CLERK OF THE COURT

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COURT FILE NUMBER

1901-05089

JUDICIAL CENTRE OF CALGARY

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, R.S.A. 2000, c. B-9, as amended

AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF STRATEGIC OIL & GAS LTD. and STRATEGIC TRANSMISSION LTD.

APPLICANTS

STRATEGIC OIL & GAS LTD. and STRATEGIC TRANSMISSION LTD.

DOCUMENT

AFFIDAVIT

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Dentons Canada LLP Bankers Court 15th Floor, 850 - 2nd Street S.W. Calgary, Alberta T2P 0R8

Attention: David W. Mann and Afshan Naveed

Ph. (403) 268-7097 / 403-268-7015 Fx. (403) 268-3100

File No.: 575553-3

AFFIDAVIT OF AMANDA REITENBACH

Sworn on January 22, 2020

I, Amanda Reitenbach, of Calgary, Alberta, SWEAR AND SAY THAT:

- 1. I have been the Vice President, Development and Operations of Strategic Oil & Gas Ltd. ("Strategic") since July 9, 2018. On September 23, 2019, I also took on the role of Chief Operating Officer, as such I have personal knowledge of the matters hereinafter deposed to, save where stated to be based on information and belief, in which case I have stated the source of the information and verily believe the same to be true.
- 2. Capitalized terms not otherwise defined herein shall have the meaning given to them in the Affidavit sworn by Remi Anthony (Tony) Berthelet ("Berthelet") on April 9, 2019, the Affidavit sworn by Berthelet on April 29, 2019, the Affidavit sworn by Berthelet on September 11, 2019, the Affidavit sworn by me on October 4, 2019, and the Affidavit sworn by me on November 27, 2019, as the context requires.

- 3. I have reviewed a copy of the Fifth Report of the Monitor (the "Fifth Report"), to be filed concurrently with this Affidavit, and confirm and agree with the Monitor's update to the Court.
- 4. This Affidavit is made to provide an update to the Court on the understanding that a concurrent application is being brought by GMT Capital Corp. ("GMT Capital") for an Order seeking, among other things the appointment of a receiver and manager over the assets, undertakings and property of Strategic and its subsidiary, Strategic Transmission Ltd. ("STL", together with Strategic, "Strategic").

Update to Court

- 5. Since obtaining the Initial Order, Strategic has been working to develop a restructuring plan that is satisfactory to all its primary stakeholders. Ultimately, however, that has proven to be unsuccessful.
- 6. Notwithstanding a number of discussions and considerations of various proposals, Strategic has exhausted all of its alternatives and is unable to carry on business in the ordinary course and has determined that it should cease its restructuring efforts and focus on an orderly wind-down of its affairs and transition its interests to the applicable regulator, or as they direct. In this regard, Strategic has:
 - on January 14, 2020, advised the Alberta Orphan Well Association (the "OWA") that it had exhaunted its restructuring efforts and wants to work with the OWA to ensure an orderly transition of assets;
 - (b) on January 14, 2020, decided, by way of Board resolution, to commence the orderly wind up of operations, including but not limited to, facilitating the appointment of a receiver and manager over its assets, undertakings, and properties, located in Alberta and the NWT;
 - (c) on January 20, 2020, advised the AER of the intention to transition its operation to receivership proceedings;
 - (d) on January 20, 2020, advised representatives of the GNWT and OROGO of the intention to transition operations to receivership proceedings; and
 - (e) worked with the Monitor, who we understand may be appointed as the receiver of Strategic's assets, to ensure a transition plan has been developed and is in place that is environmentally safe and sensible.
- 7. On January 20, 2020, the AER issued order AD 2020-004 (the "AER Transition Order") to Strategic. The AER Transition Order requires Strategic to post a security deposit, to be applied against the estimated cost to abandon and reclaim its environmental liabilities. Given its current financial position, Strategic will not be in a position to post the security on the timeline given. Strategic also understands the AER Transition Order is a necessary step in an orderly transition to a receivership process. Attached hereto and marked as Exhibit "A" is a copy of the AER Transition Order.

Regulatory Obligations

8. Prior to and during the course of the CCAA Proceedings, Strategic has complied with its regulatory obligations to the AER and OROGO and made all reasonable efforts, with the financial resources at its disposal, to operate in a safe and responsible manner.

