



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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Jonathon Michel
Director, Aurora Campus
Aurora College
PO BOX 1008
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April 20, 2023

Dear Jonathon Michel:

**Decision: Request for Extension to
Abandonment Deadline for Aurora Training Well G-04 (WID1915) Denied**

On April 13, 2023, the Office of the Regulator of Oil and Gas Operations (OROGO) received a request from Canadian Petroleum Engineering Inc. (CPE) on behalf of Aurora College to extend the abandonment deadline for the Aurora Training Well G-04 (WID1915) to August 31, 2023.

This decision:

- Provides context for Aurora College's request;
- Considers each of Aurora College's arguments in support of its request; and
- Concludes with my decision on the request.

Context

The abandonment deadline for the Aurora Training Well G-04 was set in August 2017, after the *Well Suspension and Abandonment Guidelines and Interpretation Notes (Guidelines)* were issued by the Regulator under section 18 of the *Oil and Gas Operations Act*, effective February 1, 2017.

On August 31, 2017, the Chief Conservation Officer, appointed by the Regulator under section 4 of OGOA, sent an Assessment of Suspended Well – Compliance Notification to Aurora College for the well. At that time, the well was identified as in compliance with the Guidelines and the *Oil and Gas Drilling and Production Regulations*. The assessment reminded Aurora College of the requirement to abandon the well by January 31, 2023, if it was not brought into production, and to submit an abandonment plan for the well to the OROGO by January 31, 2021.

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Updated assessments were sent to Aurora College on May 31, 2019, and July 29, 2020. Each assessment reiterated the January 31, 2023, abandonment deadline and the January 31, 2021, deadline for submitting an abandonment plan to OROGO.

On December 10, 2020, OROGO sent Aurora College a letter reiterating the requirement to submit an abandonment plan for the well to OROGO by January 31, 2021.

On February 5, 2021, OROGO sent Aurora College a letter identifying that the abandonment plan had not been received and was overdue. The letter requested the plan be submitted to OROGO by February 22, 2021.

On March 16, 2021, another assessment was sent to Aurora College, reiterating the January 31, 2023, abandonment deadline for the well.

On March 19, 2021, Aurora College sent a letter to OROGO stating its intention to abandon the well by January 31, 2023, and requesting an extension to April 2, 2021, to submit the abandonment plan.

Also on March 19, 2021, the Senior Technical Advisor, Mike Martin, contacted the consultant identified by Aurora College, CPE, to provide information on the requirements for the abandonment plan and the requirements for future applications for Operations Authorizations and Well Approvals. The Senior Technical Advisor also offered to provide additional information and support as needed to CPE.

On April 6, 2021, OROGO received Aurora College's abandonment plan. The plan indicated that Aurora College would:

- Submit an Operations Authorization (OA) application for well monitoring and abandonment operations by December 1, 2021;
- Submit a Well Approval application for the well abandonment by March 4, 2022; and
- Complete the well abandonment by July 19, 2022.

Aurora College did not submit its OA application as committed on December 1, 2021, and did not contact OROGO to propose a new schedule for submitting its applications and completing the well abandonment. The Regulator contacted Aurora College by letter on December 3, 2021, and by email on December 16, 2021, January 12, 2022, and January 25, 2022, requesting an update on the status of its planned submissions and offering a pre-application meeting to answer any questions Aurora College might have about the process.

On January 28, 2022, in response to a letter reminding Aurora College of the requirement to renew its Operating Licence, Aurora College wrote to OROGO that it would be in touch soon about the well abandonment. However, it did not contact OROGO to arrange a pre-application meeting or submit its OA and Well Approval applications for the well abandonment.

On March 4, 2022, I issued direction to Aurora College to:

- Confirm by 4 pm on March 9, 2022, when it intends to abandon the well in keeping with the January 31, 2023, deadline established in the Guidelines; and
- Submit complete applications for an Operations Authorization and Well Approval for the abandonment of the well no later than 100 days before it intends to begin abandonment operations.

On March 9, 2022, Aurora College confirmed that it would submit complete applications for the OA and Well Approval no later than 100 days before the proposed beginning of abandonment operations and that it intended to abandon the well before January 31, 2023.

