



2800, 421 – 7<sup>th</sup> Avenue SW, Calgary, AB T2P  
4K9 Phone (403) 290-3600  
Fax (403) 262-7992

August 12, 2021

**To: Distribution List of Affected Parties for the East Mackay Project Area**

**RE: Update on the Proposed Project Scope and Regulatory Timing**

Dear Sir or Madam,

MGM Energy (“MGM”) has been reviewing the previous Land Use Permit (S12A-001) and Water Licence (S12L1-001) it had submitted to the Sahtu Land and Water Board (“SLWB”) in preparation of preparing new applications. Upon review MGM would like to move forward with two options for access in to the staging area just south of the Mackenzie River.

During the activities under S12A-001 and S12L1-001 MGM accessed the staging area via the Mackenzie River coming west out of Tulita. The alternative access comes south off the Norman Wells-Tulita Winter Road. This access was contemplated by MGM and has been used in the past by other oil and gas operators. This route has the potential to allow for safety timing and cost efficiencies. The route was screened and approved by the Sahtu Land and Water Board under S99A-012. This access is known as the Gaudet route.

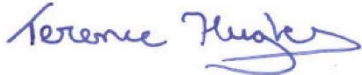


The remaining access for the project would remain what was previously used under S12A-001 and SL12L1-001 (see attached map).

Following up on the distributed Engagement Plan in April and this information package, MGM intends to engage into the regulatory system for a new Land Use Permit and Water Licence late in Quarter 3 or Quarter 4 of 2021. The expected scope of the new Permit and Licence is expected to be access, staging, camp, abandonment activities and reclamation. MGM would be requesting a 5-year Permit and Licence. MGM intends to follow up with affected parties in the coming weeks via phone on the proposed applications.

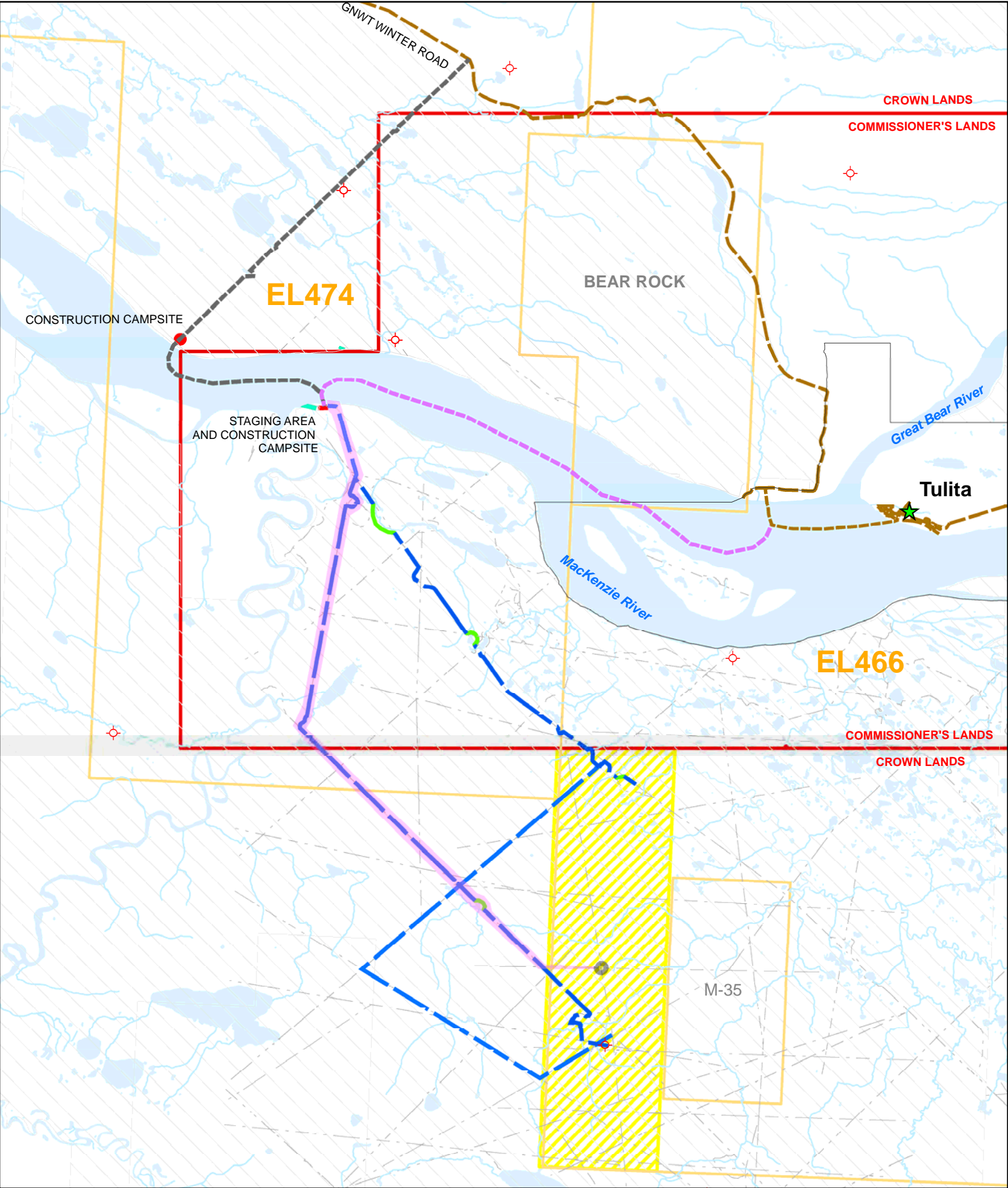
If you have any questions regarding the above or MGM's planned activities in the East Mackay area please contact MGM via phone at 403-206-3859 or email at [terence.hughes@paramountres.com](mailto:terence.hughes@paramountres.com).