- 9. In March 2019, Strategic developed an Asset Retirement Obligation plan to 2028 in order to responsibly address Strategic's end of life obligations in Alberta and NWT while operating as a going concern (the "ARO Plan").
- 10. Despite keeping an open dialogue and working with the GNWT and OROGO with respect to its ARO Plan of the Cameron Hills Field, Strategic was disappointed when OROGO issued an Order to Strategic on or around October 7, 2019 with respect to the abandonment of wells and the decommissioning of oil and gas infrastructure at the Cameron Hills Field (the "Order"). Attached hereto and marked as Exhibit "B" is a copy of the Order.
- 11. The Order requires Strategic to undertake, among other things, the following:
 - repairs to the Cameron I-73 Well (WID 1937) ("I-73") as soon as practicable and by no later than April 1, 2020;
 - (b) suspend the following wells: J-62 (WID 1158), Cameron A-03 (WID 2047) and Cameron I-73 (WID 1937) by April 1, 2020 and abandon them no later than 6 years after the suspension is completed;
 - (c) abandon 23 wells, as more particularly outlined in the Order, by January 31, 2023;
 - (d) abandon 17 wells, as more particularly outlined in the Order, by May 14, 2025;
 - (e) decommission the gathering system in place at Cameron Hills by March 31, 2025; and
 - (f) remove all other oil and gas infrastructure in place at Cameron Hills by March 31, 2025.
- 12. Strategic has been taking all reasonable steps to address the surface casing vent flow issue at I-73 by:
 - installing an AMGAS Scrubber on the well in October 2019 to sweeten the sour surface casing vent flow to mitigate the risk to the public or environment;
 - (b) regularly checking the well on a monthly basis, with the most recent inspection completed by field staff on January 21, 2020; and
 - (c) planning to undertake all reasonable efforts to repair I-73 when it is safe to do so, having regard to weather and other access factors relevant to accessing the site where I-73 is located.
- 13. Strategic has been in constant communication with and provided regular updates to OROGO with respect to the status of I-73, as well as the planned Q1 2020 program to address the first two items of the Order. Some construction activity on the Cameron Hills ice road was undertaken in December 2019 to start opening up access to both the Cameron Hills, NWT and Jackpot, AB fields.
- 14. Strategic was also planning the required work for the portion of the Order which requires the abandonment of certain wells by 2023 and 2025.
- 15. The portion of the Order that requires decommissioning of the gathering system and removal of the oil and gas infrastructure at Cameron Hills has a deadline of March 31, 2025. In prior communication from Strategic to OROGO, Strategic had expressed an intention to work towards a Q1 2025 decommissioning program. However, this intention was always a tentative goal

having regard to all of Strategic's other regulatory and financial obligations. The issuance of the Order, solidifies that timeline.

- 16. With respect to the Alberta ARO Plan, the work relating to the 2019 Area Based Closure ("ABC") program was completed with respect to Ratz.
- 17. The 2020 ABC program approved by the AER on December 5, 2019 contains a plan to complete abandonment work in Conrad (instead of Ratz and Tate as detailed in the ARO Plan), by December 31, 2020. This change in focus area to Conrad (where wells can be accessed year-round) was made to shift some capital spend from Q1 to Q3 2020 to manage cash flow in a responsible manner.
- 18. Strategic's Q1 2020 abandonment program also included plans to address five well abandonments in Jackpot, Bistcho and Marlowe under the AER's Inactive Well Compliance Program.
- 19. Unfortunately, Strategic had to defer abandonment work that it needed to begin in the first quarter if it was to be completed in accordance with the previously scheduled ARO Plan until it was able to determine with certainty when it was able to carry on operations in a sustainable fashion. It could not risk being mid-way though a project only to suffer a cessation of operations. As matters currently sit, all of Strategic's property is in a safe state and Strategic did not want to start any project that, if not seen through to its completion, would leave it in an unsafe state.
- 20. Strategic is continuing to maintain current production and operations and can do so in the short term to assist in the transition of properties to any receiver appointed.
- 21. Strategic expects to have funds remaining in its account that it will convey to the receiver to assist in the transition process.
- 22. As of the date this Affidavit is sworn, I am not aware of any immediate risk to the public. However, a receiver and manager should be appointed to work with the AER, OROGO, GNWT and GMT Capital, to address their respective interests and the Order.
- 23. I swear this Affidavit in support of the relief sought in paragraph 4 of this Affidavit and for no other or improper purpose.

