



File OF-EP-OA-I047-1210 0101

14 May 2021

Jared Green
President and Chief Executive Officer
Utility Group Facilities Inc.
c/o TriSummit Utilities Inc.
SUITE 2100, 444 – 5 AVE SW
CALGARY AB T2P 2T8

Dear Mr. Green:

Notice: Submissions and Notifications Regarding Utilities Group Facilities Inc. Operations Authorization for the Ikhil Project (OA-2520-2620)

A Production Operations Authorization (OA-2520-2620) for the Ikhil Gas Development Project (the Project) was granted by the National Energy Board to the Inuvialuit Petroleum Corporation, AltaGas Marketing, and IPL Energy Inc. on June 30, 1999 under section 9 of the *Canada Oil and Gas Production and Conservation Regulations* (under the *Canada Oil and Gas Operations Act* applicable at that time). This authorization did not have an expiry date and is applicable for the life of the production operations at Ikhil, unless revised or revoked.

On April 1, 2014, management of natural resources in most of the Northwest Territories (except for the Norman Wells Proven Area) devolved to the Government of the Northwest Territories. With this devolution, the *Canada Oil and Gas Operations Act* ceased to be applicable to the onshore part of the Inuvialuit Settlement Region (ISR) and the Project became subject to two separate regulatory regimes:

1. For the portion of the Project in the ISR, regulation by the Canada Energy Regulator (CER) under the Northwest Territories' *Oil and Gas Operations Act* (OGOA); and
2. For the portion of the Project in the Gwich'in Settlement Area, regulation by the Regulator appointed for that area under section 121 of OGOA, through the Commissioner in Executive Council.

Since then, the Canada Energy Regulator (CER) and the Office of the Regulator of Oil and Gas Operations (OROGO) have jointly regulated the Project in order to reduce regulatory duplication and simplify reporting requirements under the terms of the Operations Authorization. The CER and OROGO will continue to share regulatory oversight of the Project until the Utility Group Facilities Inc. (UGFI) submits and receives approval for new OGOA 10(1)(b) authorization applications for the decommissioning, abandonment and restoration of the project in each Regulator's jurisdiction.

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In light of this joint regulatory approach, and to ensure current CER and OROGO expectations are met, the please see the attachment.

If you have questions or would like to discuss further, please contact Bharat Dixit, CER Technical Leader by telephone at 403-617-3887 or by e-mail at Bharat.Dixit@cer-rec.gc.ca or Janpeter Lennie-Misgeld, OROGO Senior Advisor, Legislation and Policy at 867-767-9097 or by email at peter_lennie-misgeld@gov.nt.ca.

Yours truly,



Iain. R. Colquhoun, Ph.D.
Chief Conservation Officer
Canadian Energy Regulator



Janpeter Lennie-Misgeld
Chief Conservation Officer
Office of the Regulator of Oil and Gas
Operations

Attachment

c: Keith Landra, Chief Safety Officer, CER
Jess Dunford, Director Central & North, Energy Adjudication, CER
Pauline de Jong, Executive Director and Regulator, OROGO
Mike Martin, Chief Safety Officer, OROGO
John Hogg, Ikhil Asset Manager, Trisummit Utilities Ltd.

Attachment

Safety, Environmental Protection and Contingency Plans

UGFI shall submit to the CER and OROGO by July 15, 2021:

1. An updated Safety Plan that meets the requirements of section 8 of the *Oil and Gas Drilling and Production Regulations* (OGDPR);
2. An updated Environmental Protection Plan that meets the requirements of section 9 of the OGDPR: and
3. An updated contingency plan that meet the requirements of section 6 (j) of the OGDPR.

Items Requiring Notification

UGFI shall notify CER and OROGO:

4. Of any table-top, functional or full-scale emergency preparedness and/or response exercises no less than forty-five (45) calendar days prior to commencement. The notification shall include a description of the scope and objectives of the proposed exercise, anticipated dates and exercise locations, and participants to be invited.
5. Of any major, non-routine operations, maintenance project work or modifications to well(s), flowlines, storage tanks, the processing facility or its systems or work related to remediation (but not work requiring a Well Approval) no less than twenty-one (21) calendar days prior to commencement. The notification shall include a list of the key personnel with contact information managing the project and a description of the proposed work and confirmation that all appropriate safety and environmental protection measures will be applied.
6. Of any change in key personnel, departures from the approved flow system and procedures, and fiscal metering or safety-critical system are not operational, being calibrated, and maintained for continued accuracy of measurements within five (5) days. The notification shall include contact information for key personnel, a description of the departures, the proposed work to be done to rectify the departures from the approved flow system, and confirmation that the flow system is functioning as approved.

Of an annual review of its operations to the CER and OROGO, beginning in June 2022, no less than 60 calendar days in advance of undertaking and presenting. For greater clarity, this review shall include details on the production, protection of the environment, and safety performance over past year and production forecast, reserve revision, reasons for significant deviations in well performance from predictions in previous annual production reports, gas conservation resources, efforts to maximize recovery

and reduce costs, and any other information required to demonstrate how the operator manages and intends to manage the resource without causing waste.

Reporting

7. The annual production, environmental, and safety reports, submitted pursuant to OGDPR sections 85, 86, and 87 respectively to CER and OROGO, shall include a confirmation by the OGOA Section 15 Declaration signatory that the authorized work and activities were completed in compliance with all applicable conditions of this Production Operations Authorization. If compliance with any of these conditions cannot be confirmed, the signatory shall provide details to CER and OROGO as to why compliance cannot be confirmed.

Operations

8. UGFI shall submit for approval by the CER and OROGO any modifications to the flow system, the flow calculation procedure, and the flow allocation procedure (production metering, grouping or proration procedures) no less than twenty-one (21) calendar days prior. The submission shall include the scope and objectives of the proposed changes and anticipated impacts.

Contacts for Submissions

Canada Energy Regulator

All regulatory submissions to the CER, except for daily production reports and monthly production reports, may be submitted electronically via the CER eFile portal. If paper submissions are preferred, they may be sent by courier to the address below. attention to the Chief Conservation Officer (Dr. I. R. Colquhoun) at:

Canada Energy Regulator | Régie de l'énergie du Canada
Suite 210, 517 - Tenth Avenue SW, Calgary, Alberta T2R 0A8
517, Dixieme Avenue S-O, bureau 210, Calgary (Alberta) T2R 0A8

Safety reports and information on safety-critical systems should be sent to the attention of the Chief Safety Officer (Keith Landra) at the address above.

In addition, electronic versions of these documents (e.g., as .pdf files) should be sent to OGOANotifications@CER-REC.gc.ca.

Courtesy copies may be sent by e-mail to Dr. Colquhoun (Iain.Colquhoun@cer-rec.gc.ca), the CER's Chief Safety Officer (Keith.Landra@cer-rec.gc.ca), Director (Jess.Dunford@cer-rec.gc.ca), Compliance Program Manager (Abul.Kabir@cer-rec.gc.ca) and Technical Leader (Bharat.Dixit@cer-rec.gc.ca).

Office of the Regulator of Oil and Gas Operations

All regulatory submissions to OROGO, including daily and monthly production reports, may be submitted electronically to orogo@gov.nt.ca. If paper submissions are preferred, they may be sent by courier to the address found at orogo.gov.nt.ca.

All information submitted to OROGO is subject to the *Public Access to Information Guidelines and Interpretation Notes* and should conform to the *Document Submission Guidelines*.