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August 29, 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: Proof of Financial Responsibility, Potential Sale of Wells, and Alternative Abandonment Methodologies (OA-2019-002-MGM)

Please find OROGO's areas of inquiry outlined in your letter dated July 18, 2024, in black font and MGM Energy's update in blue font below:

Proof of Financial Responsibility MGM for OA-2019-002-MGM.

MGM Energy (MGM) will work with our lenders to submit a line of credit in the amount of security for the Colville Lake **OA-2019-002-MGM** as described in OROGO's decision letter dated May 19, 2023.

Sale of Wells

MGM is progressing discussions with a third party; however, the potential deal is in the due diligence stage. If an agreement is finalized MGM would be happy to meet with OROGO to discuss OROGO's Change of Ownership Policy.

Alternative Abandonment Methodologies

MGM has assessed the Heli-service rig abandonments methodology that Suncor proposed, however, MGM's understanding is that Suncor will not use the Heli-service rig and has revised their methodology.

The Heli-Service rig has capability to abandon four of the Colville wells as it currently configured. There is an option to modify the service rig to abandon the remaining two wells, however, there was insufficient time to progress this option.

MGM plans to abandon the Colville wells as per their programs approved under **OA-2019-002-MGM** and the associated ACW's.

MGM has been in contact with Behdzi Ahda First Nation and their joint venture progressing safety & environmental programs and resources.

All Colville wells were inspected in July and are safe and secure.

Should you require additional information, please contact me.

Respectfully,

MGM Energy

A handwritten signature in black ink, appearing to read 'John Hawkins', with a long horizontal flourish extending to the right.

John Hawkins, P.Eng.

Director Asset Management

john.hawkins@paramountres.com

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