



APPROVAL TO DRILL A WELL

APPLICATION

This application is submitted under Section 10 of the *Canada Oil and Gas Drilling and Production Regulations* (SOR/2009-0315). When granted under Section 13 of the Regulations, this form is the requisite approval for the commencement of well operations. An approved copy of this notice is to be posted at each drill site.

Well Name	MGM - Shell East MacKay I-78	Operator	MGM Energy Corp.
Well Type	Exploratory Well	If Other Type, please specify	N/A
NEB Operating Licence No.	1202	Operations Authorization No.	Pending
Drilling Rig or Unit	37	Contractor	Akita Sahtu Drilling
Licence No.	Exploration Licence 466	Estimated Well Cost	\$35,000,000.00
Station Keeping	Not Applicable	Land Structure	Conventional Land
Land Use Permit No.	S12A-001	Issued by:	Sahtu Land and Water Board
Water Licence No.	S12L1-001	Issued by:	Sahtu Land and Water Board
Location Unit	I	Section	78
Coordinates (NAD 27)	Surface	Lat	64 ° 47 ' 42.1 "
	Bottom Hole	Lat	64 ° 47 ' 42.1 "
		Grid	64 50 125 30
		Long	125 ° 43 ' 19.1 "
		Long	125 ° 43 ' 19.1 "
Region	NWT Mainland		
Target Formation	Canol & Bluefish	Field/Pool	/
Well Path	Vertical	Discovery Well	
Elevation KB/RT	160.7 m	Ground Level / Seafloor	155 m
Approximate Spud Date	Jan 15 2013	Est. Days on Location	60 days
Anticipated Total Depth	2020 m KB		

EVALUATION PROGRAM

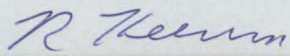
Sample Type	Top to Bottom Interval (m KB)	Sample Interval (m)	Comments
Select	20-2020	5.0	Interval may be altered by geologist due to recovery / penetration
Other	40-2020	Other	50m to 1800 & 5m to TD - mud gas isotubes
Select	-	Select	
Conventional Cores	1817-1965	Other	78 mm core as warranted
Logs and Tests	20-2020	Other	all SP-DIL-sonic-density- plus MREX-FLEX main hole

CASING PROGRAM

O.D. (mm)	Weight (kg/m)	Grade	Setting Depth (m KB)
244	59.5	L-80	400 (or comperant formation)
178	38.7	L-80	2020

Additional Information

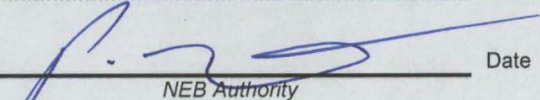
"I certify that the information provided on this form is true and correct"

Name	Richard Heenan	Telephone	(403) 781-7819 Ext
Job Designation	Drilling Manager	E-Mail	dick.heenan@mgmenergy.com
Operator	MGM Energy Corp.		
Signature		Date	2012/12/13
	Responsible Officer of Company		

NATIONAL ENERGY BOARD APPROVAL

(Board Use Only)

This well approval is granted under section 13 of the *Canada Oil and Gas Drilling and Production Regulations* (SOR/2009-0315) and is subject to the terms and conditions attached to this approval and Operations Authorization No. 0A-1202-002

Job Designation	Chief Conservation Officer	Well Identifier	2078	Unique Well Identifier	300I786450125300
Signature		Date	16 January 2016		
	NEB Authority				