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July 15, 2024

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#10 - OA-2019-002-MGM

Please find OROGO's IR#10 request in black font and MGM Energy's response to IR#10 in blue font below:

Request:

Please identify the date by which MGM will submit the required proof of financial responsibility to OROGO for OA-2019-002-MGM.

MGM Energy (MGM) currently has BOM LOC BMT0702067OS in place for security for East MacKay I-78 OA-2023-001-MGM. As the abandonment work has been completed at I-78, MGM was planning to amend BMT0702067OS by December 1, 2024, subject to OROGO approval.

Request:

Please clarify whether MGM staged the equipment required to complete the well abandonment operations under OA-2024-002-MGM to Colville Lake in winter 2024.

If MGM staged the required equipment, please confirm MGM's intention to complete the well abandonments by March 31, 2025.

If MGM did not stage the required equipment, please provide:

- A detailed explanation why MGM chose not to stage equipment in winter 2024; and
- A detailed explanation of how MGM intends to meet the March 31, 2025, abandonment deadline.

MGM has been engaged with the local communities and Suncor Energy Ltd. (Suncor) to safely complete the abandonments to attain the maximum net environmental benefit for the six MGM shut-in gas wells in the

Central Mackenzie Valley under the OA, specifically:

- | | |
|--------------------------------------|---------|
| 1. MGM Nogha C-49 | WID1934 |
| 2. MGM West Nogha K-14 | WID2006 |
| 3. MGM Apache Nogha B-23 | WID1998 |
| 4. Apache Paramount Lac Maunoir C-34 | WID1995 |
| 5. Apache Paramount Lac Maunoir E-35 | WID2021 |
| 6. MGM et al Nogha M-17 | WID1970 |

MGM, Suncor, contractors, and the local communities were not able to finalize safety and contractual terms in time to stage equipment in Colville Lake in the winter of 2024.

Suncor informed MGM that they were looking at an alternative abandonment method and need some verification this summer, but if successful they would not abandon their wells with MGM as planned.

Due to this change, MGM is currently evaluating the following options and will finalize the plan by September 30th:

1. Assess if Suncor's methodology will work for any or all the six MGM wells to attain net environmental benefits.
2. Review alternatives to complete the abandonments by March 31, 2025.
3. MGM has been approached by an entity to acquire our assets at Colville Lake and we also assess this as an option.

MGM has recently been in contact with Behdzi Ahda First Nation to reengage with them regarding our capacity need. This has included a phone conversation and an exchange of emails during the first week of July. MGM has resent its equipment list for the entire project.

The wells are currently being inspected this week to confirm they are safe and secure.

Should you require additional information, please contact me.

Respectfully,

MGM Energy



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