

DM 689439

W10 2078

East Mackay Project - 2012

Daily Operations Report

Location: East Mackay Project Staging
Operator: MGM. Energy Corp.
Supervisors: John Williams - Ron Krinke
Contractor: Northridge / MYB

Date: January-17-13
AFE: 12D0006
Report No. 60
Office Phone: (J) 403-538-6881 (R) 403-648-3757

Weather: High Temp -23 C

Personnel in Camp: 45

Total Daily Cost:	\$ 194,059	Daily Previous Total	Fuel (L)	Water (m3)
Cumulative Cost:	\$ 6,004,860		6322	620
			279,026	32,360
			285,348	32,980

Operations Details

Job Objective: Move in Drilling Rig and Drill I-78 Well. Complete three observation water wells.

Present

Operation: Wait on Rig Move trucks due to Government NWT road closure. Moving drilling equipment from Staging to Location. Water Well Rig completed drilling and logging Water Well #3. Set and cement 406mm conductor pipe.

Daily Operations Details

Held a safety meeting with MGM, Northridge/MYB, Black Opel, Aecom, Alken Basin, PTI, Akita, and Frontier medic personnel.

Access Road and I-78 Location

Hauled remainder of drilling support equipment from staging area to location. Cancor augered and set 17.65m (GL) of 406.4mm conductor pipe. Augered a cellar and installed a 1.82m x 1.22m cellar cribbing. Schlumberger cemented conductor with 6 Tonne of Arctic set cement. Cement and water returns were placed in a 15m3 waste tank. Schlumberger released. Black Opel continued to rig in sewer system on wellsite units.

Ice Road

In good condition.

Rig Move

Mullen bed truck transported remaining drilling support equipment from the staging area to the location. Took delivery of two 15m3 waste fluid tanks and one lift of 12" x 12" timbers for casing racks.

Well Drilling Operation

screens and 4.5" tubing and completed Water Well #003 Attempted to develop GW001 and GW002 using submersible pump - encountered problems with water freezing in the tubing, tried manually bailing the wells; however this is inefficient and ice began building up inside the casing quickly risking the bailer being caught in the well. GW003 was unable to be pumped due to ice build up in the casing, steam was placed inside the casing to try to solve this, but did not work.

Regulator Contact: Submitted weekly AANDC Report

Safety: Camp alarm system activated. Electrical relay on air makeup unit failed. Whiponic electrician removed relay and will replace blower motor and relay.

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	1	1	0
Previous	51	2	6
Total	52	3	6

Environment: No Environmental Issues

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	1	0	1
Previous	132	16	24
Total	133	16	25

Tomorrows Operations :

Rig out Cancor Rathole rig and release personnel. Rig down Alken Basin water well drilling rig and release personnel. Remove all casing from trailers and stack on 12" x 12" timbers. prepare trailers for demobilization with rig moving trucks. Continue sewage rig up of wellsite units on location. Remove tanks from tank farm and demobilize to Norman Wells.

