



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**

<b>File Number</b>	<b>S22A-002</b>
<b>Type of Operation</b>	<b>OIL AND GAS DRILLING - WELLSITE</b>
<b>Location</b>	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



ENVIRONMENTAL INSPECTION REPORT

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 Reclamation		
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	A	A	A		
Time as Permitted	A	A	A		
Equipment as Approved (Type & Size)	A	A	A		
Methods & Techniques	A	A	A		
Facilities	A	A	A		
Erosion (Control or Prevention)	A	A	A		
Chemicals	A	A	A		
Wildlife and Fisheries Habitat (Protection)	A	A	A		
Wastes	A	A	A		
Fuel Storage	A	A	A		
Brush Disposal	A	A	A		
Restoration of Lands	A	A	A		
Permits	A	A	A		

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.



ENVIRONMENTAL INSPECTION REPORT

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







ENVIRONMENTAL INSPECTION REPORT

Figure 7  
Water tanks and associated equipment- Wellsite



Figure 8  
Spill Kit at Fuel Tank- Wellsite







ENVIRONMENTAL INSPECTION REPORT

Figure 9  
Hydrocarbon staining- Camp



Figure 10  
Workers cleaning up hydrocarbon staining- Camp







ENVIRONMENTAL INSPECTION REPORT

Figure 11  
View of Camp



Figure 12  
Camp setup







ENVIRONMENTAL INSPECTION REPORT

Figure 13  
Portable Sumps- Camp



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







ENVIRONMENTAL INSPECTION REPORT

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







ENVIRONMENTAL INSPECTION REPORT

Figure 21  
Rig Matting placed over Little Bear River



Figure 22  
View of start of access road

