

**APPROVAL TO ALTER CONDITION OF 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		
Well Identifier	2078	Operations Authorization No.	OA-1202-002
Operator	MGM Energy Corp	Current Depth	1960.5m
NEB Operating Licence No.	1202	Licence No.	Exploration Licence 466
Contractor	Akita Sahtu Drilling	Drilling Rig or Unit	37
Station Keeping	Select	Land Structure	Conventional Land
Current Well Status	Drilling	Anticipated Well Status Change	Suspended after testing
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	Grid 64 50 125 30
Coordinates (NAD 27)	Surface	Lat 64 ° 47 ' 42.1 "	Long 125 ° 43 ' 19.1 "
	Bottom Hole	Lat 64 ° 47 ' 42.1 "	Long 125 ° 43 ' 19.1 "
Ground Level / Seafloor	155 m	Elevation KB/RT	161.2 m
Approximate Date of Commencement	12-Feb-13	Est. Days on Location	40 days


WELL OPERATION PROGRAM

Activity Type	Top to Bottom Interval (m KB)	Comments
Completion	1823-1918	Prognosis depths intervals- perforations will be less
Suspension	1823-1918	Prognosis depths intervals- perforations will be less
Completion	1943-1964	Prognosis depths intervals- perforations will be less
Suspension	1943-1964	Prognosis depths intervals- perforations will be less
Select	-	

Additional Information

This is a shale oil exploration well - not yet spudded

"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	2013/01/25
	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. OA-1202-002

Chief Conservation Officer

Job Designation	Well Identifier	Unique Well Identifier
	2078	300 I 786450 125301
Signature	Date	
	14 February 2013	
NEB Authority		

NATIONAL ENERGY BOARD
Exploration and Production

JAN 29 2013

Canada