



Department of Environment and Climate Change

Land and Water Division- Dehcho

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March 4, 2024

MGM Energy Suite 2800-421 7th Avenue SW Calgary, AB T2P 4K9

Attention: Terence Hughes

File Number S22A-002

Type of Operation OIL AND GAS DRILLING - WELLSITE

Location Wellsite I-78

Dear Terence Hughes,

An inspection of the above noted operation was conducted on February 14, 2024 by Manager, Resource Management Danielle Rogers, Lands Officer Christopher Penner and Lands Officer Crystal Wegernoski.

Enclosed is a copy of the Environmental Inspection Report.

If you have any questions, please contact Crystal Wegernoski at 867-587-7204.

Sincerely,

Danielle Rogers

Manager, Resource Management Department of Environment & Climate

Change

CC: Bonnie Bergsma- Regulatory Coordinator-Specialist, Sahtu Land and Water Board Jeff Walker- Regional Wildlife and Forest Management Superintendent, Dept. of ECC- Sahtu Crystal Wegernoski- Lands Officer, Dept. of ECC- Sahtu Christopher Penner- Lands Officer, Dept. of ECC- Dehcho



Permittee:	MGM Energy	Permit Expiry Date:	August 14, 2028
Land Use Permit No.	S22A-002	Previous Inspection:	New
Quarrying Permit No.		Inspection Date:	February 14, 2024
Contractor:		Subcontractor:	
Location(s) Inspected:	Wellsite I-78, Camp and	Access Road	
Current Stage of Operation:	Abandonment and Recla	ımation	
Program Modifications Approved:	N/A		

Condition of Operation "A" - Acceptable "U" - Unacceptable "N/A" - Not Applicable "N/I" - Not Inspected

Operating Condition	Aspect	Inspected		
	I-78	Camp	Road	
Location as Permitted	Α	Α	Α	
Time as Permitted	Α	Α	Α	
Equipment as Approved (Type & Size)	А	А	Α	
Methods & Techniques	Α	Α	Α	
Facilities	Α	Α	Α	
Erosion (Control or Prevention)	Α	Α	Α	
Chemicals	Α	Α	Α	
Wildlife and Fisheries Habitat (Protection)	A	A	Α	
Wastes	Α	Α	Α	
Fuel Storage	А	Α	Α	
Brush Disposal	Α	Α	Α	
Restoration of Lands	Α	Α	Α	
Permits	Α	Α	Α	

Explanatory Remarks -

Inspectors from the Department of Environment and Climate Change conducted an inspection of the S22A-002 Land Use Permit on February 14, 2024. This inspection consisted of the I-78 wellsite, the camp and the access road.

The I-78 wellsite was in a satisfactory condition at the time of the inspection. On site there was the rig, 2 large tanks (one had water, one was empty) with associated equipment to pump the water and hoses, a fuel tank, light systems, 2 Atco trailers with a portable sump, the doghouse, garbage bin, a loader and numerous vehicles. All equipment and machinery had drip trays. There was a spill kit by the fuel tank. Inspectors did not note any spills or leaks around the site. Inspectors were accompanied by the Field Site Supervisor Dusty.

On site at the camp there was a grader, an excavator, Garbage bin, a sleigh camp that consisted of 12 trailers, a fuel tank, a generator unit, a water storage unit and multiple vehicles including 2 snowmobiles. All equipment and machinery had drip trays. There was no spill kit by the fuel tank and Inspectors informed the Camp/ Road Access Site Supervisor Rocky Arndt. Inspectors noted that the workers were cleaning up all hydrocarbon spills once Inspectors arrived on site.

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The access road was in a satisfactory condition. There was one area just north of KM 28 "tow hill" that had some rough patches and the bulldozer parked at the top of "tow hill" did not have a drip tray. Inspectors informed Camp/ Road Access Site Supervisor Rocky Arndt. Inspectors noted a large amount of overflow at Little Bear River. Rig matting and safety markers were placed over Little Bear River which was flowing at the time of the inspection.

Inspectors have no further concerns and will continue to monitor.

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Inspection Images:

Figure 1

I-78 Wellsite



Figure 2 Propane- Wellsite



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Figure 3

Portable Sump- Wellsite



Figure 4
Drip Trays under vehicles- Wellsite



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Figure 5

Garbage Bin- Wellsite



Figure 6 Loader- Wellsite



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Figure 7

Water tanks and associated equipment- Wellsite



Figure 8
Spill Kit at Fuel Tank- Wellsite



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Figure 9

Hydrocarbon staining- Camp



Figure 10
Workers cleaning up hydrocarbon staining- Camp



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Figure 11

View of Camp



Figure 12 Camp setup



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Figure 13

Portable Sumps- Camp



Figure 14
Fuel tank with drip trays, no spill kit- Camp



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Figure 15

Muster station- Camp



Figure 16
View of access from I-78 wellsite



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Figure 17

Equipment at Tow Hill- no drip trays



Figure 18 View down tow hill



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Figure 19

Mackenzie River access road

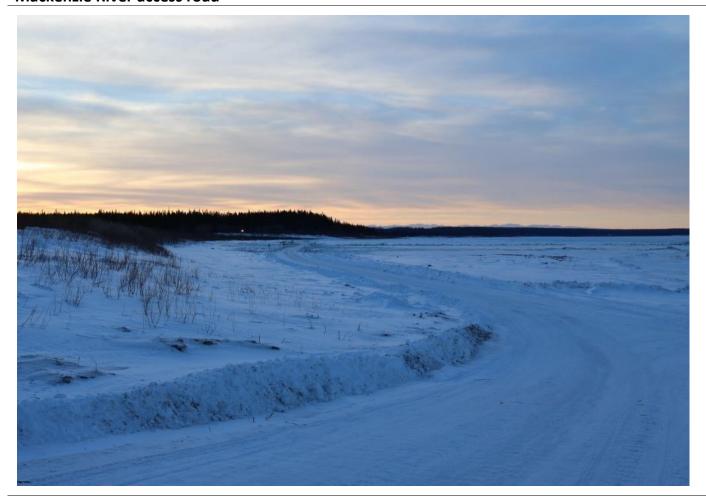


Figure 20 Little Bear River flowing



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Figure 21

Rig Matting placed over Little Bear River



Figure 22
View of start of access road



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