

Engagement Plan Colville Lake, NWT

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INTRODUCTION

The original the oil and gas activity in the area was conducted by Paramount. In 2007 the Colville Lake Assets along with other North of 60 Oil and Gas assets were spun off into MGM Energy (“MGM”). In 2014, Paramount reacquired MGM as a wholly owned subsidiary. Up until the fall of 2017 MGM held mineral rights with its partner Apache Canada Ltd. (“ACL”) in the Colville Lake area under several Exploration Licences some of which were converted to Significant Discovery Licences and a freehold lease. In the fall of 2017 Paramount Resources Ltd. “Paramount” acquired ACL., this acquisition of ACL in 2017 has made MGM the holder of the Licences, surface access and other regulatory approvals related to the Colville Lake area. Colville Lake has three areas: Maunoir, Nogha and Turton Lake. In appendix A of this document is an overview map of the project areas.

1.1 Nogha

MGM is the operator of the Nogha area, which is situated in the Northwest Territories (NT), roughly 90 km south (by winter access road) of the community of Colville Lake. From the Nogha area, Norman Wells, NT is located approximately 150 km to the south.

The Nogha area encompasses winter access roads, well sites and sumps. The well locations are M-17, B-23, C-49, E-44 and K-14, all of which were drilled in either 2013 or 2004. All project components have been built and the wells suspended. Activity in the area has been limited in recent times to wellhead inspections, reclamation activities and monitoring.

Short term plans for the Nogha area are likely to be like those of the last ten years. If commodity prices do not change dramatically and pipeline infrastructure is not built the wells will be abandoned by 2023 to comply with the Office of the Regulator of Oil and Gas Operations (“OROGO”) *Well Suspension and Abandonment Guidelines and Interpretation Notes*. Following abandonment, final reclamation activities would be completed.

1.2 Maunoir

MGM is the operator of the Maunoir area, which is situated roughly 75 km northeast of the community of Colville Lake. From the Maunoir area, Norman Wells, NT is located approximately 225 km south by southwest.

The Maunoir area encompasses winter access roads, well sites and sumps. The well locations are L-80, C-34, E-35 and A-67, all of which were drilled in either 2004 or 2005. All project components have been built and the wells are either suspended or abandoned. Activity in the area has been limited in recent times to wellhead inspections, reclamation activities and monitoring.

Short term plans for the Maunoir area are likely to be similar to those of the last ten years other than the abandonment activity. Following abandonment, final reclamation activities would be completed.

1.3 Turton Lake

MGM is the operator of the Turton Lake area, which is situated roughly 110 km south of the community of Colville Lake. From the Maunoir area, Norman Wells, NT is located approximately 75 km.

The Turton Lake area encompasses winter access roads, well sites and sumps. The well locations were L-23 and G-47, both of which were drilled in 2005 and are abandoned. All project components have been built, the wells abandoned and in the case of L-23 reclaimed. Activity in the area has been limited in recent times to reclamation activities and monitoring.

Short term plans for the Turton Lake area are likely to be like those of the last ten years.

REGULATORY FRAMEWORK

In the Colville Lake project area MGM historically received oil and gas approvals from the National Energy Board (NEB). With the devolution of the NWT, approvals and reporting regarding oil and gas is now the responsibility of OROGO.

The Sahtu Land and Water Board (SLWB) regulates the use of land and water and the deposit of waste through the issuance of Land Use Permits (LUPs) and Water Licences (WLs).

On June 1, 2013, the Water and Land Boards of the Mackenzie Valley, which includes the SLWB, released its *Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits*, this engagement plan is designed based upon the requirements of those guidelines and the regulatory mandate of the SLWB.

1.4 Assessment Processes

All LUPs and WLs associated with the Colville Lake area were subject to preliminary screening by the SLWB. The screenings can be viewed under the individual LUPs and WLs on the public registry. A listing of the LUPs and WLs is provided in Table 2 below.

1.5 Engagement Studies

In support and as outcomes of the above-mentioned assessment processes and regulatory framework several traditional use studies and workshops were conducted by Paramount and Apache. The outcomes of these studies and workshops were incorporated into various Environmental Protection Plans, they are listed in Table 1 below.

