



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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Derek Warren  
Manager, Stakeholder Relations and Environment  
Obsidian Energy Ltd.  
Suite 200, Penn West Plaza  
207 – 9 AVE SW  
CALGARY AB T2P 1K3

October 1, 2019

Dear Derek Warren:

**Information Request No.2: Obsidian Energy Ltd.  
Additional Technical Information (OA-2019-001-OBS)**

On September 18, 2019, the Office of the Regulator of Oil and Gas Operations (OROGO) received a complete application from Obsidian Energy Ltd. (Obsidian) for an Operations Authorization (OA). The OA covers the proposed abandonment of two wells operated by Obsidian in the Fort Liard area of the Northwest Territories.

In order to review Obsidian'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 me 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 October 11, 2019. If you are unable to respond within this timeframe or have any questions, please contact OROGO at (867)767-9097 or by email at [oro.go@gov.nt.ca](mailto:oro.go@gov.nt.ca).

Sincerely,

Janpeter Lennie-Misgeld  
Senior Advisor, Legislation and Policy

C. Craig Langford, Environmental Coordinator, Obsidian Energy Ltd.

Bureau de l'organisme de réglementation des opérations pétrolières et gazières

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BUREAU DE L'ORGANISME DE RÉGLEMENTATION DES OPÉRATIONS PÉTROLIÈRES ET GAZIÈRES DESTINO

## Information Request No. 2

### Obsidian Energy OA-2019-001-OBS

#### 2.1 Execution Plan

**PREAMBLE:** Section 6(b) of the *Oil and Gas Drilling Production Regulations (OGDPR)* requires submission of an execution plan and schedule as part of the application. Obsidian has proposed a timeline to conduct well abandonments during the 2022/2023 winter season in the cover letter of their application; however, no execution plan and detailed operations schedules were included.

**REQUEST:** To ensure compliance with section 6(b) of the OGDPR, Obsidian is required to submit a detailed execution plan that should include a detailed project schedule that highlights operational milestones and provide schedules for completion of the proposed activity.

#### 2.2 Safety Plan

**PREAMBLE:** On August 15, 2019, Obsidian submitted a Safety Plan with a concordance table; however, this information does not satisfy the requirements of section 8 of the OGDPR. Obsidian's Safety Plan provides insufficient detail to meet the requirements of Section 8(c),(d),(e) and (f) of the OGDPR as no project specific information was included that describes potential hazards, risk evaluations and safety measures to avoid, prevent, reduce and manage safety risks.

The Safety Plan and concordance table references the "Safety Management Accident Reduction Tactics-SMART" documentation which was not provided as part of this submission.

Additionally the concordance table references the *Canada Oil and Gas Operations Act* instead of the *Oil and Gas Operations Act* and associated regulations.

**REQUEST:** To ensure compliance with section 8 of the OGDPR, Obsidian is required to submit:

1. An updated Safety Plan and concordance table that fulfill the requirements listed in section 8 of the OGDPR and correct Northwest Territories legislative references; and
2. A copy of the Safety Management Accident Reduction Tactics-SMART documents for the project.

#### 2.3 Environmental Protection Plan

**PREAMBLE:** On August 15, 2019, Obsidian submitted an Environmental Protection Plan (EPP) that was submitted originally in a copy of the Land Use Permit Application provided to OROGO. The plan does not provide sufficient detail to meet the

requirements of section 9(a),(f),(g) and (k) of the OGDPR, related to management systems, organization structures, procedures for selection / evaluation / use of chemicals and how compliance with the plan will be monitored.

**REQUEST:** To ensure compliance with section 9 of the OGDPR, Obsidian must provide an updated EPP and concordance table that fulfill all the requirements of Section 9 (a), (f), (g) and (k) of the OGDPR.

#### **2.4 Drilling Installation/Well Control**

**PREAMBLE:** Obsidian's submission did not provide information about the anticipated well control equipment to be utilized for well abandonment, as is required by section 6(g) of the OGDPR. The class / pressure rating of the well control equipment necessary to conduct safe well bore abandonments must be provided as part of the OA application.

**REQUEST:** To ensure compliance with section 6(g) of the OGDPR, Obsidian must provide the anticipated class / pressure rating for the well control equipment for this operation, along with a discussion noting the engineering basis for equipment class selection.

#### **2.5 Contingency Plan**

**PREAMBLE:** Obsidian provided its Corporate Emergency Response Plan as part of the application, but has not provided a copy of the Obsidian Energy Site Specific Emergency Response Plan referenced in the Safety Plan concordance table. The submitted Corporate Emergency Response Plan does not provide information required by section 6(j) of the OGDPR. The information provided does not contemplate resources required on site or the remote nature of operating in this area, nor reference OROGO or other regulatory bodies in the Northwest Territories.

**REQUEST:** To ensure compliance with section 6(j) of the OGDPR, Obsidian must provide a site specific ERP that contemplates the locally available resources and regulatory framework in place in the NWT.

#### **2.6 Site Decommissioning and Abandonment**

**PREAMBLE:** Obsidian provided their Land Use Permit (LUP) application as part of this application. The LUP application addresses surface land restoration and access but does not include information on subsurface abandonment of the wells or associated facilities.

**REQUEST:** To ensure compliance with section 6(k) of the OGDPR, Obsidian must provide information on the anticipated decommissioning and abandonment of these well sites that satisfies section 6(k) of the OGDPR.

## **2.7 Waste Management Plan**

**PREAMBLE:** On May 15, 2019, Obsidian provided a Waste Management Plan (WMP) as part of this application. The WMP identifies the following waste disposal/treatment options:

1. Table 5.1, Page 7, states fluids encountered during well abandonment will be placed back in the wellbore; and
2. Table 5.1, Page 8, states hardened cement may be buried at the well centre.

OROGO's *Well Suspension and Abandonment Guidelines and Interpretation Notes (Guidelines)* require that an abandoned wellbore should be circulated with non-saline water. Disposal of hardened cement at the well site is not an acceptable site restoration method as required under section 6(k) of the ODGPR. Any contaminated well-bore fluids and hardened cement would need to be handled safely and removed to an approved industrial waste disposal facility.

**REQUEST:** Obsidian must provide an updated Waste Management Plan that meets the requirements of section 6(k) of the ODGPR and the Guidelines.

## **2.8 Water Wells**

**PREAMBLE:** Sections 5.2.2 and 5.7 of the LUP application provided by Obsidian identify the existence of 2 water wells at the C-31A well site. Obsidian also states that these wells could be used during abandonment operations as a water source and that once operations are completed, the water wells will be abandoned by packing the casing with bentonite to the entire depth of the each well. No specific information on the current status and depth of these wells was provided.

**REQUEST:** Obsidian will provide details on the current status and depth of the two water wells located near the C-31A well. This will allow OROGO to determine if the abandonment of these wells is subject to the *Oil and Gas Operations Act* and associated regulations.



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