



Northwest
Territories Office of the Regulator of Oil and Gas Operations

DEC 09 2015

Mr. Daryl Stepanic
VP Technical Policy & Frontiers
ConocoPhillips Canada Resources Corp.
401 – 9TH AVENUE SW
PO BOX 130 STATION 'M'
CALGARY ALBERTA T2P 2H7

Dear Mr. Stepanic:

**ConocoPhillips Canada Resource Corp. (ConocoPhillips)
Request for Amendments to ACW-2015-003, 004, 005 and 006
to Change the End State of the Wells to Abandoned and to
ACW-2015-007, 008 and 009 to Change the Water Well Abandonment Programs**

The Office of the Regulator of Oil and Gas Operations (OROGO) has received ConocoPhillips' letter dated November 19, 2015 requesting amendments to:

- ACW-2015-003, 004, 005 and 006 to change the end status of the wells from suspended to abandoned; and
- ACW-2015-007, 008 and 009 to change the abandonment programs for these wells.

These requests are made in response to condition 4 of these approvals, which requires the Chief Conservation Officer's approval of any changes to ConocoPhillips' original proposed program of activities.

I approve the requested amendments to the water well abandonment programs (ACW-2015-007, 008 and 009 for the Dodo Canyon C-11, Dodo Canyon West I-06 and Dodo Canyon West D-04 wells) to:

- Reflect the latest blow out preventer pressure testing;
- Update contacts;
- Specify the use of all new tubing and petroleum free thread compound;
- Confirm the use of weldless wellheads; and
- Incorporate ACW terms and conditions.

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I approve the requested amendments to the programs approved in ACW-2015-003, 004, 005 and 006 to cut and cap the wells in order to result in an end status of abandonment rather than suspension. Condition 14 of ACW-2015-003 and 004, for the Dodo Canyon E-76 and Mirror Lake P-20 wells, is therefore removed.

Section 56 of the *Oil and Gas Drilling and Production Regulations* (OGDPR) requires that suspended and abandoned onshore wells be left in a condition that isolates all oil and gas bearing zones, discrete pressure zones and potable water zones and that prevents any formation fluid from flowing through or escaping from the wellbore. Based on the information provided by ConocoPhillips on December 4, 2015, it appears that the outcomes of the downhole abandonment operations for the Loon Creek O-06 well (ACW-2015-005) and the Mirror Lake N-20 well (ACW-2015-006) are uncertain. Therefore, it is prudent to take a risk-based approach that addresses potential safety and environmental concerns associated with these wells. Condition 14 of ACW 2015-005 and ACW 2015-006 is therefore amended as follows:

If gas migration continues immediately following the downhole well abandonment operations authorized by this ACW, ConocoPhillips shall:

- Refrain from cutting and capping the well
- Submit to OROGO a detailed proposed monitoring plan for the Loon Creek O-06 and Mirror Lake N-20 wells within 30 days of the completion of the downhole well abandonment operations
- Submit to OROGO, within 6 months of the completion of the well abandonment operations, a proposed plan for bringing these wells into compliance with section 56 of the OGDPR.

If the gas migration from the well is demonstrated, after testing, to have been addressed by the downhole well abandonment operations authorized by this ACW, ConocoPhillips shall:

- Proceed with cutting and capping the well consistent with its November 19, 2015 application and ensuring that the surface, intermediate and production casing strings are capped at surface with a steel plate that is fastened and installed in a manner as to prevent any potential for pressure to build up within the casings while restricting access to the casing strings at surface;
- Inspect the well, specifically for any evidence of gas migration, between 6 and 24 months following the completion of the downhole well abandonment operations, at a time when a sampling program can effectively demonstrate that there is no presence of gas migration from the wellbore;

- Notify OROGO no later than 60 days prior to each inspection by email at orogo@gov.nt.ca and
- Submit inspection reports to OROGO by email at orogo@gov.nt.ca within 30 days after completion of inspection operations.

If no gas migration is identified during the inspection conducted between 6 and 24 months following the completion of the downhole well abandonment operations, the wells will be considered abandoned and no further monitoring will be required. If gas migration is identified, ConocoPhillips shall, within 3 months after completion of inspection operations, submit a plan for addressing these issues to OROGO by email at orogo@gov.nt.ca.

If you have any questions, please contact me at 867-767-9097 or by email at james.fulford@gov.nt.ca.

Sincerely,

A handwritten signature in blue ink, appearing to read 'James Fulford', with a stylized flourish at the end.

James Fulford,
Chief Conservation Officer

C: Mr. Scott Gedak, Senior Advisor Government Relations, ConocoPhillips Canada Resource Corp.

Ms. Kim Clarke, ConocoPhillips Canada Resource Corp.