



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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Aaron V. Smith
Senior Vice President, Development and Operations
Obsidian Energy Ltd.
Suite 200, Penn West Plaza
207 – 9 AVE SW
CALGARY AB T2P 1K3

December 15, 2020

Dear Aaron V. Smith:

Decision – Deferral of Abandonment Program, Fort Liard Area (OA-2019-001-OBS)

On October 23, 2020, the Office of the Regulator of Oil and Gas Operations (OROGO) received a letter from Obsidian Energy Ltd. (Obsidian) requesting that the requirement to abandon the North Liard C-31A (WID 1907) well by April 1, 2021 be deferred until 2022 as a result of potential risks to Obsidian's employees, contractors and the public due to the COVID-19 pandemic.

In a letter dated October 26, 2020, OROGO requested that Obsidian submit a COVID-19 Plan to the NWT Chief Public Health Officer (CPHO) for conducting the required well abandonments in accordance with relevant Public Health Orders and guidance. Obsidian submitted a COVID-19 Plan to the CPHO for consideration on November 30, 2020.

On November 24, 2020, I issued my decision approving Operations Authorization OA-2019-001-OBS for the abandonment of the North Liard C-31A and Fort Liard K-32 wells in the Fort Liard Area during the 2021 winter season.

Since then, the NWT Chief Public Health Officer (CPHO) has clarified that, based on the potential risk of COVID-19 transmission into the NWT and the rising number of cases in most jurisdictions, which increases the transmission risk to the NWT, she supports deferring well abandonment programs planned for winter 2021 to winter 2022.

I hereby approve Obsidian's request to defer the abandonment program authorized under OA-2019-001-OBS until the first quarter of 2022. OROGO will review the conditions of OA-2019-001-OBS and well inspection and monitoring requirements in light of this decision.

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Given the non-compliant suspended status of the North Liard C-31A well, OROGO will review its well records, including the most recent well inspection reports, and contact Obsidian to discuss any additional steps that may need to be taken to ensure this well remains secure until the 2022 operating season.

If you have any questions, please contact Peter Lennie-Misgeld, Senior Advisor, Legislation and Policy at (867) 767-9097 or by email at orogo@gov.nt.ca.

Sincerely,



Pauline de Jong
Regulator

c. Craig Langford, Environmental Coordinator, Obsidian Energy