



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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

July 21, 2021

Dear Brad Likuski:

**Information Request No. 2: 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 issued Information Request No. 1 on June 30, 2021 and Prairie Provident provided additional information on July 19, 2021. OROGO has reviewed the information provided by Prairie Provident 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. 2.

Please send your written responses and any associated correspondence to me by email at 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 August 11, 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.

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.2

1.1 Proof of Financial Responsibility

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.

In Information Request No. 1, OROGO requested that Prairie Provident Resources Canada Ltd. (Prairie Provident) provide a description of any potential impacts of the worst-case scenario on Indigenous and other land use; however, Prairie Provident did not provide this information.

Section 6 of the [Proof of Financial Responsibility Guidelines and Interpretation Notes](#) clearly state that Proof of Financial Responsibility estimates submitted to the Regulator must include “a description 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”.

Request:

Please provide 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.

1.2 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. Estimates of third party costs cannot assume that existing access can be used and cost estimates need to

include costs for construction of new access in the event that a spill occurs outside of the timeframe of abandonment operations. This also includes camp and accommodation costs.

Section 6 of the [Proof of Financial Responsibility Guidelines and Interpretation Notes](#) clearly state that access costs need to be included in any Proof of Financial Responsibility estimates submitted to the Regulator.

Request:

Please provide the following information:

An estimate of the cost to clean-up the worst case scenario that could occur from a spill or debris during the operation which includes the following information on third party costs:

- Estimate for a third party to construct new access in the event that a spill is found or occurs after the winter work season is completed; and
- Camp or accommodation costs to house third party personnel.