

OPERATION SUMMARY INSPECTION REPORT

Well/Facility Name:	Slater River H - 64	Operator:	Husky Oil Ltd.
Location of Inspection:	Slater River – Sahtu Settlement Area	Access method:	Winter Road Access from Mackenzie Valley Winter Road, South of Prohibition Creek, across the Mackenzie River.
Site Contractor:	Precision Drilling/Dragons Breath Production Testing/Proflo Production Testing Ltd.	Status:	Abandonment Operations
Approval Info	OA-2018-002 ACW -2018-003	WID:	2077
Date of Inspection	February 6 & 7, 2019	H2S Site:	No

Summary of Inspection

Conditions	Satisfactory (Y/N)	Comments
Rig Safety		
Accumulator function test	N	<p>February 6, 2019, 19:00h: Two accumulator function tests were witnessed by the OROGO Compliance Team. During both tests the accumulator pressure gauges at the primary and secondary controls did not respond as expected failing to show pressure drops during functioning. While the annular and double gate mechanisms appeared to activate during the function test, OROGO was unable to verify that the required minimum accumulator pressure of 8,400 kPa was maintained. OROGO requested that these issues be addressed prior to their return on February 7, 2019.</p> <p>February 7, 2019, 16:00h: Two additional function tests were witnessed by the OROGO compliance team. The same issue with the accumulator gauges observed on February 6th, 2019 persisted. In addition, hydraulic fluid was noted dripping from one of the primary controls during the function test. The improper functioning of the accumulator system witnessed by OROGO on February 6th and 7th, 2019, demonstrated an impairment of a system critical to the safety of persons which is defined as an “incident” under the Oil and Gas Drilling and Production Regulations. At this time, OROGO advised the Husky and Precision representatives that the well would need to remain shut-in until this issue was repaired and OROGO gave approval for service rig well abandonment operations to continue.</p> <p>February 7, 2019, 22:00hr: OROGO authorized service rig well abandonment operations to resume based on the information provided by Husky that identified the cause of the impairment and confirmed the completion of repairs to the accumulator system. Proper functioning of all primary and secondary pressure gauges & controls was verified during three consecutive function tests.</p>
Equipment Certifications	Y	All inspected certifications provided on site and to OROGO in the ACW application corresponded with the equipment being used on site.
Approvals available	Y	Copies of OROGO Approvals were available in the Dog House and Husky representatives well site trailer.
Boiler Inspection	Y	
Guards and covers on moving equipment	Y	
Pump lines and hoses	Y	
General Housekeeping	Y	
Adequate lighting in each work space	Y	
Wind indicators visible	Y	
Fire extinguishers	Y	All inspected fire extinguishers had been recently tested and inspected.
Other	N/A	
Personnel Safety		
Valid safety tickets: FA-CPR/H2S/WHMIS/TDG	Y	
Safety meetings and documentation	Y	The OROGO Compliance Team attended the night shift safety meeting at 1855h on February 6, 2019
SCBAs available and visible	Y	
First Aid equipment and EMS	Y	Medic on site
Gas detection equipment	Y	Personal 4 head monitors were worn by the rig crew.
Communication plans	Y	
Hazard identification and signage	Y	
ERP, Safety Plan available upon request	Y	Posted in the Dog House and Husky representatives well site trailer.
Other	N/A	
Blowout Prevention Equipment		
BOP Certifications	Y	All inspected certifications provided on site and to OROGO in the ACW application corresponded with the equipment being used on site.

BOP Pressure rating	Y	
Kill sheet in dog house	Y	
Stabbing valves and cross overs	Y	
BOP crew drills	Y	OROGO Compliance Team was present during a BOP crew drill on February 7, 2019.
All flows lines, choke lines secured	Y	
Environment		
Rig matting	Y	
Drip trays	Y	
Materials handling and storage	Y	
Spill response equipment	Y	
Other	N/A	

Additional Comments

Additional Site Hazards:

The OROGO Compliance Team was very satisfied with the mitigation, signage and site staff awareness of hazards.

Comments and Summary:

The OROGO Compliance team was satisfied with the operations at H-64 with the exception of the function test of the accumulator.

In a follow up to OROGO's February 7, 2019 approval to resume well abandonment operations, Husky has been required to submit the following:

- On or before 16 00h on February 14, 2019 related to the accumulator function tests:
 - List of all actions taken to remedy the issue;
 - An analysis of the occurrence; and
 - Compilation of all information/reports from Precision and all third party correspondence.
- On or before 16 00h on February 28, 2019 related to the accumulator function tests:
 - An investigative report as per section 75(2)(b) of the Oil and Gas Drilling and Production Regulations.

Documents Requested/ Collected:

- Annular Certification – Verified
- Double Gate Certification – Verified
- BOP Operations Ticket – Verified
- OA-2018-002 – Verified
- ACW-2018-003 – Verified
- Emergency Response Plan – Verified

Inspection conducted under the authority of the Oil & Gas Operations Act (OGOA) and associated regulations.