Table 1: Traditional Use Studies and Workshops

Environmental Protection Plan	Proponent
Lac Maunoir AOIP-Col Proposed 2D Seismic Program	Paramount
Nogha Settlement Lands Proposed 2004/2005 Drilling Program Nogha A_25 and Nogha A-37	Paramount
Nogha/Tunago Settlement Lands Proposed 2003/2004 Drilling Program- Noga B-23, West Nogha K-14 and North Tunago E-44	ACL
EL 399 Lac Maunoir Proposed 2004 Drilling Program C-34 and L-80	ACL
EL 399 Lac Maunoir Proposed 2004 Drilling Program E-35 and A-67	ACL
Turton Lake 2004/2005 Proposed Drilling Program L-23 and G-47	ACL

1.6 Licences and Permits

Permits and Licences from the SLWB for the Colville Lake area date back to the early 2000's. Activities considered under the Permits and Licences included activities related to drilling and completions. In the Table below is a listing of MGM's previous LUPs and WLs in the Colville Lake area.

Table 2: Historical LUPs and WLs

Maunoir	Nogha	Turton Lake
S02-006	S03A-008	S03B-001
S03A-007	S03L1-016	S04A-011
S03L1-015	S04A-008	S04L1-012
S04A-010	S04L1-009	S05A-008
S04L1-011		S05L1-005

The current LUP (S19A-004) and WL (S19L1-003) have a scope of abandonment, reclamation, remediation, and environmental monitoring. The LUP online registry page is at <https://slwb.com/registry/s19a-004> and the WL online registry page is at <https://slwb.com/registry/s19l1-003>. The LUP and WL are valid until June 6, 2026.

AFFECTED PARTIES AND STAKEHOLDER ENGAGEMENT

As previously stated, and is evident on the public registries of the SLWB the Colville Lake Project areas have a long and extensive engagement history. The level of engagement with affected parties and stakeholders has been and will continue to be reflective of its activity level in the area. Prior to and during construction and development activities engagement activities were more frequent and intense and included studies, community meetings, open houses, meetings with community leaders and Councils, telephone calls and both written and electronically notifications. As the activity in the Project areas have declined the frequency and magnitude of engagement has followed suit.

1.7 List of Identified Affected Parties

In Table 4 below is a list of identified affected parties for the Colville Lake project areas:

Table 3: Affected Parties for the Colville Lake Project Areas

Affected Party	Contact Person(s)	Contact Information
Behdzi Ahda' First Nation Band	Chief Richard Kochon	Box 53 Colville Lake, NT X0E 1L0 Phone: (867) 709-2200 Fax: (867) 709-2202 Email: chiefwk@behdziahda.com
K'asho Gotine Dene Band	Chief Collin Pierrot	General Delivery Fort Good Hope, NT X0E 0H0 Phone: (867) 598-2231 Fax: (867) 598-2024 Email: chief@fortgoodhope.ca
Tulita Band Council	Chief Frank Andrew	PO Box 118 Tulita, NT X0E 0K0 Phone: (867) 588-3341 Fax: (867) 588-3613 Email: tdbchief@live.ca
Fort Good Hope Metis Nation	Aurora McNeely Winston Mcneely	PO Box 36 Fort Good Hope, NT X0E 0H0 Phone:(867) 598-2105 Email: fghmetislandcorp@outlook.com
Behdzi Ahda' Renewable Resource Council	Joseph Kochon	Box 53 Colville Lake, NT X0E 1L0 Phone: (867) 709-2200 Fax: (867) 709-2202 Email: josephkochon@behdziahda.ca tarzelaw@behdziahda.com
Ayoni Keh Land Corporation	President Kyra Kochon David Codzi	Ayoni Keh Land Corporation Box 43 Colville Lake, NT X0E 1L0 Phone: (867) 709-2700 Email: ayonipresident@behdziahda.com
Yamoga Land Corporation	President Edwin Eurtse Jacinta Grandjambe	PO Box 18 Fort Good Hope, NT X0E 0H0 867-598-2519