On April 14, 2022, another assessment was sent to Aurora College, reiterating the January 31, 2023, abandonment deadline for the well.

On October 5, 2022, Senior Technical Advisor Mike Martin met with Aurora College in Inuvik to discuss the application requirements.

On October 21, 2022, Senior Technical Advisor Mike Martin and I met with Aurora College and Lorne Hammer, CPE, to further discuss the application requirements. During that meeting Aurora College committed to providing a deadline for submitting applications to OROGO by October 28, 2022. Aurora College did not provide this information as committed.

On November 1, 2022, I issued a notice to Aurora College requiring a firm deadline for Aurora College's submission by November 4, 2022.

On November 11, 2022, Aurora College submitted its schedule for the well abandonment. The schedule stated that the OA application would be submitted on December 13, 2022, and the Well Approval application would be submitted on December 15, 2022. The schedule allowed 65 days for OROGO to review and approve both applications and stated that the well abandonment would occur between March 20 and 23, 2023, rather than prior to January 31, 2023, as Aurora College had committed to on March 9, 2022.

On November 18, 2022, I responded to Aurora College's schedule noting that it provided significantly less than the 100 days for review of both applications which Aurora College had committed to on March 9, 2022. Given the schedule, OROGO could not commit to completing its review before March 20, 2023.

On November 21, 2022, CPE wrote to OROGO stating it would make its "best efforts to submit a detailed OA application by December 7, 2022, and delay the actual well abandonment to the week of March 27, 2023" to allow additional time for OROGO's review. I confirmed these deadlines with Aurora College on November 25, 2022.

On December 9, 2022, Aurora College submitted its OA application. On December 12, 2022, Aurora College's OA application was deemed complete and given the file number OA-2022-001-AC.

On December 16, 2022, I issued the first Information Request for OA-2022-001-AC (IR1-OA) with a response deadline of January 4, 2023. Aurora College did not respond by the deadline.

On January 6, 2023, I wrote to CPE and Aurora College identifying that the response to IR1-OA was overdue and setting a new deadline of January 9, 2023. Aurora College did not respond by the deadline.

On January 11, 2023, Senior Technical Advisor Mike Martin spoke to Jonathon Michel, Director, Aurora Campus, by telephone to request a response to IR1-OA. Aurora College did not provide the requested response.

On January 13, 2023, I issued direction to CPE and Aurora College to provide a complete and fulsome response to IR1-OA by January 18, 2023. Aurora College did not respond.

On January 27, 2023, I issued a Notice of Non-Compliance to CPE and Aurora College addressing the failure to respond to IR1-OA or to the Regulator's direction.

On January 29, 2023, CPE responded to OROGO committing to:

- Submit a revised OA application in response to IR1-OA by February 3, 2023;
- Submit a Well Approval application by February 10, 2023; and
- Respond to any further Information Requests in a timely manner as requested by OROGO.

On February 6, 2023, CPE submitted a revised OA application on behalf of Aurora College in response to IR1-OA.

On February 12, 2023, Aurora College submitted a complete application for a Well Approval to abandon the well, approximately two months later than Aurora College committed in its correspondence of November 11, 2022. On February 14, 2023, the application was deemed complete and given the file number ACW-2023-AC-G-04-WID1915.

On February 20, 2023, I issued the second Information Request for OA-2022-001-AC (IR2-OA) with a response deadline of February 27, 2023. Aurora College did not respond by the deadline.

On February 27, 2023, I issued the first Information Request for ACW-2023-AC-G-04-WID1915 (IR1-ACW) with a response deadline of March 7, 2023.

On February 28, 2023, I wrote to CPE and Aurora College identifying that the response to IR2-OA was overdue and setting a new deadline of March 1, 2023.

On March 1, 2023, CPE submitted a response to IR2-OA on behalf of Aurora College.

On March 3, 2023, I issued the third Information Request for OA-2022-001-AC (IR3-OA) with a response deadline of March 13, 2023. Aurora College did not respond by the deadline.

On March 6, 2023, CPE submitted a response to IR1-ACW on behalf of Aurora College.

