



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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Tony Berthelet
President and CEO
Strategic Oil and Gas Ltd.
1100, 645 – 7TH AVENUE SW
CALGARY AB T2P 4G8

January 16, 2019

Dear Tony Berthelet:

**Information Request No. 4:
Strategic Oil and Gas Ltd. Application
for an Operations Authorization for the Cameron Hills Project (OA-2018-003-SOG)**

On November 21, 2018, the Office of the Regulator of Oil and Gas Operations (OROGO) received a complete application from Strategic Oil and Gas Ltd. (SOG) for an Operations Authorization for the continued operation of the Cameron Hills Project.

Strategic has also filed additional information with OROGO in response to the following Information Requests:

Information Request No.1 – received from Strategic on December 4, 2018

Information Request No.2 – received from Strategic on January 11, 2019

Information Request No.3 – received from Strategic on January 2, 2019

OROGO's review of Strategic's responses to Information Requests No. 1, 2 and 3 indicates that Strategic has not provided all of the information requested, including documents of significant importance to the decision-making process such as an up-to-date Emergency Response Plan and Environmental Protection Plan. Strategic's inability to produce these documents raises considerable concerns about its ability to carry out its activities in Cameron Hills in a manner that is consistent with the purposes set out in OGOA.

Without this information, the Chief Conservation Officer cannot make a decision on the OA application. Therefore, as set out in a Letter of Decision issued today, he has varied the duration of Strategic's existing OA (OA-1237-001), which expires on February 7, 2019, to extend it until April 1, 2019. This extension is an extraordinary step to allow Strategic to fully respond to OROGO's information requirements. The information required is set out in the attached Information Request No.4.

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

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Please submit your response on or before 4:00 p.m. on February 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

- c. Michael Bolianatz, Regulatory Compliance Officer, Strategic Oil and Gas Ltd.

Strategic Oil and Gas Ltd. (SOG)
Application for an Operations Authorization (OA-2018-003-SOG)
Information Request No. 4

4.1 Plans

Preamble: In Information Request (IR) No. 2 (sections 2.4 and 2.13) OROGO requested that Strategic provide updated copies of the Strategic Corporate Emergency Response Plan and the Cameron Hills Site Specific Emergency Response Plan, Spill Contingency Plan and Environmental Protection Plan.

These plans were not provided. In some cases, components of these plans were referenced in documents that have not been submitted as part of this regulatory process.

Request: As stipulated in sections 6, 8 and 9 of the *Oil and Gas Drilling and Production Regulations*, and requested in IR No. 2, please submit the following plans for review and approval:

- Strategic Corporate Emergency Response Plan;
- Cameron Hills Site Specific Emergency Response Plan;
- Cameron Hills Site Specific Spill Contingency Plan; and
- Cameron Hills Site Specific Environmental Protection Plan.

Any referenced materials must be provided along with the IR response.

4.2 Anticipated Loss of Circulation

Preamble: In IR No. 2 (section 2.8) OROGO requested a contingency plan in the event of loss of circulation. Strategic responded with a description of an additive that could be used if this circumstance arose.

This information is not sufficient. OROGO requires more detail on how Strategic will address a loss of circulation.

Request: Please submit, for review and approval, a contingency plan outlining the steps that would be taken in the event of a loss of circulation during the proposed operations.

4.3 Liner Cementing

Preamble: In its response to IR No. 2 (section 2.9) Strategic stated that, in some areas of the proposed operations, the liner will not be cemented. Strategic also stated that un-cemented liners systems are not used for vertical well bores.

It is therefore unclear why SOG has suggested un-cemented liners for aspects their operations.

Request: Please clarify whether the reference to the use of un-cemented liners is with respect to horizontal wells only.

4.4 Safety and Environmental Protection of Suspended Wells

Preamble: In IR No. 2 (section 2.11) OROGO requested detailed information on how the well suspension operations will address monitoring, safety and environmental protection requirements.

Strategic's response stated that this information has been submitted as part of its HSE Assurance Plan (submitted as part of its OA application) and its Detailed Compliance Plan (not submitted as part of its OA application).

OROGO cannot verify that the request has been met without specific references as to where this information exists in the documentation.

Request: Please provide a concordance table that identifies where the information requested in IR No.2 (section 2.11) can be found in the HSE Assurance Table and the Detailed Compliance Plan.

Any referenced materials must be provided along with the IR response.

The concordance table must provide references to information regarding, but not limited to:

- Maintaining, securing and monitoring suspended wells;
- Draining, purging and integrity protection of pipes, tanks and pressure vessels;
- Identification/signage requirements for suspended and/or out-of-service infrastructure;
- Maintenance of all-season safe access and egress;
- Maintenance of all safety equipment; and
- Identification and management of all other hazards to ensure human safety and protection of the environment.

4.5 Regulatory Framework Summary

Preamble: As part of its response to IR No. 2, Strategic provided an amended HSE Assurance Plan. Upon review, there remain some inaccuracies in reference to the site's operator.

For example, on Page 1090 of the amended HSE Assurance Plan, a reference is made to "Paramount's Regulatory and Community Affairs Department".

As Paramount is no longer the site operator, it is unclear why it is mentioned in Strategic's HSE Assurance Plan.

Request: Please provide an amended HSE Assurance Plan that references the appropriate operating company.