



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

P.O. Box 1320, Yellowknife, NT X1A 2L9

Tel: 867-767-9097 • Fax: 867-920-0798 • Web: www.oro.go.gov.nt.ca

Courier Address: 4th floor, 5201 – 50th Avenue, Yellowknife, NT X1A 3S9

John Hawkins
Director, Asset Management
MGM Energy
Suite 2800, 421 – 7TH AVE SW
CALGARY AB T2P 4K9

June 25, 2019

Dear John Hawkins:

**Information Request No. 2: MGM Energy Application
for an Operations Authorization for Well Abandonments (OA-2019-002-MGM)**

On June 12, 2019, the Office of the Regulator of Oil and Gas Operations (OROGO) received a complete application from MGM Energy (MGM) for an Operations Authorization (OA). The OA covers the proposed abandonment of seven wells operated by MGM in the Sahtu region of the Northwest Territories. In order to review MGM's application, OROGO requires additional information, as set out in the attached Information Request No. 2.

Please send your written responses and any associated correspondence to Pauline de Jong, Chief Conservation Officer, OROGO, by email at oro.go@gov.nt.ca or through OROGO's secure file transfer site.

Please submit your response on or before 4:00 p.m. on July 17, 2019. If you are unable to respond within this timeframe or have any questions, please contact OROGO at (867)767-9097 or by email at oro.go@gov.nt.ca.

Sincerely,

Kristen Cameron
A/Executive Director

Attachment

Bureau de l'organisme de réglementation des opérations pétrolières et gazières

B.P. 1320, Yellowknife, TNO X1A 2L9

Tél : 867-767-9097 • Téléc : 867-920-0798 • Site web : www.oro.go.gov.nt.ca

Adresse de messagerie : 4^e étage, 5201 – 50^e Avenue, Yellowknife TNO X1A 3S9



BUREAU DE L'ORGANISME DE RÉGLEMENTATION DES OPÉRATIONS PÉTROLIÈRES ET GAZIÈRES DES NT-0

MGM Energy (MGM)
Application for an Operations Authorization (OA-2019-002-MGM)
Information Request No. 2

2.1 Safety Plan – Regulatory Framework

Preamble: Appendix 6 – Safety Plan – of the MGM OA application contains incorrect references to applicable legislation, regulatory authorities and project location, such as:

- Page 5 references Section 8 of *Canada Oil and Gas Drilling and Production Regulations* administered by the National Energy Board. The requirements for safety plan elements for this project fall under Section 8 of the *Oil and Gas Drilling and Production Regulations* (OGDPR) administered by OROGO.
- Page 31 states “*Field work associated with the project will take place primarily in the Yukon Territory*” and that the “*well abandonment program will comply with Yukon Oil and Gas act regulations*”. The proposed work locations for the project are in the Northwest Territories and well abandonments are subject to the OGDPR and OROGO’s *Well Suspension and Abandonment Guidelines and Interpretation Notes*.

On January 8, 2019, OROGO received an updated Safety Plan (Rev. 2 08-Jan-2019) as part of Paramount’s OA-2018-004 application.

Request: Please provide an updated Safety Plan that:

- Correctly references relevant regulatory mandates and legislation related to the project scope and location; and
- Outlines the scope of work and requirements under the OGDPR and the *Well Suspension and Abandonment Guidelines and Interpretation Notes*.

2.2 Safety Plan – Project Specific Information

Preamble: Appendix 6 of MGM’s OA application – Safety Plan – Appendix 2: Project Specific Information, pages 38-39 contains no content.

Appendix 6 of MGM’s OA application – Safety Plan – Appendix 3: Project Risk Register, pages 40-45 contains blank forms with no project risk assessments.

MGM's Safety Plan does not meet the requirements of Sections 8 c), e) and f) of the OGDPR in that it has not provided:

- The results of a project risk evaluation;
- A list of all structures, facilities and equipment and systems critical to safety; and
- The contact information and position of the person accountable for the Project Site Safety Plan and of the person responsible for implementing the proposed Central Mackenzie Valley well abandonments.

Request: Please provide updates to the Safety Plan that satisfy the requirements of Section 8 c), e) and f) of the OGDPR relevant to the proposed scope of work, including:

- a) The Site Specific Information as referenced in Appendix 2 of the Safety Plan; and
- b) A completed Project Risk Register as referenced in Appendix 3 of the Safety Plan.

2.3 Safety Plan – Emergency Transportation Plan

Preamble: Appendix 6 - Section 7 of MGM's OA application – Safety Plan: Emergency Response and Emergency Transportation Plan – states that MGM will develop an Emergency Transportation Plan and Emergency Contacts List. These referenced plans are not provided with the Safety Plan.

Request: Please provide a Site Specific Emergency Transportation Plan and Emergency Contact List as referenced in Section 7 of the Safety Plan.

2.4 Environmental Protection Plan – Project Scope

Preamble: Appendix 7 – Environmental Protection Plan states that the plan addresses the abandonment of six wells in the Colville Lake area.

The project scope outlined in the Execution Plan states that the project consists of abandonment of seven wells, including the East Mackay I-78 well in the Tulita area.

Request: Please provide an updated Environmental Protection Plan which addresses the abandonment of the East Mackay I-78 well in the Tulita area.

2.5 Gas Flaring and Venting

Preamble: MGM's OA application states that small amounts of gas may be present in the wellbores during abandonment that will be bled off and vented to atmosphere or flared if volumes dictate.

Gas flaring and venting require approval under Section 67 of the OGDPR

Request: Please provide an operational plan for gas flaring and venting, including:

- a) Operational procedures and safety equipment that will be utilized to ensure safe venting and/or flaring; and
- b) Estimates of the maximum flow rate and maximum daily flaring volumes that are anticipated.

2.6 Benefits Plan

Preamble: MGM's OA application states that "Paramount will develop a Benefits Plan for this project and will provide it to OROGO after it has been approved by the GNWT department of Industry, Tourism and Investment and prior to abandonment operations commencing".

Section 17(2) of the *Oil and Gas Operations Act* states that an OA cannot be granted until the Benefits Plan has been approved or the requirement for a Benefits Plan has been waived.

Request: Please identify a specific date by which MGM will provide the Benefits Plan to the GNWT department of Industry, Tourism and Investment for approval.

ORIGINAL FILED: OA-2019-002-MGM



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