



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

P.O. Box 1320, Yellowknife, NT X1A 2L9

Tel: 867-767-9097 • Fax: 867-920-0798 • Web: [www.oro.go.gov.nt.ca](http://www.oro.go.gov.nt.ca)

Courier Address: 4th floor, 5201 – 50th Avenue, Yellowknife, NT X1A 3S9

Brad Likuski  
Vice President, Operations  
Prairie Provident Resources Canada Ltd.  
1110, 640 – 5th AVENUE SW  
CALGARY AB T2P 3G4

June 30, 2021

Dear Brad Likuski:

**Information Request No. 1: Prairie Provident Resources Canada Ltd.  
Proof of Financial Responsibility - Additional Information Required (OA-2021-001-PPR)**

On June 28, 2021, the Office of the Regulator of Oil and Gas Operations (OROGO) received a complete application for an Operations Authorization (OA) for the abandonment of the Mount Coty 2K-02 (WID 1993) and S. Pointed Mountain L-68 (WID 1207) wells near Fort Liard from Prairie Provident Resources Canada Ltd (Prairie Provident).

OROGO has reviewed the information provided by Prairie Provident in its OA application in relation to Proof of Financial Responsibility and requires additional information in order to complete its review of Prairie Provident's OA application, as set out in the attached Information Request No. 1.

Prior to responding to this Information Request, please review the [Proof of Financial Responsibility Guidelines and Interpretation Notes](#) issued by the Regulator on April 9, 2021.

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

Please submit your response on or before 4:00 p.m. on July 21, 2021. If you are unable to respond within this timeframe or have any questions, please contact OROGO at (867) 765-8160 or by email at [oro.go@gov.nt.ca](mailto:oro.go@gov.nt.ca).

Sincerely,

Janpeter Lennie-Misgeld  
Senior Advisor, Legislation and Policy

**Prairie Provident Resources Canada Ltd. OA-2021-001-PPR**

**Application for an Operations Authorization**

**Mount Coty 2K-02 and S. Pointed Mountain L-68 Wells**

**Information Request No.1**

**1.1 Proof of Financial Responsibility**

**Preamble:**

In its OA application, Prairie Provident Resources Canada Ltd. (Prairie Provident) provided the following information on Proof of Financial Responsibility (PFR):

- Treating fluids used during abandonment operations will primarily be fresh water. For the proposed operations there will be no testing or stimulations, which would result in the flow back of reservoir fluids.
- No chemicals will be used to stimulate the reservoirs. All fluids, including fluids circulated from the well during the operation will be contained in temporary storage vessels on location (tanks, fluid hauling trucks), and will be emptied at the end of operations.
- Prairie Provident estimated amount of PFR is \$ 46,020.00, which included the following costs:

<b>Service</b>	<b>Units</b>	<b># Units</b>	<b>Unit Price</b>	<b>Total</b>
Access	Existing	0	0	0
Camp/Accommodations	Existing	0	0	0
Hydrovac		2 days	\$ 2,000.00	\$ 4,000.00
Project Management	20	hours	\$ 150.00	\$ 3,000.00
Spill Professional	35	hours	\$ 90.00	\$ 3,150.00
Reporting	10	hours	\$ 90.00	\$ 900.00
Geomatics	5	hours	\$ 80.00	\$ 400.00
Vehicle day rate	3	days	\$ 150.00	\$ 450.00
Mileage	1500	km	\$ 1.00	\$ 1,500.00
Sampling/Laboratory/Environmental Services	10	samples	\$ 450.00	\$ 4,500.00
Removal & Disposal of Contaminated Materials	50	m <sup>3</sup>	\$ 350.00	\$ 17,500.00
Subtotal				\$ 35,000.00
Contingency			30%	\$ 10,620.20
<b>Total</b>				<b>\$ 46,020.00</b>

**Request:**

Please provide the following information:

- A description of any potential impacts of the worst case scenario on Indigenous and other land use; and

- An estimate of the amount of loss or damage that would occur if the spill or debris were not cleaned up to the Regulator's satisfaction, including information on how this estimate was developed and who was involved in its development.

### **1.1.1 Third Party Clean-Up Costs**

#### **Preamble:**

Proof of Financial Responsibility, as required under Section 64. (1) of the *Oil and Gas Operations Act*, is intended to compensate the Government of the Northwest Territories or another third party in the event that Prairie Provident does not adequately clean up a spill or debris.

The compensation may be for costs and expenses incurred cleaning up the spill or debris. It may also be for loss or damages incurred as a result of the spill or debris. Such a spill or debris may not come to light until after the winter work season during which it occurred. In its OA application, Prairie Provident estimates that it will cost \$ 46,020.00 to clean-up a spill, but no information is provided on third party clean-up costs.

#### **Request:**

Please provide an estimate for a third party to clean-up the worst case scenario that could occur from a spill or debris during the operation. This estimate should include the following information on third party costs:

- Crew costs;
- Accommodation costs for the crew, either in a camp, hotel or other facility;
- Equipment cost to obtain and hire equipment for the removal of contaminated material or other waste;
- Sampling costs to conduct sampling required to demonstrate that the clean-up has been completed effectively;
- Transportation and disposal costs to transport the contaminated material or other waste to an approved disposal site and dispose of it;
- Access costs to access the well site in order to complete the clean-up. Identify the season of access (summer or winter), the types of access (aircraft, barge, winter road, etc.), and the length and cost per kilometer of any roads to be constructed; and
- Indirect costs, including:
  - Project management;
  - Regulatory approvals;
  - Financial, administrative; and
  - Other relevant costs.