



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

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John Hawkins  
Director Asset Management  
MGM Energy Corp.  
4700, 888 – 3 ST SW  
CALGARY AB T2P 5C5

February 9, 2024

Dear John Hawkins:

**Decision: Variation to ACW-2022-MGM-I-78-WID2078 variation 1**

On February 9, 2024, the Office of the Regulator of Oil and Gas Operations (OROGO) received an application from MGM Energy Corp. (MGM) to vary ACW-2022-MGM-I-78-WID2078 variation 1 for the abandonment of the East Mackay I-78 well (WID2078). MGM is requesting a change to the cement squeeze method for abandoning the Canol perforations.

The Regulator, designated under section 121 of the *Oil and Gas Operations Act* (OGOA), may issue an Operations Authorization under section 10(1) of that act, subject to any Well Approvals that the Regulator may require under section 10(4) of OGOA. The Regulator may vary the terms of an Operations Authorization under section 10(6) of OGOA, including the terms of a Well Approval. On August 2, 2020, the Commissioner in Executive Council designated me as the Regulator under section 121 of OGOA.

I have reviewed MGM's description of its proposed activity and find that the application demonstrates that this activity will be conducted safely, without waste and without pollution, in compliance with the *Oil and Gas Drilling and Production Regulations*. Therefore, MGM's application for a variation is approved, subject to the terms contained in the attached Well Approval.

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MGM must post a copy of the attached Well Approval in a clearly visible location at the work site.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Pauline de Jong', is written over the typed name.

Pauline de Jong  
Regulator

Encl. Well Approval ACW-2022-MGM-I-78-WID2078 variation 2

c. Corey Thompson, ARO & Workovers, Paramount Resources Ltd.

## WELL APPROVAL

Subject to the terms listed below, well approval **ACW-2022-MGM-I-78-WID2078 variation #2** is granted under Section 10 of the *Oil and Gas Operations Act* and Part 2 of the *Oil and Gas Drilling and Production Regulations* to

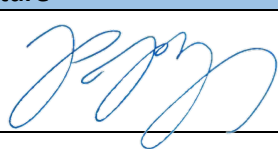
Company Name	Operating Licence #
MGM Energy Corp.	NWT-OL-2014-009
Responsible Officer	Operations Authorization #
John Hawkins, Director Asset Management	OA-2023-001-MGM

for

Well Name and Well ID#	
East Mackay I-78 (WID2078)	
Type of Work	Region
Abandonment	Sahtu

This approval, originally issued on January 4, 2024, has been varied by the Regulator or its delegate under Section 10(6) of the *Oil and Gas Operations Act*.

This approval expires on **October 31, 2025**.

Issued at	Issued on
Yellowknife, Northwest Territories	February 9, 2024
Issued by	Signature
Pauline de Jong, Regulator	

## Additional Terms

1. MGM Energy Corp. shall cause the approved work and activities to be conducted in accordance with the requirements of the *Oil and Gas Operations Act* and the *Oil and Gas Drilling and Production Regulations*, as well as any other acts or legislation as may apply.
2. MGM Energy Corp. 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*.
3. MGM Energy Corp. shall cause the approved work and activities to be conducted in accordance with the specifications, standards and other information referred to in its response to Information Request No. 1, dated November 15, 2022, including a cement squeeze of the four Canol Shale perforations, request for variation received February 9, 2024, and other submissions.
4. MGM Energy Corp. is exempt from the requirement to place a cement retainer or plug as close as possible to each perforated zone, as required under section 6A of the *Well Suspension and Abandonment Guidelines and Interpretation Notes*.
5. MGM Energy Corp. shall request approval from the Regulator prior to undertaking any change to or deviation from the authorized work or activities, including but not limited to key personnel, the safety plan, the environmental protection plan, and contingency plans.
6. Pursuant to section 67 of the *Oil and Gas Drilling and Production Regulations*, MGM Energy Corp. is approved to conduct controlled venting and flaring as part of well kill operations. Venting is approved utilizing separator packages and/or flare stacks to a maximum daily flow rate of 1 m<sup>3</sup>/day for a maximum daily duration of 4.0 hours per day and flaring is approved utilizing separator packages and/or flare stacks to a maximum daily flow rate of 0.040 E<sup>3</sup>m<sup>3</sup>/day and maximum daily duration of 4.0 hours per day. MGM Energy Corp. shall include the volume and composition of any amount of flared and/or vented gas in its daily report to OROGO. Flaring and/or venting of any volume, daily volume rate and/or duration greater than the approved maximum daily flow shall be reported to OROGO as an incident under section 75 of the *Oil and Gas Drilling and Production Regulations*.
7. MGM Energy Corp. shall provide all staff and contractors for this program with its Emergency Response Plan and the OROGO 24-hour Incident Reporting phone number (867-445-8551) prior to commencing any work or activity.
8. MGM Energy Corp. shall notify OROGO at least 10 days prior to the start of approved operations.
9. MGM Energy Corp. shall submit to OROGO certificates and inspection documents for any service rig, well control and associated equipment (including boilers) at least 10 days prior to the rig commencing work.
10. MGM Energy Corp. shall submit to OROGO an updated operator contact list for this program prior to any work or activity.

11. MGM Energy Corp. shall submit to OROGO a Daily Report outlining all activities undertaken for each day of the operation under this well approval no later than 10:00 a.m. the following day.
12. MGM Energy Corp. shall submit to OROGO a completed Change of Well Status form 30 days after the service rig release date or when the operation has been successfully completed.
13. MGM Energy Corp. shall complete well abandonment operations for the East Mackay I-78 well by March 31, 2025.