SWORN BEFORE ME at Calgary, Alberta, this 22 nd day of January, 2020	Arnonda Al allahad
A Commissioner for Oaths	(Signature)
in and for the Province of Alberta	×
Eamonn Carroll	
Student-at-Law	
PRINT NAME AND EXPIRY/LAWYER /STUDENT-AT-LAW	AMANDA REITENBACH

44024955 6 NAT DOCS

THIS IS EXHIBIT "A"

REFERRED TO IN THE AFFIDAVIT OF

AMANDA REITENBACH

Sworn before me this 22nd day of January, 2020

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA

Eamonn Carroll
Student-at-Law



Order AD 2020-004

MADE at the City of Calgary, in the Province of Alberta, on

January 20, 2020

ALBERTA ENERGY REGULATOR

Under section 1.100 of the Oil and Gas Conservation Rules

Strategic Oil & Gas Ltd. (A524) 1500, 850 – 2 Street SW Calgary, AB T2P 0R8

("Strategic" or "the Licensee")

WHEREAS the Licensee is the holder of Alberta Energy Regulator (AER) well, facility and pipeline licences (collectively, the Strategic Licences);

WHEREAS on April 10, 2019, the Licensee filed for a stay of proceedings under the *Companies'* Creditors Arrangement Act, and KPMG Inc. was appointed as Monitor;

WHEREAS the stay of proceedings was extended, pursuant to Orders granted May 6, 2019, May 9, 2019, September 20, 2019, October 11, 2019 and December 4, 2019. The stay period remains in place until, and including, January 31, 2020;

WHEREAS the Licensee has submitted proposals to the AER to continue its operations;

WHEREAS the AER advised the Licensee that the proposals submitted did not fully address the Licensee's end of life obligations, specifically the abandonment and reclamation of the Strategic Licences;

WHEREAS on January 7, 2020, the Licensee advised it was unable to continue standard operations given its financial situation, and that receivership was likely to occur;

WHEREAS on January 20, 2020, the Licensee advised the AER of its intent to transition its operations into receivership proceedings (the Receivership Transition) on, or before, January 31, 2020;

WHEREAS the Licensee remains responsible for the closure of the Strategic Licences, including abandonment and reclamation;

WHEREAS the Licensee has been working proactively with the AER and has confirmed its intent to continue to provide care and custody, including emergency response, until a Receivership Transition occurs;

WHEREAS the Licensee has cooperated with the AER in generally complying with regulatory requirements to date;

WHEREAS while the Receivership Transition is expected to occur imminently, the AER has concerns about the Licensee's ability to meet its end of life obligations, specifically abandonment, and reclamation, for the Strategic Licences;

WHEREAS the AER may require a licensee to provide a security deposit at any time where the AER considers it appropriate to do so to be applied against the estimated costs of suspending, abandoning or reclaiming a well, facility, well site or facility site;

WHEREAS the estimated cost to abandon and reclaim the Licensee's deemed liabilities is \$48,702,033.00, as determined by AER Directive 011: Licensee Liability Rating (LLR) Program: Updated Industry Parameters and Liability Costs;

WHEREAS Trevor Gosselin, Director, Licensee Management, has been appointed a Director for the purposes of issuing orders under section 1.100 of the Oil and Gas Conservation Rules (the Director);

THEREFORE, I, Trevor Gosselin, under section 1.100 of the *Oil and Gas Conservation Rules*, DO HEREBY ORDER the following:

1. The Licensee must post a security deposit, by no later than **January 27, 2020**, to be applied against the estimated cost to abandon and reclaim the Licensee's deemed liabilities, in the amount of \$48,702,033.00.

Dated at the City of Calgary in the Province of Alberta, the 20th of January 2020.

3

Trevor Gosselin
Director, Licensee Management

In complying with this order, the Licensee must obtain all approvals necessary, notwithstanding the above requirements.

This order in no way precludes any enforcement actions being taken regarding this matter under the *Oil* and Gas Conservation Rules or any other provincial or federal legislation, or by any other regulator with jurisdiction.

