:</b> Will require steamer and vac truck once roads are in to clean up stained areas and tank. Also to clean out containers we put snow and spill in. Final clean-up will be done when we can get equipment in. Spill remains are contained. No soil sampling necessary. Frozen ground.		<b>REQUEST CLOSURE:</b> Inspected September 17-19, 2024. Per the Inspection Report submitted by N. McCowan: "2. Backfill of well center satisfactory. 4. No hydrocarbon impacted soils were noted. 5. Site satisfactory. No further remediation work required."	
2007012	Y (ECC)	Documents: 7 Emails: 2	2	60°0.6'31.95"N, 117°39'23.72"W	60.1089375, -117.6565625	<b>OD Jan 3, 2007 Well H-03</b> Site Equipment failure, sour emulsion 4.0m3, Extent of Contamination 100 m2. Factors affecting spill recovery -36°C	<b>Original Spill Report:</b> Hydro Vac equipment for recovery, XXX(illegible) contaminated area. Haul to approved facility. Anticipate final clean-up date of 15 of January 2007. Transport to approved disposal facility. Sep 12, 2020 Inspection: Remediate produced water Vacuum truck called, spill cleaned up by Feb 17, 2008 Feb 24, 2016 NEB inspection and Spill Report Update (John Korec, Env. Specialist) recommends that OROGO close this spill.	OROGO June 10, 2024 Notice letter lists location as H-03. The original Spill Report identifies L-47 as the spill location; coordinates indicate H-03.	<b>REQUEST CLOSURE:</b> Sep 17-19, 2024 Inspection Report: 2. Backfill of well center satisfactory. 6. No hydrocarbon impacted soils were noted."	
2008047	Y (ECC)	Documents: 5 Emails: 3	1	No	60.0399375, -117.5034375	<b>OD Feb 15, 2008 H-03 Flare Stack</b> Flare stack compressor went down, 1 m3 liquid carried over flare stack spilled on top of snow below stack. Liquid is emulsion water plus oil. Impacted area 250 m2. Oil/water proportions identified as 6% water 94% oil			<b>REQUEST CLOSURE:</b> Formal request to OROGO to close this spill. Include this information and documentation in Proposed Plan Item II., Letter Report. Feb 24, 2016 NEB inspection and Spill Report Update (John Korec, Env. Specialist) recommends that OROGO close this spill. Per September 17-19, 2024 Inspection Report (N. McCowan), The H-03 Battery Site: "All production infrastructure including the separator, fuel storage tanks, pumps, compressors, buildings, above ground pipelines, and other surface equipment was removed from the battery site in the winter and spring of 2023. Item 7. No hydrocarbon impacted soils on the battery site were observed."	
2010043	Y (ECC)	Documents: 0 Emails: 4	1	60°05'50"N, 117°31'17"W	60.0971875, -117.5214375	<b>OD February 19, 2010 N-06 Wellsite Drilling Mud Spill</b> <b>Original Spill Report:</b> PD245 rig crew was preparing the rig to go back to work after being moved to N-06. The crew was filling the rig mud tank from a 400 barrel tank which contained drilling mud brought in from the last location as the mud filled the tank it flowed through the mud pump suction line into the pump and out a valve of the pump which the crew had neglected to close. The drilling mud flowed out on the lease surface between and under the rig mats and under the rig buildings.	As much of the spilled mud has been cleaned up by hand as possible and disposed of in the drilling sump. The remaining mud will be cleaned up with equipment when the rig moves to it's next location. The remaining mud will also be disposed of in the sump. The drilling mud consists of water, bentonite and clays, some polymer, a very small amount of NaOH>0.25 kg/m <sup>3</sup> and a very low concentration product called SherShale which is environmentally friendly.		<b>REQUEST CLOSURE:</b> Per September 17-19, 2024 Inspection Report (N. McCowan), Inspection N-06: "3. Backfill of well center satisfactory. 5. No hydrocarbon impacted soils were noted. 7. Site satisfactory. No further remediation work required."	
2010432	Y (ECC)	Documents: 3 Emails: 6	1	60°02'24"N, 117°30'0.6"W	60.0400625, -117.5001875	<b>OD October 30, 2010 H-03 Battery Produced Water and Crude Oil Tank Overflow</b> <b>Original Spill Report:</b> 300 L produced water and 200 L of crude oil spilled - tank overflow. All contaminated soil will be cleaned up and stored in environmental bins at the H-03 site. Spill contained on H-03 battery site. October 31, 2010 G. Hoyme (Paramount) email: "Gage board did not move because of frost on it so the pumps did not start when the level started to rise. Secondary shut down which was the Murphy switch also did not work. Pulled switch and found it to be no good. Over filled the tank and spill and sealed a water/crude oil substance on the ground"	All contaminated soil will be cleaned up and stored in environmental bins at the H-03 site. Spill contained on H-03 battery site. Preliminary Report identifies incident as 2010-120 and file number NT Spill Line #10-432. There is an Incident Check List (Environmental Considerations) for Incident 2010-120 filed out by Janine Bardwell recommending "Close Out".		<b>REQUEST CLOSURE:</b> Formal request to OROGO to close this spill. Include this information and documentation in Proposed Plan Item II., Letter Report. Close Out recommended by NEB Incident Check List (Environmental Considerations) by Janine Bardwell.	