On March 8, 2023, I issued the second Information Request for ACW-2023-AC-G-04-WID1915 (IR2-ACW) with a response deadline of March 14, 2023. Aurora College did not respond by the deadline.

On March 14, 2023, I wrote to CPE and Aurora College identifying that the response to IR3-OA was overdue and setting a new deadline of March 15, 2023.

On March 15, 2023, CPE responded to the overdue notice stating “we are waiting in [sic] information from Aurora College and some guidance from them on responses to IR#3. We will be meeting with Jonathon Michel in the next couple of days and should have some information that will allow us to prepare propre [sic] answers to the questions raised in IR#3.”

Also on March 15, 2023, I responded to CPE indicating that it should provide a new deadline by which it would be able to respond to IR3-OA along with a request for extension. Neither CPE nor Aurora College responded to IR3-OA or requested an extension to the deadline for response. In the same email, I indicated that the response to Information Request 2 for ACW-2023-AC-G-04-WID1915 was due on March 14, 2023, and was overdue. Neither CPE nor Aurora College responded to IR2-ACW or requested an extension to the deadline for response.

On March 28, 2023, I issued direction to CPE and Aurora College to:

- Provide a complete and fulsome response to IR2-ACW by April 12, 2023. Aurora College did not respond by the deadline; and
- Provide a complete and fulsome response to IR3-OA by April 12, 2023. Aurora College did not respond by the deadline.

Aurora College did not respond by April 12, 2023.

On April 13, 2023, CPE, on behalf of Aurora College, requested an extension to the abandonment deadline to August 31, 2023.

To date, Aurora College has not responded to IR2-ACW or IR3-OA, both due on April 12, 2023.

Consideration of Aurora College's arguments

In its request for an extension, Aurora College argues that conducting the abandonment operations in early August 2023 will be safer for:

- Personnel, because working in warmer temperatures improves on-site visibility and requires less bulky personal protective equipment; and
- Equipment, because:
 - There is less chance of equipment damage or damage to the wellhead or casing due to the cold;
 - There is less chance of surface equipment or the well freezing up; and
 - Mobilizing equipment will be more efficient and safer because the weather will be more predictable and less severe.

Aurora College also argues that any waste material or garbage on site would be more visible in the summer for cleanup. However, Aurora College acknowledges that the environmental impact of a spill would be greater in the summer months as containment of a spill is more difficult in unfrozen conditions.

With respect to the safety of personnel, I concur that some risks are reduced by summer operations. However, summer operations entail different risks, including those associated with heat, sun exposure, and exposure to insects.

With respect to the safety of equipment, I concur that some risks are reduced by summer operations. However, winter operations are the norm in the Northwest Territories and the required equipment has been proven to function under those conditions.

Decision

Based on my consideration of Aurora College's arguments, I find that:

- There may be a small benefit to delaying operations to August 2023 related to the safety of equipment;
- There is no overall impact on the safety of personnel, as some risks are reduced but others are increased; and
- There is a negative impact on environmental protection due to the difficulties in containing a spill during unfrozen conditions.

Based on my consideration of the context surrounding Aurora College's request, I find that Aurora College:

- Has not demonstrated a commitment to complying with the Regulator's direction to abandon the Aurora Training Well G-04 in accordance with the Guidelines; and
- Has not made reasonable efforts to participate meaningfully in the application process for the OA and Well Approval necessary to complete the abandonment.

Furthermore, I note that Aurora College's request for an extension to the deadline for abandonment was received after both the January 31, 2023, deadline established in the Guidelines and the March 31, 2023, deadline proposed by Aurora College in its applications had passed.

I find that any benefits associated with an August 2023 operation do not outweigh Aurora College's conduct in this matter and, therefore, that Aurora College has not made a reasonable case for delaying the abandonment of the Aurora Training Well G-04 to August 31, 2023.

Therefore, Aurora College's request for an extension to the abandonment deadline is denied.

Sincerely,



Pauline de Jong
Regulator

- c. Glenda Vardy Dell, President, Aurora College
Lorne Hammer, Canadian Petroleum Engineering Inc.
Ron McCosh, Canadian Petroleum Engineering Inc.