All enforcement actions issued by the AER may be subject to a follow-up review to confirm previous commitments have been completed and measures have been implemented, to ensure similar noncompliances are prevented in the future. The AER may request any information that demonstrates steps have been taken to prevent repeat noncompliances from occurring.

Under the Responsible Energy Development Act (REDA), an eligible person may request an appeal of decisions that meet certain criteria. Eligible persons and appealable decisions are defined in section 36 of the REDA and section 3.1 of the Responsible Energy Development Act General Regulation. If you wish to file a request for regulatory appeal, you must submit your request according to the AER's requirements. You can find filing requirements and forms on the AER website, www.aer.ca, under Applications & Notices: Appeals.

THIS IS EXHIBIT "B"

REFERRED TO IN THE AFFIDAVIT OF

AMANDA REITENBACH

Sworn before me this 22nd day of January, 2020

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA

Eamonn Carroll
Student-at-Law



Office of the Regulator of Oil and Gas Operations P.O. Box 1320, Yellowknife, NT XIA 2L9 Tel: 867-767-9097 • Fax: 867-920-0798 • Web: www.orogo.gov.nt.ca Courier Address: 4th floor, 5201 - 50th Avenue, Yellowknife, NT XIA 3S9

Strategic Oil and Gas Ltd. 1100, 645 - 7th AVENUE SW CALGARY AB T2P 4G8

Attention: Tony Berthelet, President & CEO of Strategic Oil and Gas Ltd.

Order: Abandonment of Wells and

Decommissioning of Oil and Gas Infrastructure at the Cameron Hills Field

On February 22, 2016, I was designated as Regulator by the Commissioner in Executive Council pursuant to section 121 of the Oil and Gas Operations Act (hereinafter "OGOA"), through Regulator Designation Order R-011-2016. I am currently the Regulator.

Section 20(a) of OGOA states that the Regulator may "order and require any person to do, without delay, or within or at any specified time and in any manner set by the Regulator, any act, matter or thing that the person is or may be required to do under this Act, any regulation, order or direction made under this Act or an operating licence or authorization issued under section 10" (emphasis added).

Background

Strategic Oil and Gas Ltd. (hereinafter "Strategic") holds an Operations Authorization (OA) for its operation of the Cameron Hills Field (OA-2018-003-SOG). OA-2018-003-SOG was issued on March 20, 2019 under section 10(1)(b) of OGOA and expires on April 1, 2025. OA-2018-003-SOG is subject to additional terms, including the following:

> Strategic Oil and Gas Ltd. shall cause the approved work and activities to be conducted in accordance with any guidelines and/or interpretation notes issued by the Regulator under section 18 of the Oil and Gas Operations Act.

> Strategic Oil and Gas Ltd. shall cause the approved work and activities to be conducted in accordance with the specifications, standards and other information referred to in its application and subsequent submissions.

> > .../2



On April 10, 2019, the Court of Queen's Bench of Alberta issued an order under the *Companies' Creditors Arrangement Act* (CCAA) with respect to Strategic whereby Strategic entered into creditor protection.

On May 10, 2019, the Court of Queen's Bench of Alberta issued an order approving a Sale and Investment Solicitation Process (hereinafter "SISP") with respect to Strategic's assets in the Northwest Territories and in Alberta.

On September 26, 2019, Strategic provided the Office of the Regulator of Oil and Gas Operations (OROGO) with a proposed Plan of Compromise and Arrangement (hereinafter "Plan") under the CCAA. The Plan describes a "disposition transaction", in which Strategic would sell its Cameron Hills properties to a purchaser, pursuant to an Asset Purchase Agreement dated August 27, 2019, which has not been provided to OROGO for review.

It appears from the Plan that, upon the disposition transaction taking place, it is possible Strategic will not be in a position to fulfill its obligations under OA-2018-003-SOG for the suspension and abandonment of wells and the decommissioning of infrastructure outlined in this order, leading to the closure of the Cameron Hills field. The Regulator has reviewed the financial statements and other relevant information provided by the prospective purchaser of the Cameron Hills field and has concerns that the prospective purchaser is not in a financial position to be able to complete the necessary suspension and abandonment of wells and decommissioning of infrastructure. Further, nothing in the Plan indicates that Strategic is prepared to retain any portion of the obligation to suspend and abandon the wells, as required, or decommission the infrastructure at the Cameron Hills field after the disposition transaction is completed.

