



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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John Hawkins
Director Asset Management
Paramount Resources Ltd
Suite 2800, 421 – 7 AVE SW
CALGARY AB T2P 4K9

December 13, 2018

Dear John Hawkins:

**Information Request No. 2:
Paramount Resources Ltd. Application
for an Operations Authorization for East Fort Liard Well Abandonments (OA-2018-004)**

On November 22, 2018, the Office of the Regulator of Oil and Gas Operations (OROGO) received a complete application from Paramount Resources Ltd. (Paramount) for an Operations Authorization for the abandonment of the Celibeta No. 2 H-78 and Bovie J-76 wells in the East Fort Liard area. In order to review Paramount's application, OROGO requires additional information, as set out in the attached Information Request No. 2.

Please send your written responses and any associated correspondence to Mr. James Fulford, Chief Conservation Officer, OROGO, by email at orogo@gov.nt.ca or through OROGO's secure file transfer site.

Please submit your response on or before 4:00 p.m. on January 7, 2019. If you are unable to respond within this timeframe or have any questions, please contact me at (867)767-9097 Ext: 78003 or by email at Pauline.dejong@gov.nt.ca.

Sincerely,



Pauline de Jong
Senior Advisor, Legislation and Policy

Attachment

Bureau de l'organisme de réglementation des opérations pétrolières et gazières

B.P. 1320, Yellowknife, TNO X1A 2L9

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BUREAU DE L'ORGANISME DE RÉGLEMENTATION DES OPÉRATIONS PÉTROLIÈRES ET GAZIÈRES DESTIN-O

Paramount Resources Ltd. (Paramount)
Application for an Operations Authorization (OA-2018-004)
Information Request No. 2

Emergency Response Plan

2.1 Page Numbering Absent

Preamble: Upon Initial review it was noted that the Emergency Response Plan (ERP) is missing page numbering in Section 1, 2, 5 and 6, even though they are listed in the table of contents. Additionally there is no sub-section numbers provided. This makes referencing this document, especially in an emergency situation, difficult.

Request: Please provide an updated copy of the ERP that is easily referenced and includes appropriate page numbers and sub section numbers.

2.2 Northwest Territories Petroleum Industry Release Reporting Requirements

Preamble: Page 24 of the ERP states that Paramount is proposing to utilize the British of Columbia Oil and Gas Commission (BCOGC) standards for spill reporting. This standard is not appropriate as there is a spill reporting regime in place for use in the NWT.

Request: Please update the ERP to ensure compliance with federal and territorial legislation that is applicable in the NWT.

2.3 Incident Reporting Criteria

Preamble: Page 24 of the ERP states that Paramount is proposing to utilize the BCOGC standards for incident reporting. This standard is not appropriate as there is an incident reporting regime in place in the NWT. Incidents are to be reported in accordance with any applicable legislation or guidance of OROGO and the Workers Safety and Compensation Commission.

Additionally, Page 91 of the ERP lists the National Energy Board as one of the primary regulatory agencies. The proposed activities do not fall within NEB jurisdiction.

Request: Please update the ERP to ensure compliance with territorial legislation and references to appropriate regulatory agencies.

2.4 Un-Redacted ERP

Preamble: The ERP includes multiple areas containing redacted information. OROGO will require an un-redacted copy of the ERP to ensure all the appropriate information is disclosed.

Request: Please provide an un-redacted copy of the ERP.

2.5 Working Alone

Preamble: Page 101 of the ERP does not provide significant detail on how employees/contractors are tracked when working alone. A system needs to be in place that ensures that during an emergency situation, any individual working alone can be readily located.

Request: Please provide an updated ERP that includes a system that allows tracking of individuals that are working alone.

2.6 Emergency Response Contractors

Preamble: Page 117 of the ERP does not list any emergency response contractors for this operation. Instead, an Emergency Response Assistance Canada Plan was referenced but not provided. It is also unclear if the plan developed by Emergency Response Assistance Canada is specific to this operation.

Request: Please provide the Emergency Response Assistance Canada Plan for this operation for review and approval.

Environmental Protection Plan

2.7 Abandonment Program Personnel Contact Information

Preamble: Table 1, section 1.3 of the Environmental Protection Plan (EPP) indicates that it contains the Abandonment Program Personnel Contact information, but only provides position titles, not the individual's name or contact information.

