

Bill Peterson  
Senior VP, Development Operations  
Canadian Natural Resources Ltd.  
Suite 2100, 8500 – 2 ST SW  
CALGARY AB T2P 4J8

November 29, 2018

Dear Bill Peterson:

**Information Request No. 2:  
Canadian Natural Resources Ltd. Application  
for an Operations Authorization for Well Abandonments (OA-2018-005)**

On November 26, 2018, the Office of the Regulator of Oil and Gas Operations (OROGO) received a complete application from Canadian Natural Resources Ltd. (CNRL) for an Operations Authorization (OA). The OA covers the proposed abandonment of thirteen wells operated by CNRL in the Fort Liard area. In order to review CNRL's application, OROGO requires additional information, as set out in the attached Information Request No. 2.

Please send your written responses and any associated correspondence to Mr. James Fulford, Chief Conservation Officer, OROGO, by email at [oro.go@gov.nt.ca](mailto:oro.go@gov.nt.ca) or through OROGO's secure file transfer site.

Please submit your response on or before 4:00 p.m. on December 12, 2018. If you are unable to respond within this timeframe or have any questions, please contact me at (867)767-9097 Ext: 78003 or by email at [pauline.dejong@gov.nt.ca](mailto:pauline.dejong@gov.nt.ca).

Sincerely,



Pauline de Jong  
Senior Advisor, Legislation and Policy

**Attachment**

- c. Arly Castillo, Regulatory Coordinator, Canadian Natural Resources Ltd.

**Canadian Natural Resources Ltd. (CNRL)**  
**Application for an Operations Authorization (OA-2018-005)**  
**Information Request No. 2**

**2.1 Insurance Coverage**

**Preamble:** CNRL's OA application package does not include proof of insurance for the proposed activities.

**Request:** Please provide a certificate of insurance confirming CNRL's coverage for the proposed activities.

**2.2 Proof of Financial Responsibility - Basis for Proposed Amount**

**Preamble:** CNRL's application package does not propose an amount of proof of financial responsibility to be held by the Regulator in respect of the proposed activities.

CNRL does not provide an assessment of the risks associated with the abandonment of the thirteen wells covered by the OA.

Section 64(1) of OGOA requires an applicant for an OA to provide proof of financial responsibility in a form and amount satisfactory to the Regulator.

Sections 64(3) and 63 of OGOA describes how the Regulator may make payments from the amount provided as proof of financial responsibility and under what circumstances. Section 64(3) requires that the funds must be available for pay out to claimants at the discretion of the Regulator. It links these payments to the occurrence of a "spill" or the existence of "debris" and the experience of "actual loss or damage" or "costs and expenses".

Section 61 of OGOA defines the terms "spill", "debris" and "actual loss or damage".

**Request:** Please provide:

- (a) CNRL's assessment of the most likely event to occur with the highest potential for "actual loss or damage" or costs and expenses as a result of CNRL's proposed activities;
- (b) A detailed explanation of the amount of proof of financial responsibility proposed for the OA and how this amount was calculated; and
- (c) A draft Irrevocable Letter of Credit (ILOC) in the proposed amount, payable to the Government of the Northwest Territories at OROGO's address, that is automatically extended annually and allows for partial drawings.

### 2.3 Up to Date Financial Statements

**Preamble:** CNRL's OA application package did not include copies of its financial statements in support of its assertions with respect to the company's financial viability.

Section 64(1) of the *Oil and Gas Operations Act (OGOA)* requires an applicant for an OA to provide proof of financial responsibility in a form and amount satisfactory to the Regulator.

**Request:** Please provide a copy of CNRL's:

- Audited financial statements for the most recent fiscal year end; and
- Interim financial statements for the most recent quarter end (if this is different from the most recent fiscal year end).

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ORDEO - JUSTICE		ORO11001V	SERVICE REQUIRED (DESCRIPTION ON BACK) SERVICE REQUIS (DESCRIPTION AU VERSO)		METHOD OF PAYMENT MODE DE PAIEMENT
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TELEPHONE (REQUIRED) / REQUIS (867) 767-9097 EXT: 18001		SHIPPER'S REFERENCE NUMBER / NO. DE RÉFÉRENCE DE L'EXPÉDITEUR	<input checked="" type="checkbox"/> ENVELOPE		<input checked="" type="checkbox"/> ACCOUNT COMPTÉ
CONSIGNEE NAME / NOM DE DESTINATAIRE Canadian Natural Resources		ACCOUNT NUMBER / NO. DE COMPTE	<input type="checkbox"/> GENERAL		<input type="checkbox"/> CREDIT CARD CARTE DE CRÉDIT
ADDRESS / ADRESSE Suite 2100, 8500 - 2ND ST. SW			THIRD PARTY ACCOUNT #		Credit card / Carte de Crédit
CITY / VILLE Calgary		PROVINCE AB	NAME / NOM		Card # / Carte
TELEPHONE (REQUIRED) / REQUIS (403) 517-6700		ATTENTION / À L'ATTENTION DE Bill Peterson	INSURANCE / ASSURANCE IF INSURANCE IS REQUIRED, INDICATE THE AMOUNT TO BE INSURED SI UN ASSURANCE EST REQUIS, INDIQUEZ LE MONTANT ASSURER		Name / Exp. Nom / Exp.
NUMBER OF PIECES NO. DE COPIES 1		WEIGHT / POIDS 1 KG	AMOUNT OF INSURANCE / DECLARED VALUE MONTANT DE L'ASSURANCE / VALEUR DÉCLARÉE		The carrier's liability in the event of loss, damage or delay, whether it be caused by the negligence of the carrier or otherwise, is limited to CAD \$1.10 per kilogram, but not less than CAD \$50.00, unless a higher value for the shipment is declared on the Air Waybill at the time of receipt of the shipment from the shipper.
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COPIE DU CONDUCTEUR