Strategic's OA Application and Subsequent Submissions

In its application for OA-2018-003-SOG, Strategic provided a list of the proposed activities covered in its application. This list, found on page 6 of the HSE Assurance Plan – Cameron Hills, included the following statement with respect to deactivation, decommissioning and abandonment of the field and its infrastructure:

Detailed project-specific deactivation, decommissioning and abandonment plans will be prepared as required. The fundamental principle governing restoration is that any restored land must be brought back to either its pre-disturbed state or state equivalent to the adjacent land use. To do so, current guidelines and best

management practices pertaining to environmental protection during deactivation, decommissioning and abandonment, as well as assessment, remediation, closure and reclamation, will be considered. Strategic will conduct all aforementioned activities as per the requirements in EA03-005, Land Use Permit MV2013A0010, and Water License MV2010L1-0001.

Furthermore, on February 26, 2019, OROGO issued Information Request No. 5 to Strategic, requesting clarification of the scope and temporal extent of Strategic's OA application, given its intention to complete the abandonment of all infrastructure at the Cameron Hills field by the end of the winter 2025 work season, which was made public during a workshop organized by the Mackenzie Valley Land and Water Board on February 20, 2019 in Hay River.

Strategic, in its February 27, 2019 response to Information Request No. 5, requested that its OA application be amended "to extend the duration of its OA application to a 6-year OA, to the end of 2025 to coincide with its intended deadline for infrastructure abandonment at Cameron Hills".

Therefore, the Scope of Work for OA-2018-003-SOG includes "well and infrastructure maintenance and abandonment / decommissioning leading to the closure of the Cameron Hills field".

Guidelines and Interpretation Notes Issued by the Regulator

On February 1, 2017, I issued and published the *Well Suspension and Abandonment Guidelines and Interpretation Notes* (hereinafter the "Guidelines") under section 18 of OGOA.

Section 1 of the Guidelines states:

If a well suspended prior to the coming into force of the Guidelines is **not in compliance** with the Guidelines and/or OGDPR:

- OROGO will notify the operator of the well;
- The operator must re-suspend or abandon the well in accordance with these Guidelines within two years of notification, or as otherwise specified by the Regulator; and

3. If the operator chooses to re-suspend the well, the well must be abandoned within six years of the re-suspension, in accordance with these Guidelines, unless it is brought back into production.

If a well suspended prior to the coming into force of the Guidelines is in compliance with the Guidelines and/or OGDPR, it must be brought back into production or abandoned in compliance with the Guidelines by January 31, 2023.

Section 6 of the Guidelines states "all wells must be abandoned in accordance with these Guidelines within 6 years of suspension, unless otherwise approved by the Regulator".

The Cameron I-73 Well (WID 1937)

On September 4, 2019, Strategic notified OROGO of a surface casing vent flow (SCVF) at the Cameron I-73 well in the Cameron Hills field. On September 11, 2019, Strategic notified OROGO that the SCVF was releasing H_2S gas.

The SCVF at the Cameron I-73 well is considered a "spill" under section 61(1) of OGOA. Section 62(3) of OGOA requires that Strategic:

Take all reasonable measures consistent with safety and the protection of the environment

- a) To prevent any future spills;
- b) To repair or remedy any condition resulting from the spill; and
- c) To reduce or mitigate any danger to life, health, property or the environment that results or may reasonably be expected to result from the spill.

An SCVF containing H₂S is defined as "serious" under the Guidelines and must be repaired prior to the suspension of a well.

On September 27, 2019, Strategic submitted a proposed plan for the repair of the Cameron I-73 well to OROGO. The repair plan includes:

Pressure testing or packing the wellhead seals;

- If the seals cannot be repaired to stop the SCVF, installing a scrubber on the surface casing vent to mitigate the risks associated with the H2S gas while waiting to suspend the well; and
- Completing a zonal abandonment of the well to isolate the source of the leak once winter access can be frozen in to facilitate the mobilization of a service rig.

On October 1, 2019, Strategic was authorized to proceed with steps 1 through 11 of the proposed plan for repair of the Cameron I-73 well, which are to be completed by October 25, 2019. Strategic was also informed of the information and reporting requirements associated with this work and advised that the deadline for bringing the Cameron I-73 well into compliance with the Guidelines remains April 1, 2020.