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WID 2078

East Mackay Project - 2012																				
Daily Operations Report																				
Location: East Mackay Project Staging Operator: MGM. Energy Corp. Supervisors: John Williams - Ron Krinke Contractor: Northridge / MYB	Date: January-18-13 AFE: 12D0006 Report No. 61 Office Phone: (J) 403-538-6881 (R) 403-648-3757																			
Weather: High Temp -26 C																				
Personnel in Camp: 44																				
Total Daily Cost: \$ 206,116 Cumulative Cost: \$ 6,310,859		<table border="1" style="margin: auto;"> <thead> <tr> <th></th> <th>Fuel (L)</th> <th>Water (m3)</th> </tr> </thead> <tbody> <tr> <td>Daily</td> <td>10218</td> <td>210</td> </tr> <tr> <td>Previous</td> <td>291,670</td> <td>32,980</td> </tr> <tr> <td>Total</td> <td>301,888</td> <td>33,190</td> </tr> </tbody> </table>				Fuel (L)	Water (m3)	Daily	10218	210	Previous	291,670	32,980	Total	301,888	33,190				
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Previous	291,670	32,980																		
Total	301,888	33,190																		
Operations Details																				
Job Objective: Move in Drilling Rig and Drill I-78 Well. Develop three observation water wells. Present Operation: Wait on Rig Move trucks due to Government NWT road closure. Offload casing on location. Develop water wells.																				
Daily Operations Details																				
Held a safety meeting with MGM, Northridge/MYB, Black Opel, Aecom, Alken Basin, PTI, Akita, and Frontier medic personnel. Access Road and I-78 Location Widened the bridge at Km 22. Black Opel continued to rig in sewer system on wellsite units. Offloaded casing on location. Ice Road In good condition. Rig Move Demobilized D-4 Cat and one water truck to Tulita. Water Well Drilling Operation Alken Basin personnel rigged down and were released. Attempted to develop GW002 using submersible pump - encountered problems. Installed a parachute around well and heated with Herman Nelson. Pump is not capable of lifting water from that depth.																				
Regulator Contact: No Regulator Contact																				
Safety: No Safety Issues to Report																				
Safety Tracking																				
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	Orientations	Spills	Wildlife																	
Daily	6	0	0																	
Previous	133	16	25																	
Total	139	16	25																	
Tomorrows Operations : Complete removal of all casing from trailers and stack on 12" x 12" timbers and prepare trailers for demobilization with rig moving trucks. Continue sewage rig up of wellsite units on location. Build the 250m windrow breaks on the access road. Move mud product from staging area to location.																				

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East Mackay Project - 2012

Daily Operations Report

WID 2078

Location: East Mackay Project Staging
Operator: MGM. Energy Corp.
Supervisors: John Williams - Ron Krinke
Contractor: Northridge / MYB

Date: January-19-13
AFE: 12D0006
Report No. 62
Office Phone: (J) 403-538-6881 (R) 403-648-3757

Weather: High Temp -27 C High Winds to 50 Kph**Personnel in Camp:** 45

Total Daily Cost:	\$ 210,899		Fuel (L)	Water (m3)	
Cumulative Cost:	\$ 6,541,436		Daily	7650	182
			Previous	301,888	33,190
			Total	309,538	33,372

Operations Details

Job Objective: Move in Drilling Rig and Drill I-78 Well. Develop three observation water wells.**Present****Operation:** Assited Government NWT Department of Transportation with vehicle movement across Tulita Crossing. Complete casing offload on location. Lay Enviro-liner and spot substructure matting. Development of 2 water wells completed.

Daily Operations Details

Held a safety meeting with MGM, Northridge/MYB, Black Opel, Aecom, Alken Basin, PTI, Akita, and Frontier medic personnel.

Access Road and I-78 Location

Black Opel thawed and continued to rig in sewer system on wellsite units (80% completed). Offloaded the remainder of casing on location. Seven highboys ready for backhaul. Whiponic electrician provided the required parts to get electricity to the Akita Rig Managers Wellsite - heat is on. Akita Rig Crews layed enviro-liner on drilling pad and spotted substructure matting. Assembled and spotted pony sub. Borealis completed communications set up at location. Build the 250m wildlife windrow breaks on the access road. Moved about 50% of mud product from staging area to location.

Ice Road

Cleared blown snow from ice road with grader. Feathered back snow windrows with BR180 Snowcat. Responded to a request from Fred Lamb Government NWT Department of Transportation to assist with traffic control on both sides of the Tulita Ice Crossing.

Rig Move

Instructed Mullen rig movers arriving at Tulita over the night to stop on the Tulita side of the ice crossing and wait until morning when MGM can provide traffic control. No rig loads had arrived at report time. Took delivery of 62642 L fuel.

Water Well Drilling Operation

Developed GW001 and GW002 using submersible pump.

Regulator Contact: No Regulator Contact**Safety:** No Safety Issues to Report

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	1	0	0
Previous	53	3	6
Total	54	3	6

Environment: No Environmental Issues to Report

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	3	0	0
Previous	139	16	25
Total	142	16	25

Tomorrows Operations :

Provide traffic control for trucks on the Tulita Ice Crossing. Provide traffic control on MGM access road for Mullen trucks arriving. Move rig to location and offload rig components. Load backhauls on rig moving trucks. Move mud product from staging area to location. Continue building the 250m wildlife windrow breaks on the access road. Black Opel to complete sewage rig up at the wellsite.