Michael Martin (S-004) / Brian Heppelle (S-001)/Natalie Burge
(AER Field Inspector)

Inspected By



Signature of OROGO Chief Safety Officer

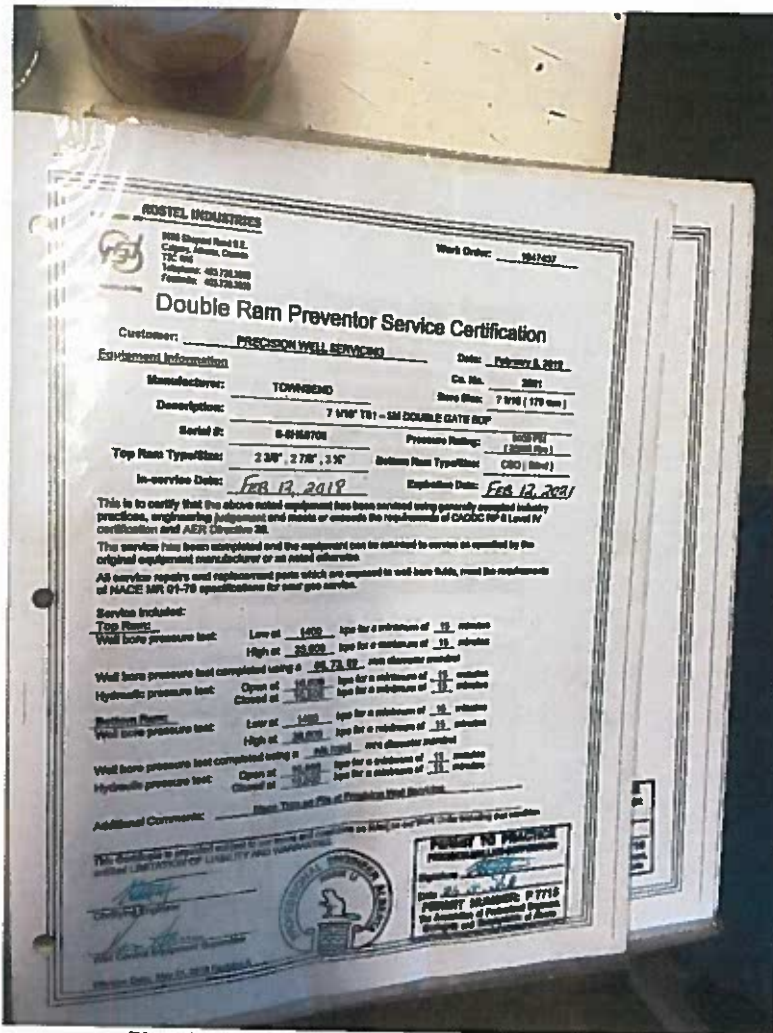
2019-02-14

Date Signed

Photographs



Photo#1: Hazard identification signs are present at the lease entrance.



Photo#2: Double Ram Preventor Service Certification

INWEL INDUSTRIES
 888 Street West S.E.
 Calgary, Alberta, Canada
 T2C 0E5
 Telephone: 403.728.2800
 Facsimile: 403.728.2805

Work Order: 1207910

Annular Preventor Service Certification

Customer: PRECISION WELL SERVICES Date: February 6, 2018

Equipment Information

Manufacturer: UNITY RX3 Co. No. 2001
 Base Size: 7 5/8 (178 mm)

Description: 7 5/8 - GA - ANNUALAR Pressure Rating: 1000 PSI (68.95 MPa)

Serial #: 823448-4 Element Type: NATURAL RUBBER

In-service date: FEB 12 2018 Expiration date: FEB 12 2021

This is to certify that the above noted equipment has been certified using generally accepted industry practices, engineering judgment and in accordance with the requirements of CACDC RP 6 Local W well certification and AER Directive 28.

The service has been completed and the equipment can be returned to service as specified by the original equipment manufacturer or its noted alternate.

All service repairs and replacement parts which are exposed to well bore fluids, meet the requirements of NACE MR 01-75 specifications for sour gas service.

Service Included:

Well bore pressure test: Low of 1400 psi for a minimum of 15 minutes
 High of 25,000 psi for a minimum of 15 minutes

Well bore test completed using a 60 mm diameter mandrel

Hydraulic pressure test: Open at 10,000 psi for a minimum of 15 minutes
 Closed at 10,000 psi for a minimum of 15 minutes

Additional Comments: None (See Job at Precision Well Services)

This Certificate is provided subject to our terms and conditions as listed on our Invoicing Order including but not limited to **LIMITATION OF LIABILITY AND WARRANTIES**.

 Certifying Engineer

 Well Control Equipment Inspector

PROVINCE OF ALBERTA
 PROFESSIONAL ENGINEERS
 REGISTRY NUMBER: P 7710
 The Association of Professional Engineers,
 Geologists and Geophysicists of Alberta

Photo Date: April 26, 2018 10:00 AM

Photo#3: Annular Preventor Service Certification