Order

Pursuant to section 20(a) of OGOA, in order to comply with the terms of OA-2018-003-SOG, I hereby order Strategic to:

- 1. Repair the SCVF at the Cameron I-73 (WID 1937) well as soon as practicable and by no later than April 1, 2020, in accordance with section 62(3) of OGOA, which requires that Strategic take all reasonable measures consistent with safety and the protection of the environment:
 - a) To prevent any future spills;
 - b) To repair or remedy any condition resulting from the spill; and
 - c) To reduce or mitigate any danger to life, health, property or the environment that results or may reasonably be expected to result from the spill.
- 2. Suspend the Cameron J-62 (WID 1158), Cameron A-03 (WID 2047) and Cameron I-73 (WID 1937) wells by April 1, 2020, in compliance with the amended Well Approvals for these suspensions issued under OA-2018-003-SOG (respectively ACW-2019-004-SOG-J-62-WID1158, ACW-2019-003-SOG-A-03-WID2047, and ACW-2019-005-SOG-I-73-WID1937), and abandon them no later than 6 years after the suspension is completed, as required under section 6 of the Guidelines.

3. Abandon the wells listed in the following table by January 31, 2023, as these wells were suspended prior to the coming into force of the Guidelines and were deemed by OROGO to be in compliance with the Guidelines at that time.

WID	Well Name
1746	Cameron A-68
1122	Cameron M-31
1992	Cameron F-73
2025	Cameron 2F-73
1792	Cameron I-74
2065	Cameron F-77
2034	Cameron J-04
2067	Cameron N-06
2071	Cameron 2B-09
1492	Cameron I-10
1756	Cameron B-25
2041	Cameron L-29
1751	Cameron J-37
1974	Cameron M-49
1608	Cameron C-50
1764	Swede G-21
1753	Cameron N-28
1747	Cameron A-73
2001	Cameron C-16
2063	Cameron M-74
1743	Cameron L-44
1971	Cameron F-75
2042	Cameron E-07

4. Abandon the wells listed in the following table by May 14, 2025, as these wells were classified as suspended (in accordance with the Guidelines) on May 15, 2019 and therefore must be abandoned no later than 6 years after that, as required under section 6 of the Guidelines.

WID	Well Name
1767	Cameron C-19
1793	Cameron C-75
1973	Cameron D-49
1732	Cameron B-08
1975	Cameron H-58
2033	Cameron L-73
1765	Cameron M-73
2026	Cameron 2M-73
1939	Cameron C-74
2032	Cameron J-74
1972	Cameron K-74
1940	Cameron H-03
2073	Cameron 2H-03
0376	Cameron A-05
2045	Cameron L-40
1736	Cameron L-47
1482	Cameron I-16

- 5. Decommission the gathering system in place at Cameron Hills by March 31, 2025, the end of the winter 2025 work season, in accordance with the scope of work of OA-2018-003-SOG and commitments made by Strategic in its OA application and related submissions.
- 6. Remove all other oil and gas infrastructure in place at Cameron Hills by March 31, 2025, the end of the winter 2025 work season, in accordance with the scope of work of OA-2018-003-SOG and commitments made by Strategic in its OA application and related submissions.

I order that all suspensions and abandonments shall be completed in accordance with the Guidelines and that Strategic shall obtain all approvals necessary to comply with this order from OROGO.

This order in no way precludes any enforcement actions being taken regarding this matter under OGOA or any other territorial or federal legislation, or by any other regulator with jurisdiction.

Failure to Comply

Failure to comply with an order of the Regulator made under OGOA is an offence under section 114(1) of OGOA, which provides, in part, that every person is guilty of an offence who fails to comply with an order of the Regulator made under OGOA and is liable, on summary conviction, to a fine not exceeding \$1,000,000 or to imprisonment for a term not exceeding two years, or to both (section 114(2) of OGOA).

In addition, upon being convicted of an offence, the court may order that person to comply with the order (see section 115 of OGOA). If an offence is committed on or continued for more than one day, the offence is considered to be a separate offence for each day on which the offence is committed or continued (see section 116 of OGOA).

A copy of OGOA and of OA-2018-003-SOG are attached for your convenience.

Dated at <u>fort</u> in the Northwest Territories, the day of October 2019.

Louis Sebert Regulator