



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

P.O. Box 1320, Yellowknife, NT X1A 2L9

Tel: 867-767-9097 • Fax: 867-920-0798 • Web: [www.orogo.gov.nt.ca](http://www.orogo.gov.nt.ca)

Courier Address: 4th floor, 5201 – 50th Avenue, Yellowknife, NT X1A 3S9

John Hawkins  
Director, Asset Management  
MGM Energy  
Suite 2800, 421 – 7<sup>TH</sup> AVE SW  
CALGARY AB T2P 4K9

October 29, 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.

On September 6, 2019, I sent a letter to MGM indicating that 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 my September 6, 2019 letter and requested that further consideration of MGM's OA application be deferred 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, I approved deferral of the OA until confirmation of a preliminary screening decision by the SLWB and approval of MGM's benefits plan by the Minister of Industry, Tourism and Investment are received.

.../2

Since October 15, 2019, OROGO has not received further information from MGM on this matter. On February 26, 2020, I sent another letter, again asking MGM to identify when it intends to file Land Use Permit and Water License applications with the SLWB. OROGO has not received a response from MGM on this matter, although the SLWB Online Review System indicates that these applications were received and are currently in progress, pending the provision of additional information by MGM.

Finally, on July 27, 2020, MGM contacted OROGO to request an extension to the deadline for pre-abandonment inspections of the Nogha C-49 and West Nogha K-14 suspended wells, in the Sahtu region, due to COVID-19 travel restrictions. On July 30, 2020, I waived the requirement for these pre-abandonment inspections, instead requiring MGM to complete post-abandonment inspections, including gas migration testing, on both wells during the frost-free months of 2021.

Please identify when MGM intends to file the additional information requested by the SLWB so that the SLWB can complete its review of MGM's Land Use Permit and Water License applications and complete the preliminary screening process. 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, it will continue processing MGM's OA application.

I would like to remind MGM that the Nogha C-49 and West Nogha K-14 wells must be abandoned by April 1, 2021, in accordance with my decision of August 20, 2019 and the requirements of the *Well Suspension and Abandonment Guidelines and Interpretation Notes* and section 56 of the *Oil and Gas Drilling and Production Regulations*.

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](mailto:peter.lennie-misgeld@gov.nt.ca). I look forward to a response at your earliest convenience.

Sincerely,



Pauline de Jong

Executive Director