		<p>Email: president@yamoga.ca</p> <p>jgrandjambe@yamoga.ca</p>
Fort Good Hope Renewable Resource Council	Chris Pereira Jeanette Kakfwi President Harry Harris	<p>PO Box 19 Fort Good Hope, NT XOE 0H0 867-598-2193 Email: chrispereiraj@gmail.com Jeanette10@hotmail.ca fg.h.rrc@northwestel.net</p>
Tulita Land Corporation	Executive Director Manager, Andrew Oler	<p>PO Box 63 Tulita, NT XOE 0K0 1-867-588-3734 Email: executivedirector@tulitalandcorp.ca assistant@tulitalandcorp.ca andrew.oler@tulitalandcorp.ca president@tulitacorp.ca</p>
Tulita District Land Corporation	Executive Director Louise Reindeer	<p>PO Box 108 Tulita, NT XOE 0K0 867-588-4984 district@allstream.net</p>
Sahtu Renewable Resource Board	Executive Director Deborah Simmons, Joe Hanlon and Catarina Owen	<p>Main St, Tulita, NT XOE 0K0 1-867-588-4040 director@srrb.nt.ca director@srrb.nt.ca rco@srrb.nt.ca srrb.catarina.owen@gmail.com</p>
Sahtu Secretariat Incorporated	Charles McNeely Orlena Modeste	<p>PO Box 155 Deline, Nt XOE 0G0 Charles_mcneely@hotmail.com Ssi.ed@sahtu.ca</p>
Sahtu Land Use Planning Board	Executive Director Justin Stoyko T.Alex Tassioulas Melanie Harding	<p>PO Box 235 Fort Good Hope, NT XOE 0H0 1-867-598-2055 exec_director@sahtulanduseplan.org info@sahtulanduseplan.org planner@sahtulanduseplan.org</p>

1.8 Ongoing Engagement

MGM plans for the Colville Lake project areas are to continue ongoing monitoring and reclamation, as well as abandonment activities. Engagement activities will be dependant on the regulatory and operational activity in each year. Contemplated activities and the associated engagement are outlined in Table 5 below. The ordering of Table 5 is sequential based on projected activities over the life of a consolidated and renewed LUP and WL.