East Mackay Project - 2012

Daily Operations Report

Location: East Mackay Project Staging
Operator: MGM. Energy Corp.
Supervisors: John Williams - Ron Krinke
Contractor: Northridge / MYB

Date: January-20-13
AFE: 12D0006
Report No. 63
Office Phone: (J) 403-538-6881 (R) 403-648-3757

Weather: High Temp -36 C

Personnel in Camp: 45

Total Daily Cost: \$ 187,458
Cumulative Cost: \$ 6,858,752

	Fuel (L)	Water (m3)
Daily	8206	28
Previous	309,538	33,372
Total	317,744	33,400

Operations Details

Job Objective: Move in Drilling Rig and Drill I-78 Well. Develop three observation water wells.

Present

Operation: Move in Drilling Rig, Drilling Support Equipment and Rig Up. Continue development of Water Well 003.

Daily Operations Details

Held a safety meeting with MGM, Northridge/MYB, Black Opel, Aecom, Alken Basin, PTI, Akita, and Frontier medic personnel.

Access Road and I-78 Location

Provide traffic control for trucks on the Tulita Ice Crossing and on MGM access road for Mullen trucks arriving. Move rig moving trucks to location and offload rig components. Load backhauls on rig moving trucks. Move mud product from staging area to location. Continue building the 250m wildlife windrow breaks on the access road. Black Opel continued sewage rig up at the wellsite.

Ice Road

Grade the ice road.

Rig Move

Mullen trucks delivered to location 18 rig loads including 2 Mud Pumps, 2 Boilers, Substructure, Water Tank and Water tank Pony Sub, Doghouse, Derrick, Drawworks Skid, Flare Tank, Combination Building, Mud Tank, BOP Components, Top Drive Power, Man Rider, MGM 40' Container, Akita 20' Container, Matting, Pipe Tubs, and Misc Equipment. Backhauled one snowmaking machine. Loaded for backhaul tomorrow one Peak Wellsite c/w Lab, 7 ea 40' highboy trailers. Have procured one geologist wellsite unit c/w lab from Ft St John loaded and leaving tomorrow morning.

Water Well Drilling Operation

Partially developed (65%) GW003 using submersible pump.

Regulator Contact: AANDC Inspector Joe Carnogursky inspected the staging area, the tank farm, WWTP and WTP. Expressed an interest in inspecting the location but stated he would come back on Jan 22 due to the high volume of traffic on the road. Submitted Weekly AANDC Report.

Safety:

Incident: Wellsite Fire At 02:30 hr

Trevor said Guy Custair (Akita Rig Manager who was sleeping in the unit) was wakened by a smoke detector. Guy observed flames coming through the heat vent in the far end shower room. Guy used a fire extinguisher and the fire was extinguished. Further investigation showed that the sewage lift station and heat traced sewage line behind the geo wellsite had caught on fire allowing flame to follow the sewage discharge line into the shower portion of the trailer.

The wellsite supervisor contacted the Field Superintendent who mobilized the Black Opel Tech, a bed truck operator, a water truck operator, and both their company's supervisors immediately.

The bed truck positioned and pulled the geo wellsite out into the east center of the location. The wall was inspected for heat and it appeared to be cooled down.

The water was drained from the unit. Larry Blunden investigated today, took pictures, and is preparing an incident report and hazard analysis.

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	0	0	1
Previous	53	3	6
Total	53	3	7

Environment: No Environmental Issues to Report

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	24	0	0
Previous	142	16	25
Total	166	16	25

Tomorrows Operations :

Continue moving rig to location and rigging up. Spot substructure and attach derrick to drawworks skid. Spot and pin doghouse in water tank. Continue building the 250m wildlife windrow breaks on the access road. Black Opel to complete sewage rig up at the wellsite.

