



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

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Director Development – Legacy Properties
E&P & In Situ
Suncor Energy Inc.
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December 19, 2022

Dear John Hawkins and Lai-Shang Woo:

Decision: Extension of Abandonment Deadline for Wells in the Sahtu Settlement Area

The Office of the Regulator of Oil and Gas Operations (OROGO) recently received requests from MGM Energy (MGM) and Suncor Energy Inc. (Suncor) (the operators) to delay abandonment of the wells listed below in Table 1 to March 31, 2025.

Table 1: Well Subject to Delayed Abandonment Requests

Operator	Wells
MGM	Nogha C-49 (WID1934), West Nogha K-14 (WID2006), Nogha B-23 (WID1998), Lac Maunoir C-34 (WID1995), Lac Maunoir E-35 (WID2021), Nogha M-17 (WID1970), and East Mackay I-78 (WID2078)
Suncor	Tweed Lake M-47 (WID1475), Tweed Lake A-67 (WID1555), and Bele O-35 (WID1600)

The abandonment deadline for these wells is currently March 31, 2024.

Any other oil and gas infrastructure associated with these wells must be abandoned-in-place (subsurface infrastructure) or removed (surface facilities or infrastructure) within 12 months of completing the well abandonments, to the satisfaction of the Regulator.

The operators make the following arguments in favour of deferring the well abandonments to March 31, 2025:

1. Local contractors are not available to provide equipment and services in winter 2023, resulting in potential impacts on operational safety and economic benefits to local communities.

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2. Deferring the abandonments for both operators in the area allows them to continue to work together, resulting in increased safety of operations and a smaller environmental footprint.

I have considered the operators' arguments in relation to section 2 of the *Oil and Gas Operations Act*, which establishes the purpose of the Act and, therefore, of the Regulator. The Regulator's mandate is primarily to promote human safety and protect the environment. The Regulator does not have an economic mandate related to the oil and gas industry.

Human Safety

Suncor's Environment, Health and Safety (EH&S) Policy was approved as part of its Operations Authorization application. The EH&S Policy requires all contractors to meet or exceed Suncor's commitment to a healthy and safety workplace. This involves a pre-qualification and review process which could take up to 12 months to complete.

The operators' planned contractor for the 2023 winter season is no longer available. I agree that there is no longer time for Suncor to bring in a different contractor to complete the planned winter 2023 operations while meeting the requirements of its EH&S Policy.

I also agree that there may be some limited reduction in safety risk associated the operators working together to complete these abandonments.

Environmental Protection

I agree that having operators work together to complete the abandonments would reduce the environmental footprint of the activity in comparison with having two separate abandonment operations, particularly as the operators plan to share a winter access road.

If granted, the requested extension would mean the wells in Table 1 would be suspended for a year longer than previously approved and between two and six years longer than originally stated in the *Well Suspension and Abandonment Guidelines and Interpretation Notes* (Guidelines). Therefore, the condition of the wells is a factor in my decision.

The three Suncor wells listed in Table 1 are compliant suspended wells. Suncor must inspect these wells every five years or before the abandonment of the well, whichever comes first. The last inspection was in 2019. No concerns were identified. Gas migration testing for these wells has been completed and no gas migration was identified.

Of the seven MGM wells listed in Table 1, five are compliant suspended wells and two are non-compliant suspended wells because of downhole barriers that do not meet the requirements of the Guidelines.

MGM must inspect the five compliant suspended wells every three years or before the abandonment of the well, whichever comes first. The last inspection was in September 2021. No concerns were identified.

MGM must inspect the two non-compliant suspended wells twice a year. The last inspection was in July 2022. No concerns were identified.

Gas migration testing for all seven MGM wells has been completed and no gas migration was identified.

The three Suncor wells and the five compliant suspended MGM wells listed in Table 1 are due for inspection in 2024. Because these wells are compliant with the Guidelines, show no signs of gas migration or other concerns, and will be inspected within approximately 18 months, I find the risk to the environment of the requested extension is low.

With respect to the remaining two, non-compliant suspended MGM wells listed in Table 1, the risk to the environment of the requested extension is slightly higher, although recent inspections show no gas migration or other concerns. However, I find the existing, twice a year inspection schedule is sufficient to monitor the status of these wells and allow for a timely response to any concerns.

Other Arguments

The other arguments presented by the operators relate to the economic benefits available to local communities from participation in the abandonment operations. While this is a valid objective, it does not fall under the Regulator's mandate and, therefore, does not have a bearing on this decision.

Decision

Based on my consideration of the arguments made by MGM and Suncor, I find that the operators have made a reasonable case for delaying the abandonment of the wells listed in Table 1 to March 31, 2025.

Therefore, I extend the deadline for the abandonment of the wells listed in Table 1 to March 31, 2025.

Any other oil and gas infrastructure associated with these wells must be abandoned-in-place (subsurface infrastructure) or removed (surface facilities or infrastructure) within 12 months of completing the well abandonments, to the satisfaction of the Regulator.

Any variations to the end dates of the Operations Authorizations and Well Approvals in place for these activities will follow in the first quarter of 2023.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Pauline de Jong', written in a cursive style.

Pauline de Jong
Regulator

- c. Paul Carpentier, Suncor Energy Inc.
Greg Hundseth, Suncor Energy Inc.