Table 4: Activities Requiring Engagement

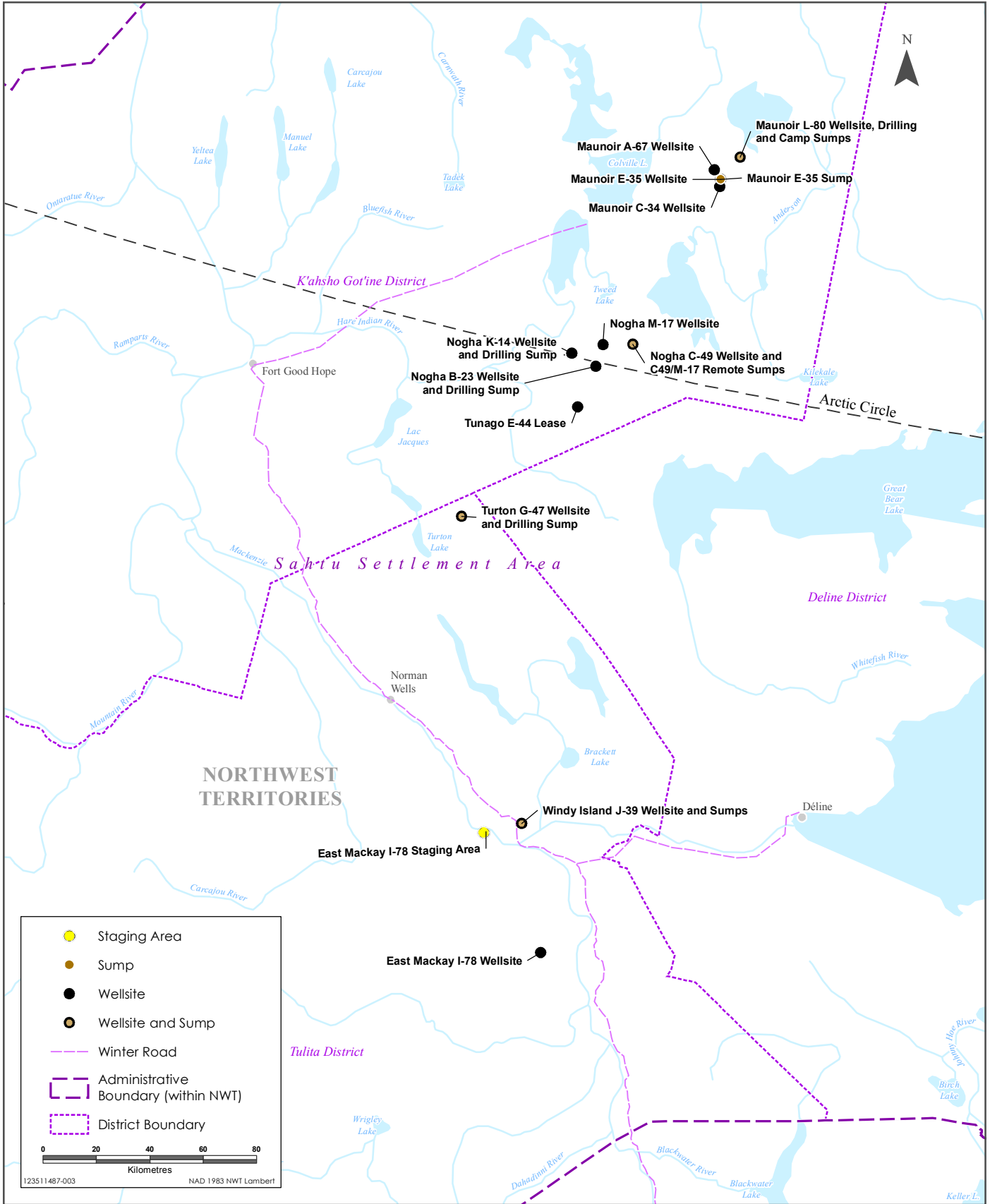
Activity	Potential Issue(s)	Planned Engagement	Planned Engagement Follow-up
Maintenance and Remediation activities	Timing and Contracting opportunities	Telephone Calls	Telephone Calls and Electronic correspondence
OROGO Authorized Oil and Gas Activities	Timing and Contracting opportunities	Written Notification	Telephone Calls and Electronic correspondence
Reclamation and closure planning and activities	Timing, techniques, technology and contracting opportunities	Written Notification, SLWB Regulatory Process	Telephone Calls and electronic correspondence
LUP Term Extension and WL Term Amendment	MGM's short- and long-term plan for the project area(s)	Written Notification	Telephone calls and Electronic Correspondence

Ongoing engagement is expected to continue with all the affected parties identified in Table 4. Further, the SLWB regulatory processes identified in the Table 5 include additional stakeholders such as Territorial and Federal government departments.

CONCLUSION

MGM will continue to engage affected parties through the remaining life of its current and future LUPs and WLs and throughout the remaining life of the Colville Lake project. In support of regulatory submissions to the SLWB MGM will continue to provide documentation of MGM's engagement activities relating to the SLWB regulatory authority.

APPENDIX A: PROJECT MAP



Sources: Base Data - Natural Earth. Thematic Data - ERBC

Disclaimer: This map is for illustrative purposes to support this Stantec project; questions can be directed to the issuing agency.