Respectfully,  
MGM Energy



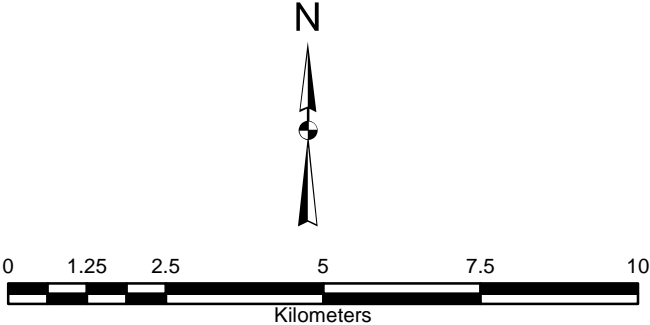
Terence Hughes  
Regulatory and Community Affairs Representative

ENCL.



**Legend**

- Existing Wells
- Access Option 2
- Access Option 1
- Access New Cut
- Alternative Site Access Options
- GNWT Winter Road
- Cutlines
- watercourse
- Chosen Access Route from the Staging Area
- Selected Drillsite / Campsite Location
- Commissioner's Lease
- Area of Interest
- Staging Area/Construction Campsite
- Commissioner's Lands Boundary
- Tulita Municipal
- MGM EL's
- Aboriginal Surface
- Water Body



1:120,000

| DOT WINTER ROAD DISTANCES |                 |              |
|---------------------------|-----------------|--------------|
| FROM                      | TO              | DISTANCE(km) |
| NORMAN WELLS              | Access Option 1 | 80           |
| TULITA                    | Access Option 1 | 3            |
| NORMAN WELLS              | Access Option 2 | 60           |
| TULITA                    | Access Option 2 | 23           |
| TULITA                    | WRIGLEY         | 248          |



**MGM ENERGY CORP.**  
**MGM EAST MACKAY**  
**PROJECT AREA MAP**

Projection: NAD83 UTM Z10  
Date: July 17, 2012



2800, 421 – 7<sup>th</sup> Avenue SW, Calgary, AB T2P  
4K9 Phone (403) 290-3600  
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February 11, 2021

**To: Distribution List of Affected Parties for the East Mackay Project Area**

**RE: Update on the Regulatory Timing for New Land Use Permit and Water Licence at the East Mackay Project**

Dear Sir or Madam,

In 2021 MGM Energy (“MGM”) reviewed the previous Land Use Permit (S12A-001) and Water Licence (S12L1-001) approved by the Sahtu Land and Water Board (“SLWB”) and engaged with Affected Parties in preparation of new applications for the project. MGM intends to apply to the SLWB in Quarter 1 or Quarter 2 of 2022 for a new Land Use Permit and Water Licence to facilitate activities at the I-78 location.

The scope of the new Permit and Licence applications will be winter access construction, helicopter access, staging, camp, well abandonment activities, reclamation and monitoring. MGM will be requesting a 5-year Permit and Licence with the goal of moving the project to closure at the end of the 5 years. Application components will include the applications, an application supplement, a Waste Management Plan, a Spill Contingency Plan, the Engagement Plan, the Engagement Log, a Closure and Reclamation Plan and other materials as required or requested by the SLWB.

The main activities of winter access and the well abandonment are expected to occur in a single season, most likely in 2023-2024. Several socio-economic opportunities will be associated with these activities related to the use of oilfield services, heavy equipment, camp services and other ancillary services. MGM will continue to engage with Affected Parties regarding these opportunities in the lead up to project activities. Project Monitoring will continue to occur in the lead up to and after the well abandonment.

