



Orphan Well
Association

Community Notification

Orphan Well Association
Operations in City of Calgary

September 2017

Orphan Well Association Well Abandonment Operations

The Orphan Well Association (OWA) received direction in August from the Alberta Energy Regulator (AER) to abandon the two wells on the south east edge of the City of Calgary (00/10-13-022-29W4/0 and 00/11-24-022-29W4/0). While in a rural area, these wells are within city limits and are visible to many residents and businesses. Work on the wells is expected to begin in mid-September 2017.

These wells were licensed to Lexin Resources Ltd. The AER directed the OWA to provide for the care and custody of these wells, and many others, after they issued a corporate-wide closure order against Lexin Resources Ltd.

The wells, which previously produced sour gas (natural gas with hydrogen sulphide or H₂S), are being safely abandoned to ensure they pose no threat to public safety or the environment and to allow for the city to expand.

Public safety is a priority to the OWA. Hydrogen sulphide is known to be very toxic. The OWA is working with the AER and the City of Calgary through Calgary Emergency Management Authority (CEMA) to ensure that all emergency preparedness plans are in place prior to the start of operations.

The wells are located in a rural land use area and the Emergency Planning Zones for the OWA abandonment operations do not include any city residences.

The OWA abandonment operations will consist of purging the surface equipment with nitrogen, isolating it from the well head and then safely plugging the producing zones where the sour gas comes from (zonal abandonment).

Once the zonal abandonments are completed, the wells will be in a safe condition. Next, the OWA will work on the wells to protect the groundwater, complete any well repairs, and then remove the wellheads. All operations will be done in accordance with AER regulations.

The associated pipeline segments to the two wells are licensed to LR Processing Ltd. and will also be abandoned (flushed and purged with nitrogen) and the pipeline risers will be removed.

The OWA well operations are scheduled to run for approximately two to three weeks.

The Orphan Well Association is an independent not for profit organization operating under the delegated authority of the AER. The OWA's mandate is to manage the abandonment of upstream oil and gas "orphan" wells, pipelines, facilities and the reclamation of their associated sites. In the upstream oil and gas industry, an orphan is a well, pipeline, facility or associated site which does not have any legally responsible or financially able party to deal with its abandonment and reclamation responsibilities. The OWA's funding comes primarily from the upstream oil and gas industry through an annual levy.

Questions? – The OWA is committed to on-going communication with local residents and communities. If you have questions or concerns about these operations, please contact Pat Payne, Manager of the Orphan Well Association (403.297.6416).

Please visit www.orphanwell.ca for more information about the OWA.