DM 689439
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East Mackay Project - 2012				
Daily Operations Report				
Location:	East Mackay Project Staging	Date:	January-21-13	
Operator:	MGM. Energy Corp.	AFE:	12D0006	
Supervisors:	John Williams - Ron Krinke	Report No.	64	
Contractor:	Northridge / MYB	Office Phone:	(J) 403-538-6881 (R) 403-648-3757	
Weather: High Temp -31 C				
Personnel in Camp: 57				
Total Daily Cost:	\$ 223,369	Daily Previous Total	Fuel (L)	Water (m3)
Cumulative Cost:	\$ 7,145,317		11868	0
			317,744	33,400
			329,612	33,400
Operations Details				
Job Objective:	Move in Drilling Rig and Drill I-78 Well.			
Present Operation:	Move in remainder of Drilling Rig and Drilling Support Equipment and Rig Up. Sampling Water Well 003.			
Daily Operations Details				
Held a safety meeting with MGM, Northridge/MYB, Black Opel, Aecom, Alken Basin, PTI, Akita, and Frontier medic personnel.				
Access Road and I-78 Location				
Moved loads that arrived during the night and that were held at the staging area up the access road to the location. Spotted the substructure, spotted the pony sub for the water and the water tank. Positioned the doghouse for the pickers to install tomorrow. Spotted the mud tanks and installed the shakers. Started assembly of the prefabs on the mud tanks. Installed the motors in the pump houses. Unable to attach derrick to skid due to picker truck breakdown. Replacement picker truck on location- will attach tomorrow.				
Ice Road				
Graded the outgoing lane on the ice road.				
Rig Move				
Mullen trucks delivered the balance of the rig loads to location. Remaining loads to arrive include 2 ea pipe tubs in Ft Simpson. One pipe tub loaded and driving north from Ft Simpson. From Baker Hughes Nisku - all the downhole tools loaded on Mullen Units 7116 and 01820. Mullen Unit 1820- Cougar Tools and Weatherford double gate. Two tool baskets and 4 tubulars from Baker in Clairmont. There is one more load at Baker-Nisku to load out tomorrow. SWANBURG - One wellsite unit from Ft St John. One load of loose pipe at Formula Powell in High Level. One load at Hallmark Nisku - Might not be ready until Wednesday. Mullen Unit 7115 -20' Container, Workshop, RA Bunker. Backhauls - One Under Pressure Snowmaker.				
The Mackenzie Valley Winter Road is closed due to a tanker truck rollover at Saline River. Expected to reopen at 12:00 hr tomorrow.				
Water Well Drilling Operation				
Completed development of GW003. Sampling underway.				
Regulator Contact:	Contacted by NEB Inspectors informing of their arrival in Norman Wells next Monday.			
Safety:	No Safety Issues To Report			
Safety Tracking				
	Hazard ID	Near Miss	Incidents	
Daily	0	0	0	
Previous	53	3	7	
Total	53	3	7	
Environment:				
One liter coolant spill found in the staging area where the Mullen rig move trucks were parked. Contaminated snow and ice was cleaned up and placed in a lined C-Can for disposal.				
Environmental Tracking				
	Orientations	Spills	Wildlife	
Daily	3	1	0	
Previous	166	16	25	
Total	169	17	25	
Tomorrows Operations :				
Continue moving rig to location and rigging up. Attach derrick to drawworks skid. Spot and pin doghouse in water tank. Spot remainder of rig components. Remove remainder of burm around tank farm, remove tanks, and demobilize to Norman Wells.				

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East Mackay Project - 2012

Daily Operations Report

WID 2078

Location: East Mackay Project Staging
Operator: MGM. Energy Corp.
Supervisors: John Williams - Ron Krinke
Contractor: Northridge / MYB

Date: January-22-13
AFE: 12D0006
Report No. 65
Office Phone: (J) 403-538-6881 (R) 403-648-3757

Weather: High Temp -34 C**Personnel in Camp:** 59

Total Daily Cost:	\$ 225,061	Daily	Fuel (L)	Water (m3)
Cumulative Cost:	\$ 7,398,898		7094	0
			Previous	329,612
			Total	33,400
			336,706	33,400

Operations Details

Job Objective: Rig Up Akita 37 Drilling Rig and Drill I-78 Well.**Present****Operation:** Spot equipment and rig up. Pumping Well 002 Sampling Water Well 001 and 003.

Daily Operations Details

Held a safety meeting with MGM, Northridge/MYB, Black Opel, Aecom, Alken Basin, PTI, Akita, and Frontier medic personnel.

Access Road and I-78 Location

Attached the derrick to the drawworks skid. Spotted the drawworks skid on the substructure. Lifted doghouse and pinned in water tank. Spotted mud pumps, V door, catwalk, and topdrive power unit. Crews rigged up prefabs. Removed the berm around the tankfarm at the staging area.