Wellsite and Sump Locations within the Sahtu Settlement Area

Figure 1

APPENDIX B: CONSULTATION LOG FOR THE CURRENT LUP AND WL

Contact	Contact Method	Date	Summary of Discussion
Coville Lake Distribution List	E-mail	January 31, 2019	Using a list of organizations engaged in the prior Permits and Licences at Colville Lake, MGM Energy created an initial distribution list to send the Colville Lake Engagement Plan. MGM Energy sent the Plan for comments.
Chief Kochon, Behdzi Ahda' First Nation	Phone	February 13, 2019	MGM Energy (Terence Hughes) called and left a message
Joseph Kochon, Behdzi Ahda' Renewable Resource Council	Phone	February 13, 2019	MGM Energy (Terence Hughes) spoke with Joseph. Joseph informed Terence that they were having a Renewable Resource Council the next day. Terence explained this was the first step in moving forward with a new Land Use Permit ("LUP") and Water Licence ("WL"). Terence and Joseph reviewed the ownership changes over the years of the Colville assets. Joseph informed Terence that he and others from the community would be in Calgary for the Arctic Oil and Gas Symposium the week of March 11th and would like a meeting with Senior Management including the President if possible. Terence let Joseph know he would follow up in the coming weeks about a meeting and who could attend.
Chief Wilfred Glenn McNeely Jr., K'asho Got'ine Dene Band	Phone	February 13, 2019	MGM Energy (Terence Hughes) called and left a message
Chief Frank Andrew, Tulita Band Council	Phone	February 13, 2019	MGM Energy (Terence Hughes) called and left a message
Executive Director Orlena Modeste, Sahtu Secretariat Incorporated	Phone	February 13, 2019	MGM Energy (Terence Hughes) called and left a message
Chief Kochon, Behdzi Ahda' First Nation	Phone and E-mail	February 14, 2019	Chief Kochon returned Terence's call from the previous day. Chief Kochon provided an updated email address, while on the phone Terence sent Chief Kochon the Engagement Package to chief@behdziahda.com
President David Codzi, Ayoni Keh Land Corporation	Phone	February 14, 2019	MGM Energy (Terence Hughes) called and left a message
President Edwin Eurtse, Yamoga Land Corporation	Phone	February 14, 2019	MGM Energy (Terence Hughes) called and left a message
President Roger Boniface, Fort Good Hope Renewable Resource Council	Phone	February 14, 2019	MGM Energy (Terence Hughes) called and left a message. Montana called back and provided an updated email address (fgh.rrc@northwestel.net) and informed MGM Energy that they had a new President Harry Harris. As follow up MGM Energy sent the Engagement Plan to the new email address
Andrew Oler, Tulita Land Corporation	Phone	February 14, 2019	MGM Energy (Terence Hughes) called and spoke with Andrew. Andrew stated that they would focus on G-47 as it is located in the Tulita District. Andrew also stated that he would forward the plan to the Tulita District Land Corporation and cc MGM Energy.
Executive Director Deborah Simmons, Sahtu Renewable Resources Board	Phone	February 14, 2019	MGM Energy (Terence Hughes) called and spoke with Deborah. She requested that Joe Hanlon be added as a contact for the organization. Additionally she asked if MGM Energy would be contacting the Sahtu Land Use Planning Board. MGM Energy stated that organization was not on the original distribution list but that MGM Energy would reach out.

