



January 30, 2021

Office of the Regulator of Oil and Gas Operations
Government of the Northwest Territories
4th Floor Northwest Tower
5201 – 50th Avenue
Yellowknife NT X1A 3S9
Sent via email only to: OROGO@gov.nt.ca

RE: Non-Compliance with Operations Authorization (OA-2019-001-OBS)

Ms. de Jong,

Obsidian Energy Ltd (“Obsidian”, “we”, “our”) is in receipt of the Notice Letter from OROGO dated January 22, 2021 related to the Extension Request for Reporting under the conditions of our Authorization Approval OA-2019-001 and acknowledge OROGO’s determination that we are non-compliant with the *Oil and Gas Operations Act*.

In its letter dated January 22, 2021, OROGO stated:

Therefore, I deny Obsidian’s request for an extension to the deadline for the submission of the updated plans required under conditions 6, 7, 8, 9 and 10 of OA-2019-001-OBS variation #2 and notify Obsidian that it is non-compliant and will remain so until conditions 6, 7, 8, 9 and 10 of OA-2019-001-OBS variation #2 are satisfied.

For convenience, the conditions are listed below in a simplified format.

- An updated and consolidated Contingency Plan,
- An updated and consolidated Safety Plan,
- An updated and consolidated Environmental Protection Plan,
- A comprehensive environmental risk and mitigation measures summary, and,
- A comprehensive list of all structures, facilities, equipment and systems critical to environmental protection.

In order to remedy this non-compliance and satisfy conditions 6, 7, 8, 9, and 10 of OA-2019-001-OBS variation #2, Obsidian submits the following:

- The additional terms for the subject OA above are necessarily complex and detailed, and require access to onsite paper records to be properly constructed. Our requested deadline extension did not provide sufficient time to satisfy OROGO's conditions in light of the current Orders issued by Alberta's Chief Medical Officer of Health. These Orders, amongst other requirements, state that "employers shall require a worker to work from their private residence unless the employer determines the worker's physical presence at the workplace is required to effectively operate the workplace." ([Order 42-2020](#))
- Further, the information needed to satisfy OA conditions 9 & 10 requires the completion and approval of the *Alteration of the Condition of a Well* ("ACW") for both wells. Obsidian was granted an extension to the ACW deadline to February 1, 2021. This date is in conflict with OROGO's deadline for the submission of our responses to the OA conditions. The complexities of these submissions make it possible that OROGO may issue subsequent information requests to Obsidian on the ACWs.
- Given that OROGO has previously extended the abandonment deadline under this OA to the first quarter of 2022, **we respectfully request an extension to March 31, 2021 to submit the updated plans.** This extension will ensure the quality of our submission to OROGO and provide OROGO ample time to review and comment on any related submissions prior to commencing abandonment activities.

If you require any additional information or clarification to support this request, I can be contacted directly at (403) 539-6302, at any time convenient for you.

Respectfully,

OBSIDIAN ENERGY LTD.

A handwritten signature in black ink, appearing to read 'Aaron Smith', with a stylized flourish at the end.

Aaron Smith, P.Eng.
Senior Vice President, Development & Operations