



Suite 4700 888, 3rd Street SW
Calgary, AB T2P 5C5
Phone (403) 290-3600

July 27, 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: OROOG@gov.nt.ca

OA-2019-002-MGM IR#8 Response

MGM Energy (MGM) response to OROGO's IR#8 for the subject OA is provided in blue font below the IR items noted in black font. It should be noted MGM and Suncor are jointly engaging with affected communities to involve them in the well abandonment program to provide contracting services and employment. Identifying the community company or joint venture and engage with them to ensure they meet safety, health and environmental requirements is essential.

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.

The local communities provided services and resources during the drilling of the Colville wells. In the past, the communities engaged to enter into joint venture agreements, however, MGM's understanding is these no longer exist and wants to provide sufficient time for the communities to explore this opportunity. Currently the communities do not have specialized equipment to conduct the abandonments but have the potential to provide the supply and access services. MGM made the communities aware of the required equipment and services over the course of its engagement on the Land Use Permit and Water Licence. Information regarding that engagement is documented at <https://slwb.com/registry/S19A-004>. Communications with representatives of the communities are included in attachment #1.

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.

MGM follows the NWT Industry, Trade and Tourism (ITI) guidance for contracting local communities and moving to the Region, the north and then elsewhere to contract services. Further, through engagement regarding the project it has been stated numerous times from community leadership that local participation was required. Additionally, a portion of the lands are Sahtu surface lands and are governed by a private agreement between MGM and a Sahtu communities and governments. This agreement also speaks to the requirement of using local services where capacity exists. The type of services are lodging, snow machines, water trucks, graders, storage, medical, service rigs and labourer's. These services are located in Colville, Fort Good Hope and Norman Wells. Communities have not confirmed what services would be available or contractors. MGM has not engaged contractors outside of the NWT at this time as it would not benefit the communities.

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).

The following equipment to be staged would be moved on the winter road from Fort Good Hope or Norman Wells to Colville:

- 2 cats c/w drags (650's)
- 2 snowcats
- 2 water trucks
- 2 - 50,000-liter Diesel tanks
- 1 - 30,000-liter Gas tanks
- 1 Haglund
- 3 pickups with slip tanks
- 1 suburban (medic unit)
- 1 mechanic truck
- Portable shop (Coverall building)
- 4 propane bullets (500lb)
- 2 - wellsite trailers
- 5 light towers (20kw)

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.

Please find the Gantt chart below identifying the key tasks and timelines.

MGM Sahtu Well Abandonment Planning	2023		2024				2025				2026			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Indigenous Communities														
Engagement & communications with Indigenous Communities														
Procurement: Logistics Scope														
Finalize project scope and plans														
Engage contractors, JV's and/or partnerships aligned with the benefits plan														
Contractor Evaluation, Prequalification and Qualification Process														
Approved Contracts														
Detailed Scope of Work including work plans, hazard assessment, etc.)														
Procurement: Abandonment Scope														
Engage and Select Service Providers														
Complete Risk and Safety Reviews														
Approved Contracts														
Equipment Staging														
Camp, tanks and supplies														
Road access equipment														
Abandonment Operations														
Logistics Access & Lease preparation														
Well Abandonments														
Demobilization														
Permits														
OROGO Operations Authorizations & final review														
SAHTU Land and Water Board LUP & WL Approved through 2026.														

Should you require additional information or would like to meet to discuss, please contact me.

Respectfully,

MGM Energy



John Hawkins, P.Eng.
 Director Asset Management
john.hawkins@paramountres.com
 403-817-5074

Attachment #1: MGM Contractor Log

MGM Colville Contracting Log			
Contact	Contact Method	Date	Summary of Discussion
David Codzi (BAFN) and Joseph Kochon(BAFN)	Email	June 15, 2022	MGM Energy ("MGM") contacted Joseph and David of BAFN as Northwell Oilfield Hauling had contacted MGM stating they were no longer partnered with BAFN. MGM requested that BAFN provide any update they had regarding a new arrangement/partner and a current capacity list of community owned equipment/personal that could be used for the abandonment project
Joseph Kochon(BAFN)	Email	August 25, 2022	Joseph responded to the June 15, 2022 email asking for a revised required equipment list so that he could source capacity in the Sahtu. MGM stated they were working with Suncor on a revised list, but that current capacity list would be very helpful
Joseph Kochon (BAFN)	Email	August 31, 2022	Joseph reiterated the need for an equipment list, MGM Energy sent the current list stating it is subject to refinement but was a good outline. Joseph asked about camp requirements and MGM outlined the need for up to a 60 man camp and a sleigh camp
Joseph Kochon (BAFN)	Email	September 3, 2022	BAFN inquired about catering, fuel and trucking services. MGM confirmed it required those services.
David Codzi (BAFN) and Joseph Kochon(BAFN), Paul Carpentier (Suncor) Greg Hundesworth (Suncor) and Boyd Stewart (MGM)	Meeting	October 12, 2022	A meeting was held to discuss local capacity to support the MGM and Suncor abandonment programs in the Colville Lake area. After the meeting an equipment list was provide to
Curtis Rowe, Midnight Petroleum	Email	October 13, 2022	Curtis reached out via email regarding opportunities with MGM forth coming winter. First by phone and then by email MGM spoke with Curtis providing an updated construction contact and discussing potential program timing
Jacinta Grandjambe, Yamoga Land Corporation	Email	October 20, 2022	Jacinta reached out for a meeting to discuss the Colville project with MGM. A zoom meeting for November 14th was scheduled.
Edwin Eurtse, Clayton Lafferty and Jacinta Grandjambe Yamoga Land Corporation. Joseph Kochon (BAFN)	Email	November 1, 2022	Email correspondence to arrange an online meeting. November 14th was agreed to for a meeting
Edwin Eurtse and Jacinta Grandjambe Yamoga Land Corporation. Joseph Kochon (BAFN)	Email	November 14, 2022	Zoom meeting to discuss potential program and timing. MGM inquired about capacity and stated the program timing was dependent on sourcing local capacity. MGM also encouraged that the local communities, government organizations and contractors work together regarding the MGM/Suncor program. At the end of the meeting MGM sent Yamoga the current required capacity list for the program
Edwin Eurtse Yamoga Land Corporation. Joseph Kochon (BAFN)	Email	November 24, 2022	MGM followed up with the two organizations regarding the equipment/capacity list, Edwin responded that it had been posted locally
Bryan Mcneely, Contractor	Email	December 6, 2022	Bryan contacted MGM regarding a snowcat and operator. MGM provided contact information to of both MGM and Suncor and had a brief discussion regarding timing
Jacinta Grandjambe, Yamoga Land Corporation	Email	February 6, 2023	Jacinta reached out on behalf of Yamoga for an update. MGM stated not contracts had been awarded and the program had been delayed due to sourcing issues. Activity was moved to 2024-2025
Sean Craig on behalf of K'asho Got'ine Land Corporation	Email	February 14, 2023	Sean reached out by email to MGM. MGM followed up with a phone call explaining the program and equipment/capacity requirements. Sean followed up with an email to clarify the equipment/capacity needs on February 22, 2023. MGM reiterated the timing of 224-2025 and made a couple of clarifications regarding the equipment/capacity list.