



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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Craig Dansereau  
Field Regulatory Coordinator  
Obsidian Energy Ltd.  
Suite 200, Penn West Plaza  
207 – 9 AVE SW  
CALGARY AB T2P 1K3

February 21, 2020

Dear Craig Dansereau:

**Information Request No.5: Obsidian Energy Ltd.  
Proof of Financial Responsibility Additional 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.

On October 1, 2019 OROGO issued Information Request No. 1 which requested information from Obsidian with respect to Proof of Financial Responsibility (PFR). Obsidian submitted a response to Information Request No. 1 on February 7, 2020. OROGO has reviewed the information provided by Obsidian on PFR and requires additional information in order to complete its review of Obsidian's OA application, as set out in the attached Information Request No. 5.

Please send your written responses and any associated correspondence to me by email at [oroogo@gov.nt.ca](mailto:oroogo@gov.nt.ca) or through OROGO's secure file transfer site.

Please submit your response on or before 4:00 p.m. on March 6, 2020. If you are unable to respond within this timeframe or have any questions, please contact OROGO at (867)767-9097 or by email at [oroogo@gov.nt.ca](mailto:oroogo@gov.nt.ca).

Sincerely,

Janpeter Lennie-Misgeld  
Senior Advisor, Legislation and Policy

c. Steve Sterling, 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 DESTINÉ

**Information Request No. 5**

**Obsidian Energy OA-2019-001-OBS**

**5.1 Proof of Financial Responsibility**

**Preamble:**

In Information Request No. 1, Obsidian Energy Ltd., was asked to provide the following:

- (a) Obsidians' 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 Obsidian's proposed activities;
- (b) Based on request (a), an estimate for the cost to a third party of cleaning up a spill associated with abandonment of the 2 wells. The cost estimate should include costs for establishment of camp facilities, access roads and other infrastructure that would be required to complete clean-up operations, as well as the clean-up itself and disposal of any contaminated materials.

Obsidian noted in its response that the likelihood of spills occurring from wellbore decommissioning is negligible and that if a spill occurred, clean up would be initiated immediately by crews already on-site.

Section 64(3) of OGOA states that the Regulator may make payments out of funds held as proof of financial responsibility in the event of a claim for actual loss or damage, or costs and expenses incurred by a third party to clean up a spill or debris attributable to an authorized activity.

**Request:**

Please provide an estimate for the cost to a third party of cleaning up a spill as identified in Obsidian's response to Information Request No. 1. The cost estimate should include costs for establishment of camp facilities, access roads and other infrastructure that would be required to complete clean-up operations, as well as the clean-up itself and disposal of any contaminated

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