

OPERATIONS AUTHORIZATION

Subject to the terms listed below, authorization is granted under Section 10 of the *Oil and Gas Operations Act* and Part 2 of the *Oil and Gas Drilling and Production Regulations* to

Company Name	Company Operating Licence #
Obsidian Energy Ltd.	NWT-OL-2014-015
Responsible Officer and Title	
Aaron V. Smith, Senior Vice President, Development and Operations	


to proceed with the works and activities described in its May 7, 2019 application for

Scope of Work	Settlement Area or Region
Abandonment of the North Liard C-31A and Fort Liard K-32 wells	Dehcho

This authorization, originally issued on November 24, 2020, has been varied by the Regulator or its delegate under Section 10 of the *Oil and Gas Operations Act* and may be further so varied.

This authorization expires on October 31, 2024.

Dated at Yellowknife, Northwest Territories on December 17, 2020.

Name of Regulator / Delegate	
Pauline de Jong	
Title Regulator	

ADDITIONAL TERMS

1. Obsidian Energy Ltd. shall cause the approved work and activities to be conducted in accordance with the requirements of the *Oil and Gas Operations Act* and the *Oil and Gas Drilling and Production Regulations*, as well as any other acts or legislation as may apply.
2. Obsidian Energy Ltd. shall cause the approved work and activities to be conducted in accordance with any guidelines and/or interpretation notes issued by the Regulator under section 18 of the *Oil and Gas Operations Act*.
3. Obsidian Energy Ltd. shall cause the approved work and activities to be conducted in accordance with the specifications, standards and other information referred to in its application and subsequent submissions.
4. Obsidian Energy Ltd. shall request approval from the Regulator prior to undertaking any change to or deviation from the authorized work or activities, including but not limited to key personnel, the safety plan, the environmental protection plan and contingency plans.
5. Pursuant to section 67 of the *Oil and Gas Drilling and Production Regulations*, Obsidian Energy Ltd. is approved to conduct controlled venting of sweet gas as part of well kill operations at a maximum daily flow rate of $100 \times 10^3 \text{ m}^3/\text{day}$ for a maximum daily duration of 4.0 hours per day. Obsidian Energy Ltd. shall include the volume, flow rate and composition of any amount of vented gas in its daily report to OROGO. Flaring and/or venting of any volume, daily flow rate and/or duration greater than the approved maximum daily flow shall be reported to OROGO as an incident under section 75 of the *Oil and Gas Drilling and Production Regulations*.
6. Pursuant to section 6(j)(i) of the *Oil and Gas Drilling and Production Regulations*, Obsidian Energy Ltd shall submit for approval, before the start of operations and no later than January 11, 2021, an updated Contingency Plan that consolidates the contingency planning information provided in its application and subsequent submissions into a single document with a comprehensive table of contents. The Contingency Plan must provide detailed and comprehensive coordination measures, procedures and communications protocols for coordinating emergency response with identified municipal, territorial, aboriginal and federal governments.
7. Pursuant to section 6 of the *Oil and Gas Drilling and Production Regulations*, Obsidian Energy Ltd. shall provide, before the start of operations and no later than January 11, 2021, an updated Safety Plan that consolidates the safety planning information provided in its application and subsequent submissions into a single document that includes a concordance table identifying where the requirements of section 8 of the *Oil and Gas*

Drilling and Production Regulations are met within the consolidated Safety Plan. The concordance table must specify the following for each requirement: full document name, date, section and page number.

8. Pursuant to section 6 of the *Oil and Gas Drilling and Production Regulations*, Obsidian Energy Ltd. shall provide, before the start of operations and no later than January 11, 2021, an updated Environmental Protection Plan that consolidates the environmental protection planning information provided in its application and subsequent submissions into a single document that includes a concordance table identifying where the requirements of section 9 of the *Oil and Gas Drilling and Production Regulations* are met within the consolidated Environmental Protection Plan. The concordance table must specify the following for each requirement: full document name, date, section and page number.
9. Pursuant to section 9(d) of the *Oil and Gas Drilling and Production Regulations*, Obsidian Energy Ltd. shall submit for approval, before the start of operations and no later than January 11, 2021, a comprehensive plan that identifies environmental risks and mitigation measures. The plan must address, but not be limited to, the storage, transfer, use and transportation of fuel/chemicals. This submission must be included in the updated Environmental Protection Plan identified in condition 8.
10. Pursuant to section 9(e) of the *Oil and Gas Drilling and Production Regulations*, Obsidian Energy Ltd. shall submit for approval, before the start of operations and no later than January 11, 2021, a comprehensive list of all structures, facilities, equipment and systems critical to environmental protection. This must include on site resources that are independent of any other oil and gas operations active in the area and are sufficient to mitigate environmental risks identified in the plan required in condition 9. This submission must be included in the updated Environmental Protection Plan identified in condition 8.
11. Obsidian Energy Ltd. shall provide all staff and contractors for this program with its Emergency Response Plan and the OROGO 24-hour Incident Reporting phone number (867-445-8551) prior to commencing any work or activity.
12. Obsidian Energy Ltd. shall submit to OROGO an updated operator contact list for this program prior to any work or activity.