Executive Director Melanie Harding, Sahtu Land Use Planning Board	Phone and E-mail	February 14, 2019	MGM Energy (Terence Hughes) called and left a message. MGM Energy also emailed the Engagement Plan to Melanie Harding. Melanie responded stating MGM Energy should be contacting the Sahtu Land and Water Board. MGM Energy responded providing context as to why they sent the plan and asked if they no longer want to receive materials to confirm via email.
Executive Director, Louise Reindeer	Phone and Email	February 19, 2019	MGM Energy (Terence Hughes) spoke and exchanged emails with Louise. Tulita District Land Corporation has been added to the list of stakeholder organizations in the Engagement Plan
Jacinta Grandjambe, Yamoga Land Corporation	Email	February 20, 2019	MGM Energy exchanged emails with Jacinta to arrange a meeting in Calgary between K'asho Got'ine Lands Corporation Board of Directors in Calgary March 12 at the offices of MGM Energy.
Members of Yamoga and Ayoni Keh Land Corporations	Face to Face	March 12, 2019	MGM Energy hosted the two land corporations at its Calgary Office. Both communities are very interested in work opportunities and have had negative experiences in the past regarding bidding situations. Asked to be informed of opportunities early in the process. MGM stated that the next engagement package would contain information related to equipment and labour requirements along with its requirements for working for MGM. Colville had also met with Suncor and was happy with their perspective on awarding work. Both communities requested face to face meetings in the communities in the summer, MGM committed to that. Both communities wanted MGM to be aware of species (especially Caribou) timing restrictions and adhere to them. Information on timing would allow the community to plan for this project and others it has planned. MGM stated it expected the abandonments to happen in 20-21 or 21-22 but it could be as late as 22-23. Follow up: Engagement package to be sent in the next couple of months, following that confirm meeting dates in the communities
Coville Lake Distribution List	Email	May 6, 2019	MGM Energy sent out a notification package to the Colville Lake distribution list. The package included information on the scope of the upcoming LUP and WL applications, project scope and potential socioeconomic opportunities
Joseph Kochon, Behdzi Ahda' Renewable Resource Council	Phone	May 8, 2019	Joseph Kochon called and confirmed he had received the notification package and that the community had been approached by a reality television show that could have interest in the project
Executive Director, Louise Reindeer	Phone	May 14, 2019	Louise contacted Terence of MGM Energy stating that they liked the approach of Turton Lake being on a separate LUP and WL and they would have more interest in that project. She stated they had a meeting on the 16th and she would update the other members.
Chief Kochon, Behdzi Ahda' First Nation	Phone	May 28, 2019	Terence of MGM Energy Called Chief Kochon and left a message to follow up on the notification package including a potential meeting in the community.

Joseph Kochon, Behdzi Ahda' Renewable Resource Council	Phone	May 28, 2019	Terence of MGM Energy called Joseph and they spoke about the logistics of a community meeting. It was decided that the meeting would happen on the 23rd if Fort Good Hope was agreeable to a meeting on the 24th.
Chief Wilfred Glenn McNeely Jr., K'asho Got'ine Dene Band	Phone	May 28, 2019	Terence of MGM called Chief McNeely and left a message. While leaving the message he spoke with Verna Pierrot about setting up a meeting on the 24th. Terence followed up with an email.
Chief Frank Andrew, Tulita Band Council	Phone	May 28, 2019	Terence of MGM Energy called Chief Andrew and spoke with him regarding the engagement package. Terence explained that G-47 and J-39 would be permitted and licenced separately at a later date. Chief Andrew stated he would call if he had any further questions
Executive Director Orlena Modeste, Sahtu Secretariat Incorporated	Phone	May 28, 2019	MGM Energy (Terence Hughes) called and was informed that Orlena was only available via email. Terence sent her a follow up email on the engagement package.
Winston McNeely, Fort Good Hope Metis	Phone	May 28, 2019	MGM Energy (Terence Hughes) called but was unable to reach Winston
President Edwin Eurtse, Yamoga Land Corporation	Phone	May 28, 2019	MGM Energy (Terence Hughes) called and left a message
President Harry Harris, Fort Good Hope Renewable Resource Council	Phone	May 28, 2019	MGM Energy (Terence Hughes) called and left a message. Harry called and back and they spoke about the engagement package and the tentative meeting on the 24th. Harry asked what the plan was for this year and Terence gave an overview of the monitoring and reclamation work MGM Energy has planned for 2019
Andrew Oler, Tulita Land Corporation	Phone	May 28, 2019	MGM Energy (Terence Hughes) called and left a message.
Executive Director Deborah Simmons, Sahtu Renewable Resources Board	Phone	May 28, 2019	MGM Energy (Terence Hughes) called and left a message.
President David Codzi, Ayoni Keh Land Corporation	Phone	May 28, 2019	MGM Energy (Terence Hughes) called and left a message
President David Codzi, Ayoni Keh Land Corporation	Phone	July 10, 2019	David spoke with MGM Energy (Terence Hughes) about business opportunities associated with the abandonment program

