



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.orogo.gov.nt.ca

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

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

August 5, 2022

Dear Chris Moger:

Decision: Proof of Financial Responsibility (OA-2021-003-SUN)

On May 31, 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 Tweed Lake M-47 (WID1476), Tweed Lake A-67 (WID1555) and Bele O-35 (WID1600) wells in the Sahtu Settlement Area from Suncor Energy Inc. (Suncor).

On October 26, 2021, OROGO deferred consideration of Suncor's application pending confirmation of approval or waiver of the Benefits Plan for the proposed activity, as required under section 17(2) of the *Oil and Gas Operations Act* (OGOA). Confirmation was received from Suncor on August 3, 2022.

Section 13 of OGOA requires that Suncor provide satisfactory proof of financial responsibility, in accordance with section 64(1) of OGOA, prior to the issuance of an OA.

Sections 61 - 64 of OGOA describe the operator's responsibilities in the event of a spill or debris and what steps may be taken by the Regulator if the operator does not fulfill those responsibilities. These sections also describe the operator's liability, without proof of fault or negligence, for losses or damages resulting from and costs and expenses associated with clean-up of any spill or debris.

Third parties may make a claim through the courts under section 63 up to the maximum amount specified in the *Oil and Gas Spills and Debris Regulations*. Proof of financial responsibility is the amount held by the Regulator to respond to such claims under section 64(3) without going through the court process. If the Regulator does not hold the maximum amount of proof of financial responsibility, claims may still be pursued through the courts for the remaining funds, up to the maximum amount.

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Having reviewed the information contained in Suncor's OA application, I find that:

- Suncor has demonstrated the financial capacity to address any issues that may arise during the proposed activities;
- Suncor provided a scenario of the event most likely to occur with the highest consequence related to the proposed activities in its application;
- Suncor's risk analysis for its proposed activities provides sufficient information on the likelihood and severity of potential risks for me to make a decision on proof of financial responsibility; and
- Suncor has proposed an adequate amount of proof of financial responsibility (\$1,315,255.00).

Please submit a draft Irrevocable Letter of Credit (ILOC) in the amount of \$1,315,255.00 to OROGO for review no later than September 22, 2022. The ILOC should:

- Show as beneficiary "Government of the Northwest Territories, 4th floor, 5201-50th Avenue, PO Box 1320, Yellowknife, Northwest Territories, X1A 2L9, Canada";
- Be to the attention of "Executive Director, Office of the Regulator of Oil and Gas Operations";
- Allow for automatic renewal with at least 90 days' notice to the Regulator if the ILOC is to be cancelled, not renewed or expire; and
- Allow for multiple partial drawings.

If you have any questions, please do not hesitate to contact OROGO at orogo@gov.nt.ca or by phone at 867-767-9097.

Sincerely,



Pauline de Jong
Regulator

- c. Margot Ferguson, Envirosearch Ltd.
Paul Carpentier, Suncor