2011012	Y (CER)	Documents: 3 Emails: 4	0	60°02.284"N, 117°30'0.6"W	60.0410625, -117.5016875	<b>OD January 24, 2011 2H-03 Mud Transfer Spill</b> <b>NEB Incident Report:</b> 5m3 of drilling mud being transferred by a vacuum truck operator from the mud tanks on the rig to the 400 barrel storage tank, sprayed out onto the ground when the operator opened what was thought to be a closed valve. 90% of the drilling mud in the vacuum truck was discharged before the valve could be re-capped.	<b>Per NEB Incident Report:</b> Cleanup was immediately done with a front end loader and the vacuum truck. The mud had been tested the previous day for transfer and disposal at CCS Rainbow Lake, AB and was deemed to be inert and non-hazardous. Per Original NT-NU Spill Report: The drilling mud had been tested the previous day for disposal at CCS in Rainbow Lake, Alberta and had been deemed inert and non-hazardous. INAC officers were onsite for a scheduled visit this morning were informed immediately of the spill and asked to inspect the affected area. The officers were satisfied with the clean up undertaken.	OROGO June 10, 2024 Notice letter lists location as N-06. N-06 is significantly north of the coordinate location. Both the Original Spill Report and the Incident File identifies a location near the Battery and specifically in the Incident File as 2H-03. Location correction to the Battery area for 2H-03 is suggested. NEB requested that the spill be reassigned to them as Lead Agency rather than INAC.	<b>REQUEST CLOSURE:</b> There is an NEB Incident Check List (Environmental Considerations) where the recommendation was for "Close Out" per Janine Bardwell. Per September 17-19, 2024 Inspection Report (N. McCowan), Inspection N-06: "3. Backfill of well center satisfactory. 8. No hydrocarbon impacted soils were noted."	Remove pilings. Remove piled lumber.
2012063	Y (ECC)	Documents: 1 Emails: 2	1	Listed on Original Spill Report as: 60° Latitude, 117° Longitude	60.0410625, -117.5214375	<b>OD March 3, 2012 H-03 Plant Site</b> <b>Original Spill Report:</b> Tank was over filled causing an over flow of mixture of 210 L mixed oil and water on to snowy surface. Affected area 30 ft / 30 ft. Environmental Inspection March 8, 2012: The spill was caused when a tank over filled and discharged from the flare stack. It was estimated that 210 litres of produced water (mixture of oil and salt water) spilled on the ground immediately around the flare stack. The majority of the clean up was completed at time of inspection. A small amount of contaminated soil remains around the base of the flare stack which must be removed and hauled to an authorized disposal site (permit condition #126).	Email communication from Rob Walker (INAC) to John Korec (NEB) provides image (.DRF file) and referenced that the spill was headed up by Norm McCowan and Jayda Robillard. March 8, 2012 Inspection: At time of inspection, it is noted that oil was present on the snow around the flare stack. It is required that all contaminated snow be removed from federal lands and hauled to an authorized disposal site in accordance with permit condition #38 and 55. All impacted soils must be tested in the summer of 2012 to determine if additional remediation measures are required. Please provide a copy of the report to this office no later than August 31, 2012. Sep 26 - 27, 2013 Inspection: The majority of the clean up was completed at time of inspection. "A small amount of contaminated soil remains around the base of the flare stack which must be removed and hauled to an authorized disposal site (permit condition #126).		<b>REQUEST CLOSURE:</b> Summary of 2013 - 2024 Environmental Inspection Results 2013 and 2014 inspections: A "small amount of contaminated soil remains at the base of the flare stack". February and March 2015 inspections were conducted during snow covered conditions; no fall inspection that year. 2016 to 2022 Inspections: While other spills were listed for the Battery, none of these five inspection reports referenced spill 12-063 or the presence of contaminated soil at the base of the flare stack: September 15, 2016; September 14-15, 2018; September 18-19, 2019; September 12, 2020, and September 20-23, 2022, 2023. The site was not inspected in September 2023 due to Wildfire SS052 burning in the Cameron Hills. The September 17-19, 2024 inspection at the Battery did not list any spill related observations. "#7. No hydrocarbon impacted soils on the battery site were observed."	