<p>Geoff McMillan-MGM Terence Hughes- MGM Larry Yoon – MGM David Codzi – Colville Lake Wilbert Kochon – Colville Lake George Oudzi – Colville Lake Richard Kochon- Colville Lake Barbara Gully – Colville Lake Anne Kochon – Colville Lake Shelly Pierzu – GNWT Julie – Tutcho – GNWT Dennis Belancho – Colville Lake Brian McNeely – Colville Lake John Belzacho Sr. – Colville Lake Laura Tobac – Colville Lake Fred John Barnaby – Colville Lake</p>	<p>Face to Face Meeting</p>	<p>July 23, 2019</p>	<p>MGM Energy presented the history and geological potential of the region, regulatory requirements related to decommissioning and abandonment, and the environmental related aspects of the remaining wells in the Colville Lake are</p> <p>The community questioned what the reasons were for the abandonment and if there is any potential for these wells to turn on production, and questioned if it is the intent to abandon all of the wells during one season as the winter ice roads have begun thawing much earlier than usual the past few years (late March). It was suggested that MGM do the abandonment over two years to insure completion. MGM explained that due to the OROGO regulations for decommissioning and due to the current economic climate in Oil and Gas; these assets are geographically stranded and there is no potential for these wells to be put on production at this time. The current goal of MGM will be to abandon these wells over one winter season, extra equipment will be utilized to ensure competition in one winter season. The community also mentioned there is another well in the area owned by Suncor and was wondering on the status; MGM is currently initiating communication with Suncor to utilize any potential synergies.</p> <p>Concern was expressed over the need for economic opportunities and partnerships for Colville Lake during the abandonment activities; Colville requested to be notified a season ahead of abandonment activities to prep equipment and roads (start building roads as soon as possible). Colville Lake requested a subsequent meeting to further discuss economic opportunities, MGM provided a list an equipment, projected project timelines, and agreed to utilizing local businesses for applicable project activities; communities will be notified as soon MGM can provide a more realistic timeline.</p>
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<p>Geoff McMillan-MGM Terence Hughes- MGM Larry Yoon – MGM Edwin Barney – Yamoga Land Corp Chief Daniel Masuzumi – Fort Good Hope Lucy – Fort Good Hope President Edwin Eurtse – Yamoga Land Corp</p>	<p>Face to Face Meeting in Fort Good Hope</p>	<p>July 24, 2019</p>	<p>MGM Energy presented the history and geological potential of the region, regulatory requirements related to decommissioning and abandonment, and the environmental related aspects of the remaining wells in the Colville Lake are</p> <p>The Fort Good Hope community expressed the importance of utilizing local businesses for abandonment and road building activities. MGM provided a list an equipment, projected project timelines, and agreed to utilizing local businesses for applicable project activities; communities will be notified as soon MGM can provide a more realistic timeline. MGM relayed that economic opportunities will likely be shared with the Colville Lake community and suggested potential synergies between he two communities. The community asked about the age of the existing wells and the frequency of inspections; the MGM wells in question average about 15 years old, and are inspected on an annual basis; all reports are submit to appropriate regulators. The community suggested that the earlier they can start building the roads, the better for MGM in terms of timing (if ice roads are watered earlier and more frequency they can thicken up for the shorter winter season); the chief reiterated the timelines are very important due to the shorter winter seasons.</p> <p>The community questioned about the economic potential of the wells; MGM verified that these wells are geographically stranded and are currently not economically viable. MGM intends to abandon the area unless another viable idea or solution can be put forward.</p>
<p>Joseph Kochon, Behdzi Ahda' Renewable Resource Council President David Codzi, Ayoni Keh Land Corporation</p>	<p>Face to Face Meeting</p>	<p>August 29, 2019</p>	<p>MGM Energy representatives Geoff McMillan, Larry Yoon and Terence Hughes met with David and Joseph in Calgary along with a couple of the communities business partners. The group had a general discussion about the progam and the economic opportunities associated with it. MGM Energy stated the preference was to complete the work in one winter but understood that it might be difficult if the winter was short. The parties agreed to keep in touch regarding business opportunities. MGM Energy stated that it was on track to submit a Land Use Permit and Water Licence application in Q4 of 2019.</p>