



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
Suite 2800, 421 – 7TH AVE SW
CALGARY AB T2P 4K9

February 26, 2020

Dear John Hawkins:

Preliminary Screening Requirements (OA-2019-002-MGM)

On June 12, 2019, the Office of the Regulator of Oil and Gas Operations (OROGO) received a complete application from MGM Energy (MGM) for an Operations Authorization (OA). The original OA application covers the proposed abandonment of seven wells operated by MGM in the Sahtu Settlement Area of the Northwest Territories. MGM's response to Information Request No. 2, received on August 14, 2019, reduces the scope of the OA application to the abandonment of six wells.

As stated in OROGO's letter sent to MGM on September 6, 2019, an OA application triggers the requirement for a preliminary screening under the *Mackenzie Valley Resource Management Act (MVRMA)*. As a regulatory authority under the MVRMA, the Regulator may conduct its own preliminary screening, adopt a preliminary screening conducted by another organization, participate in a joint preliminary screening, determine that the development is exempt from preliminary screening, or decide not to conduct a preliminary screening because a Land and Water Board established under the MVRMA has already conducted one.

On October 11, 2019, MGM responded to OROGO's September 6 letter and requested that OROGO defer further consideration of MGM's OA application until the Sahtu Land and Water Board (SLWB) has completed its review of the Land Use Permit and Water License applications for the proposed well abandonments. On October 15, 2019, OROGO issued a letter of decision approving deferral of the OA until it receives confirmation of a preliminary screening decision by the SLWB and confirmation of approval of MGM's benefits plan by the Minister of Industry, Tourism and Investment.

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Bureau de l'organisme de réglementation des opérations pétrolières et gazières

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BUREAU DE L'ORGANISME DE RÉGLEMENTATION DES OPÉRATIONS PÉTROLIÈRES ET GAZIÈRES DESTINÉ

Also in its October 11 letter, MGM states that the scope of the preliminary screening conducted for the original Land Use Permit and Water License applications for the development of the wells included abandonment. However, OROGO could not find definitive information to confirm this. If MGM can submit information to clearly demonstrate that the proposed well abandonments have already been subject to preliminary screening, this would exempt the proposed well abandonments from further screening.


Since October 15, 2019, OROGO has not received further information from MGM on this matter. OROGO requests that MGM identify when it intends to file Land Use Permit and Water License applications to the SLWB for the proposed well abandonments. Once OROGO has received confirmation of a preliminary screening decision and confirmation of the approval of MGM's benefits plan by the Minister of Industry, Tourism and Investment, then it will continue processing MGM's OA application.

If you have any questions, please contact Peter Lennie-Misgeld at (867)767-9097 Ext: 78003 or by email at peter.lennie-misgeld@gov.nt.ca. I look forward to a response at your earliest convenience.

Sincerely,



Pauline de Jong
Chief Conservation Officer

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