



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 4700, 888 – 3 ST SW
CALGARY AB T2P 5C5

June 16, 2023

Dear John Hawkins:

**Information Request No. 8:
Extension Request - Deadline for Well Abandonment (OA-2019-002-MGM)**

On June 15, 2023, the Office of the Regulator of Oil and Gas Operations (OROGO) received MGM Energy's response to Information Request No. 7, stating that MGM Energy (MGM) requests the deadline for abandonment of the following wells be extended to March 31, 2026:

Nogha C-49 (WID 1934)	West Nogha K-14 (WID2006)
Nogha B-23 (WID1998)	Lac Maunoir C-34 (WID1995)
Lac Maunoir E-35 (WID2021)	Nogha M-17 (WID1970)
East Mackay I-78 (WID2078)	

As indicated in my letters of May 19, 2023, and June 14, 2023, the abandonment of the East Mackay I-78 well is not scoped into OA-2019-002-MGM at MGM's request. Therefore, this information request addresses only the six wells scoped into OA-2019-002-MGM.

OROGO has reviewed the information provided by MGM in its response to Information Request No. 7 and requires additional information to complete its review of MGM's request, as set out in the attached Information Request No. 8.

Please send your written responses and any associated correspondence to OROGO on or before 4:00 p.m. on July 4, 2023, by email at oroqo@gov.nt.ca or through OROGO's secure file transfer site.

If you are unable to respond within this timeframe or have any questions, please contact OROGO at 867-767-9097 or by email at oroqo@gov.nt.ca.

Sincerely,



Pauline de Jong
Regulator

MGM Energy
OA-2019-002-MGM
Information Request No. 8

8.1 Local Capacity

Preamble:

In its response to Information Request No. 7, MGM states it has been engaging with local communities, the K'ashsho Got'ine Land Corporation, Behdzi Ahda' First Nation, Ayoni Keh Land Corporation, Fort Good Hope Dene Band, Yamoga Land Corporation, Fort Good Hope Metis Nation Local #54 Land Corporation, and others to obtain support services for its well abandonment operations under OA-2019-002-MGM for more than three years. Those efforts have been unsuccessful.

It is not clear that local communities have the capacity, or interest, to offer suitable support services for MGM's planned operations.

Request:

Please provide documentary evidence (for example, letters or emails) that local communities have the capacity to offer suitable support services and are interested in doing so.

8.2 Obtaining Services Elsewhere

Preamble:

In its response to Information Request No. 7, MGM states it is requesting this extension to "maximize the benefits to the local community". While this is an admirable goal, it is not a requirement of the *Oil and Gas Operations Act*.

It is not clear whether MGM has made attempts to comply with the current deadline for abandoning its suspended wells under OA-2019-002-MGM (March 31, 2025) by obtaining the services it requires elsewhere in the Northwest Territories or elsewhere in Canada.

Request:

Please provide more information on MGM's efforts to obtain the services required to complete its well abandonment operations by March 31, 2025. Include information on:

- The type of service;
- How many possible other providers were considered;
- The location of those possible providers; and
- Why MGM chose not to proceed with these providers.

8.3 Staging of Winter Road Construction Equipment

Preamble:

In its response to Information Request No. 7, MGM provides a tentative operations schedule that shows staging of winter road construction equipment in February 2025.

It is not clear what equipment is to be staged, how it will be moved to Colville Lake, and where it will come from.

Request:

Please provide more information on the staging of winter road construction equipment, including:

- The types of equipment to be staged;
- Where the equipment will come from; and
- How the equipment will be mobilized to Colville Lake (for example, by barge, winter road, or combination of the two).

8.4 Schedule for Completing Well Abandonments

Preamble:

In its response to Information Request No. 7, MGM provides a tentative operations schedule containing three items:

- Staging winter road construction equipment – February 2025
- Start of winter road construction – November 2025
- Start of well abandonment operations – January 2026

It is not clear how MGM will complete all the necessary steps, including securing contractors and equipment, to meet its proposed start of well abandonment operations in January 2026.

Request:

Please provide a Gantt chart for the project, starting in July 2023 and ending with well abandonment operations in winter 2026. The Gantt chart should identify all key tasks and milestones required to meet MGM's proposed start of operations in January 2026, including a date by which all contractors must be secured.