The table as it stands is sufficient for the purposes of OROGO's public registry but more information is required for internal use.

Request: Please provide an amended table, including names and contact information associated with each title currently listed.

2.8 Monitoring and Compliance

Preamble: Section 4.0 of the EPP provides a brief summary of the monitoring and compliance program developed using Paramount Operational Excellence Management System (POEMS). There is little detail on what this monitoring and compliance program consists of and how inspections are designed.

Request: Please provide further detail on how the monitoring and compliance program is designed and executed to ensure that all aspects of the Environmental Protection Program are met.

Proposed Technical Program

2.9 Well Control

Preamble: Appendix 6 of the Paramount OA application states that a service rig with a Class III 35MPa BOP stack will be used for the majority of the operations.

Section 5(2)(c) of the *Oil and Gas Drilling and Production Regulations* (ODGPR) requires that the management system include the processes for identifying hazards and for evaluating and managing the associated risks.

Request: Please provide:

- a) An overview of the processes involved in hazard identification and evaluation and management of associated risks for the proposed abandonment operations; and
- b) Additional details regarding the selection of a Class III 35MPa Blow-out Prevention and related systems for proposed abandonment operations.

2.10 Safety Plan – Regulatory Framework

Preamble: Appendix 7 – Safety Plan – of the Paramount OA application contains incorrect references to applicable legislation, regulatory authorities and project location, such as:

- Page 5 references the Section 8 of *Canada Oil and Gas Drilling and Production Regulations* administered by the National Energy Board. The requirements for safety plan elements for this project fall under the Section 8 of OGDPR administered by OROGO.
- Page 31 states "*Field work associated with the project will take place primarily in the Yukon Territory*" and that the "*well*

abandonment program will comply with Yukon Oil and Gas act regulations". The description of work locations for the project is primarily in the Northwest Territories and well abandonments are subject to the OGDPR and OROGO's Well Suspension and Abandonment Guidelines and Interpretation Notes.

Request: Please provide an updated Safety Plan that:

- Correctly references relevant regulatory mandates and legislation related to the project scope and location; and
- Outlines the scope of work and requirements under the OGDPR and the *Well Suspension and Abandonment Guidelines and Interpretation Notes*.

2.11 Safety Plan – Project Specific Information

Preamble: Appendix 7 of Paramount's OA application – Safety Plan – Appendix 2: Project Specific Information, pages 38-39 contains no content.

Appendix 7 of Paramount's OA application – Safety Plan – Appendix 3: Project Risk Register, pages 40-45 contains blank forms with no project risk assessments.

No additional site specific safety plan documentation was included with the proposed well abandonment operations programs.

Paramount's safety plan does not meet the requirements of Sections 8 c), e) and f) of the OGDPR in that it has not provided the results of a project risk evaluation, a list of all structures, facilities and equipment and systems critical to safety or the contact information and position of the person accountable for the Project Site Safety Plan and of the person responsible for implementing it.


Request: Paramount is required to provide updates to the safety plan that satisfy the requirements of Section 8 c), e) and f) of the OGDPR including provision of:

- a) The Site Specific Information as referenced in Appendix 2 of the Safety Plan; and
- b) A completed Project Risk Register as referenced in Appendix 3 of the Safety Plan.

2.12 Safety Plan – Emergency Transportation Plan

Preamble: Section 7 of Paramount's OA application – Safety Plan: Emergency Response and Emergency Transportation Plan – states that Paramount will develop an Emergency Transportation Plan and Emergency Contacts List. These referenced plans are not provided with the Safety Plan nor with the proposed well abandonment programs submitted on December 11, 2018.

Request: Please provide a Site Specific Emergency Transportation Plan and Emergency Contact List as referenced in Section 7 of the Safety Plan.

		BUFFALO PARCEL COURIER SERVICES LTD., 1000 BUFFALO DRIVE, HAY RIVER, N.W.T. X0E 0R9 PHONE: EDMONTON (780) 455-9283 HAY RIVER (867) 874-3307 CALGARY (403) 271-3887 YELLOWKNIFE (867) 873-2084 GST # 100686785RT0001 TOLL FREE 1 800 465 3168				B 1360898			
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