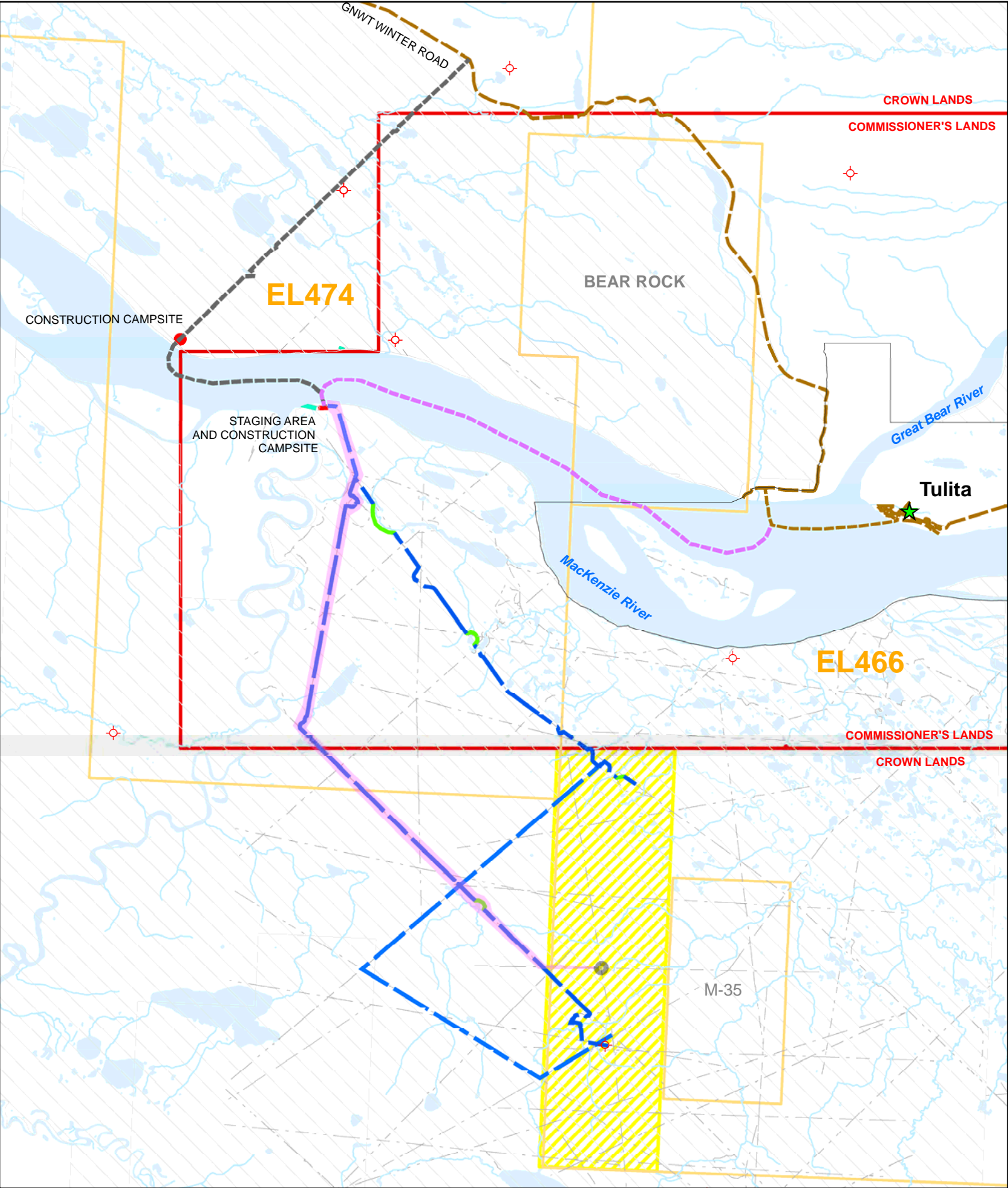
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Respectfully,  
MGM Energy

Terence Hughes  
Regulatory and Community Affairs Representative

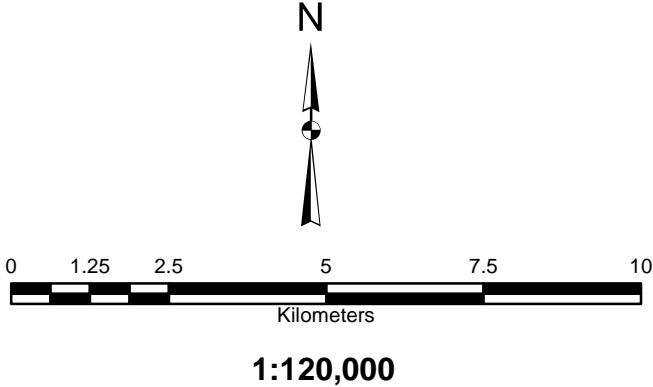
ENCL.





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