



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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

October 26, 2020

Dear Craig Langford:

Additional Information - Decision - Proof of Financial Responsibility (OA-2019-001-OBS)

On October 16, 2020, I issued my decision on the amount of Proof of Financial Responsibility required in association with the Operations Authorization (OA) applied for by Obsidian Energy Ltd. (Obsidian) (OA-2019-001-OBS).

On October 21, 2020, the Office of the Regulator of Oil and Gas Operations (OROGO) received an email from Obsidian requesting information on how the cost of access to the site by a third-party in a future work season was determined.

My decision indicates that the site access costs used were previously deemed reasonable for another well site on the same all season road as the North Liard C-31A well, but slightly closer to Fort Liard. The well in question is the Liard P-16 well, operated by Canadian Natural Resources Ltd. (CNRL), which is to be abandoned during the same winter work season (January to March 2021) as the North Liard C-31A well, under OA-2018-005-CNRL. Documents associated with OA-2018-005-CNRL can be found on OROGO's public registry at www.oro.go.gov.nt.ca. CNRL's response to Information Request No. 9 describes the range of possible access costs for a third-party clean-up at the Liard P-16 wellsite and my decision on Proof of Financial Responsibility shows that I used the maximum access cost identified (\$400,000) to set the Proof of Financial Responsibility required for OA-2018-005-CNRL. I used the same maximum access cost to set the Proof of Financial Responsibility for OA-2019-001-OBS, as the Liard P-16 well is near the North Liard C-31A well on the same all season road, although the North Liard C-31A well is slightly further from Fort Liard.

If Obsidian remains dissatisfied with this decision and wishes to take further action, it may apply for judicial review in the Northwest Territories Supreme Court.

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If not, please provide a draft Irrevocable Letter of Credit, as described in my decision, to OROGO no later than October 30, 2020.

Sincerely,



Pauline de Jong
Regulator

C Steve Sterling, Obsidian
Craig Dansereau, Obsidian
Regulatory@obsidian.com