



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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Sherri Evers
Vice President
Imperial Oil Limited
505 QUARRY PARK BLVD.
CALGARY AB T2C 5N1

November 3, 2021

Dear Sherri Evers:

Decision: Proof of Financial Responsibility (OA-2021-004-IMP)

On July 29, 2021, the Office of the Regulator of Oil and Gas Operations (OROGO) received a complete application for an Operations Authorization (OA) from Imperial Oil Limited (Imperial) for the abandonment of the Jean Marie B-48 well (WID 0448).

The Regulator, designated under section 121 of the *Oil and Gas Operations Act* (OGOA), may issue an Operations Authorization (OA) under section 10(1)(b) of that act. On August 2, 2020, the Commissioner in Executive Council designated me as the Regulator under section 121 of OGOA.

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

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

- Imperial's scenario of the event most likely to occur with the highest consequence related to the proposed activities is reasonable;
- Imperial has provided adequate information on the potential costs associated with addressing this scenario; and
- Imperial has proposed an adequate amount of proof of financial responsibility (\$5,050,000).

Please submit a draft Irrevocable Letter of Credit (ILOC) in the amount of \$5,050,000 to OROGO for review no later than November 17, 2021.

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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.

Sincerely,



Pauline de Jong
Regulator

c. Esther Choi, Project Manager, Imperial