



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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Chris Moger
Surface Landman
Suncor Energy Inc.
P.O. Box 2844
150 – 6th Avenue S.W.
Calgary, Alberta T2P 3E3

June 9, 2021

Dear Chris Moger:

**Information Request No. 1: Suncor Energy Inc.
Proof of Financial Responsibility - Additional Information Required (OA-2021-002-SUN)**

On June 1, 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 Tathlina N-18 well (WID0790) in the South Slave Area from Suncor Energy Inc. (Suncor).

OROGO has reviewed the information provided by Suncor in its OA application in relation to Proof of Financial Responsibility and requires additional information in order to complete its review of Suncor'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 oroogo@gov.nt.ca or through OROGO's secure file transfer site.

Please submit your response on or before 4:00 p.m. on June 29, 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 oroogo@gov.nt.ca.

Sincerely,

Janpeter Lennie-Misgeld
Senior Advisor, Legislation and Policy

c. Margot Ferguson, Envirosearch Ltd.

Suncor Energy Inc. OA-2021-002-SUN
Application for an Operations Authorization
Tathlina N-18 Well
Information Request No.1

1.1 Proof of Financial Responsibility

Preamble:

In its OA application, Suncor Energy Inc. provided the following information on Proof of Financial Responsibility (PFR):

- To support operations, diesel fuel will be onsite with a tank up to 30m³ for storage. The approved tanks will follow strict regulations to ensure minimizing any risks of spills;
- Should a spill occur, Suncor will enable its Emergency Response Plan w/site specific Instructions;
- Site Trailers will be on location to support the operation with appropriate tanks to support grey water and wastewater;
- Risk of spill from vehicles will be minimal, as drip trays will be used for vehicles parked for extended periods. On site spill kits will be available and similar clean-up strategies will be used for removal and disposal of contaminated snow at an approved waste disposal facility.
- The worst case scenario would be a diesel spill from the largest tank on site;
- Suncor's Spill Response Plan and construction equipment is already located within the project area will ensure that the Emergency Response Plan is activated in a timely manner;
- Suncor's estimated amount of PFR is \$ 250,000.00, which included the following costs:
 - Environmental specialist, including mobilization - \$ 25,000.00.
 - Civil equipment response - \$ 55,000.00 (5 days @ 11,000/day).
 - Transportation of contaminated snow/ice - \$ 120,000.00 (80 m³).
 - Operational and Environmental Contingency - \$ 50,000.00.

Request:

Please provide the following information:

- A description of the worst-case scenario that could occur from a spill or debris during the operation (for example, for a spill, identify the maximum possible volume and most damaging form of petroleum);

- 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 Suncor 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, Suncor estimates that it will cost \$ 250,000 to clean-up a spill, but no information is provided on third party crew 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. Please ensure that the estimated costs for a third party are reflective of the scope of the operation and the site specific conditions at the Tathlina N-18 well, as Suncor has included identical amounts for the estimates of PFR in both the OA applications for the Tathlina N-18 well and the Colville Tweed Lake M-47, A-67, and Bele O-35 wells when the scope of these two abandonment operations is significantly different.

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.