Ice Road

Graded the outgoing lane on the ice road.

Rig Move

Backhauls - One Under Pressure Snowmaker to Airdrie. Four enviro-fuel tanks to Norman Wells

The Mackenzie Valley Winter Road was closed all due to a frac oil tanker truck rollover at Saline River, a fuel truck rollover at Bob's Canyon, and a tractor trailer hit the bridge at the four mile bridge just south of Tulita. Some traffic movement at Saline after a shoo fly constructed around rollover. Road expected to open late tonight or early morning.

Water Well Drilling Operation

Completed development of GW002. Sampling underway from GW001 and GW003.

Regulator Contact: No Regulator Contact**Safety:** No Safety Issues To Report

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	0	0	0
Previous	53	3	7
Total	53	3	7

Environment:

Two liter coolant spill found in the staging area where the Mullen rig move trucks had parked. Contaminated snow and ice was cleaned up and placed in a lined C-Can for disposal.

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	2	1	0
Previous	169	17	25
Total	171	18	25

Tomorrows Operations :

Continue moving remaining rig to location and rigging up. Lift and scope derrick. Rig in solids control equipment. Fire up boiler.

East Mackay Project - 2012

Daily Operations Report

Location: East Mackay Project Staging
Operator: MGM. Energy Corp.
Supervisors: John Williams - Ron Krinke
Contractor: Northridge / MYB
Date: January-23-13
AFE: 12D0006
Report No. 66
Office Phone: (J) 403-538-6881 (R) 403-648-3757

Weather: High Temp -27 C

Personnel in Camp: 66

Total Daily Cost:	\$ 216,436	Daily Previous Total	Fuel (L)	Water (m3)
Cumulative Cost:	\$ 7,615,944		19424	42
			336,706	33,400
			356,130	33,442

Operations Details

Job Objective: Rig Up Akita 37 Drilling Rig and Drill I-78 Well.

Present

Operation: Spot rig equipment and rig up. Sampling of all water wells Completed and samples shipped.

Daily Operations Details

Held a safety meeting with MGM, Akita, Black Opel, PTI, Peak and Frontier medic personnel.

Access Road and I-78 Location

Moved remaining rig loads to location. Spotted remainder of rig equipment. Spotted centrifuges, centrifuge generator, shale bin, premix tank and two 400 Bbl tanks for stripped drilling fluid. Spotted the boilers, the light plant and two Akita containers. Heated and fired up the boiler. Hauled three loads of water to the water tank. Fired up the light plant. Fuel truck from Norman Wells removed the remaining 15,000 L of fuel from the 60,000 L enviro-tank and transferred it to the rig. The 60,000 L enviro-tank was transported and spotted at the rig for reserve fuel. Spotted, leveled, powered up, and got the heat operational in the Geologist Wellsite Unit. Rig is 95% spotted and 20% rigged up. Break tour tonight with 2 only Akita personnel. Personnel arriving today were Warriar Top Drive, Matrix Tech, Two Continental Mud Loggers, Pason Tech, and Three Akita.

Ice Road

No work on the ice road. Excellent shape.

Rig Move

Took delivery of the remaining pipe tubs, the Geology Wellsite Unit, and the Cameron landing joints and wellhead equipment. Loaded and transported I- Matts and four 8' x 40' rig matts from staging area tank farm to the location. Released one bed truck and backhauled one 15,000 L enviro-fuel tank to Hodgson in Norman Wells. Released the picker truck.

Water Well Drilling Operation

Sampling is completed and samples are shipped. Jolene released tomorrow.

Regulator Contact: Inspection of Access Road and I-78 Location by ENR Environmental Inspector Laurel MacDonald

Safety: No Safety Issues To Report

Safety Tracking

	Hazard ID	Near Miss	Incidents
Daily	3	0	0
Previous	53	3	7
Total	56	3	7

Environment: No environmental issue to report

Environmental Tracking

	Orientations	Spills	Wildlife
Daily	11	0	1
Previous	171	18	25
Total	182	18	26

Tomorrows Operations :

Lift and scope derrick. Rig in torque tube and top drive. Rig up electrical, water, steam, and Pason. Weld on Cameron diverter flange. Release balance of unrequired construction crew.