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May 1, 2023

Department of Justice
Office of the Regulator of Oil and Gas Operations
Government of the Northwest Territories
4th Floor Northwest Tower
5201 – 50th Ave
Yellowknife NT X1A 3S9

Attention: Pauline de Jong, Regulator

Via Email Only: OROGO@gov.nt.ca

Re: IR#6 - OA-2019-002-MGM

Please find MGM Energy's response to IR#6 below:

Request:

Provide a rationale for the discrepancy between MGM's estimated cost of third-party clean-up for its worst-case scenario spill and Suncor's.

MGM has completed a scoping review of the estimates provided by Suncor by Bowron Environmental and notes that the initial cleanup costs are similar. MGM's understanding is Suncor used a spill into a water course. MGM does not believe a spill would enter a water course from our leases.

MGM estimated the cost of initial cleanup at \$465k vs Suncor's estimate of \$600k. Considering the variables and the water course assumption, these numbers are reasonably close. The main difference is in the follow-up inspection and monitoring costs. Suncor's estimate assumed three years of extensive work for a total of \$715K whereas MGM assumed one season (predominantly consisting of inspection and monitoring) at a cost of \$100K.

MGM believes there would be minimal follow-up work considering that operations will be undertaken in the winter on an ice pad above frozen ground and a potential spill lateral and vertical impacts would be highly visible during the initial spill clean-up response. In addition, the locations will be continually attended, bermed and that the sites next stage is reclamation. MGM ascertains that the estimate provided to OROGO is sufficient to address the potential spill.

Should you require additional information, please contact me.

Respectfully,

MGM Energy

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