



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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Courier Address: 4th floor, 5201 – 50th Avenue, Yellowknife, NT X1A 3S9

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

October 11, 2019

Dear Bill Peterson:

**Letter of Decision – Proof of Financial Responsibility (OA-2018-005-CNRL)**

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.

The content of this application with respect to Proof of Financial Responsibility was supplemented by CNRL's responses to Information Requests No.2, No.5, No.8 and No.9.

The Regulator, designated under section 121 of the *Oil and Gas Operations Act* (OGOA), may issue an OA under section 10(1)(b) of that act. The Regulator has delegated the power to issue authorizations under section 10(1)(b) of OGOA to me, in accordance with section 8 of that act.

Section 13 of OGOA requires that CNRL provide satisfactory proof of financial responsibility, in accordance with section 64(1) of OGOA, prior to the issuance of an OA.

Having reviewed the information contained in CNRL's OA application and in CNRL's responses to Information Requests issued by OROGO, I find that:

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1. CNRL's scenario of the event most likely to occur with the highest consequence related to the proposed activities is reasonable;
2. CNRL has provided adequate information on the costs associated with addressing this scenario; and
3. CNRL has proposed an adequate amount of Proof of Financial Responsibility (\$680,300).

Please submit a draft Irrevocable Letter of Credit (ILOC) in the amount of \$680,300 to OROGO for review and approval no later than October 21, 2019.

The ILOC should:

- Show as beneficiary "Government of the Northwest Territories, 4<sup>th</sup> floor, 5201-50<sup>th</sup> Avenue, PO Box 1320, Yellowknife, Northwest Territories, X1A 2L9, Canada";
- Be to the attention of "Executive Director, Office of the Regulator of Oil and Gas Operations";
- Allow for automatic renewal with at least 90 days' notice to the Regulator if the ILOC is to be cancelled, not renewed or expire; and
- Allow for multiple partial drawings.

Sincerely,



Pauline de Jong  
Chief Conservation Officer

<b>Buffalo</b> <small>AIR</small> <b>Express</b>		BUFFALO PARCEL COURIER SERVICES LTD., 1000 BUFFALO DRIVE, HAY RIVER, N.W.T. X0E 0R9 PHONE: EDMONTON (780) 455-8283 HAY RIVER (867) 874-3307 CALGARY (403) 271-3887 YELLOWKNIFE (867) 873-2084 GST # 100686765RT0001 TOLL FREE 1 800 465 3168				<b>B 1437246</b>		
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