MGM West Langley Drilling Project Information Responses #2

From: Susan Sevcenko

To: Bharat Dixit (bdixit@neb-one.gc.ca)

cc: info@nwtwb.com, Nathen Richae (richean@inac.gc.ca), Regulatory Filing, Shirley Maaskant, Peter Jalkotzy,

'sorenseng@inac.gc.ca'

Date: Friday, September 12, 2008 2:51:53 PM

Subject: MGM West Langley Drilling Project Information Responses #2

Final NEB Cover Letter, West Langley Drilling Project IR Round 2 September 12, 2008.pdf

Good afternoon Bharat. The attached is MGM's submission in response to information requests provided to Shirley from John Korec September 8, 2008.

Please feel free to contact Shirley with any questions or concerns you might have.

Susan

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September 12, 2008

delivery via email

National Energy Board 444 Seventh Avenue SW Calgary, Alberta T2P 0X8

Attention: Bharat Dixit, Chief Conservation Officer

Dear Sir:

Re:

MGM Energy Corp. West Langley Drilling, Completion, Testing, and

Abandonment Project: 2008-2011

Information Requests (IRs) #2 dated September 8, 2008

MGM Energy Corp. (MGM) acknowledges receipt of the National Energy Board's (NEB's) letter dated September 8, 2008 outlining Information Requests (IRs) #2 for the proposed West Langley Drilling, Completion, Testing,. And Abandonment Project 2008-2011. MGM has prepared the attached IR responses.

We trust this information is satisfactory for your purpose. Please do not hesitate to contact Shirley Maaskant at (403) 781-7840 or by email at shirley.maaskant@mgmenergy.com should you require more clarification.

Yours truly,

MGM Energy Corp.

Munsters

Shirley Maaskant

Manager, Regulatory and Community Affairs

cc Ron Wallace, A/Executive Director, Northwest Territories Water Board Glenn Sorensen, INAC Nathan Richae, INAC MGM Energy Corp.

Information Requests/Responses #2 September 12, 2008

IR Number:

NEB - 2.1

Source:

National Energy Board

To:

MGM

Preamble:

Indian and Northern Affairs Canada (INAC) North Mackenzie District in its 26 August 2008 letter to the NEB regarding MGM's proposed West Langley Drilling Project noted that:

• 5.3.4.1 [MGM Project Description] INAC requires a minimum of 15 cm of packed snow and or ice prior to granting approvals for overland access. When does MGM intend on providing a proposed access route map to INAC?

Request:

Please provide the overland access routes that would be required for the Land Use Permit, or provide the anticipated date that the access routes can be provided.

Response:

Overland access routes will be confirmed after completion of the bear den surveys in collaboration with ENR and MGM's summer reconnaissance. Minor adjustments of overland access may occur in response to findings during pre-scout and preliminary construction activities. MGM estimates that the overland access routes will be finalized by December 31, 2008.

West Langley Drilling, Completion, Testing and Abandonment Project: 2008-2011

MGM Energy Corp.

Information Requests/Responses #2 September 12, 2008

IR Number:

NEB - 2.2

Source:

National Energy Board

To:

MGM

Preamble:

In the Canadian Environmental Assessment Act (CEA Act), an "environmental effect" is defined to include, "any change to the project that may be caused by the environment". An engineered ice island, if required, may become subject to ice shifting and lateral forces due to winter storm surges, resulting in a possible change to the Project.

INAC North Mackenzie District in its 26 August 2008 letter to the NEB, noted that:

• 12.6.1 [MGM Project Description] How does MGM plan on addressing any ice shifting from possible winter storm surges.

INAC Water Resources Division in its 4 September 2008 comments (Attachment 1) to the Northwest Territories (NWT) Water Board and copied to the NEB noted that:

• MGM is proposing to drill one well in one of three winter drilling seasons. The proposal is to access the target from either an engineered ice island or an existing artificial island. It is recommended if possible, or to the extent possible, MGM utilize the existing artificial island for the proposed surface drilling location. However, if MGM can not utilize the existing island, [MGM] must ensure that the engineered ice island is grounded and can resist lateral forces imposed by natural ice movement.

Request:

In the event that the artificial island cannot be used, please describe:

- (a) what measures MGM would undertake to ensure that its engineered ice island would resist any potential ice shifting and lateral forces from possible winter storm surges, and
- (b) what mitigation measures MGM would undertake in the event that ice shifting and lateral forces affect an engineered ice island.

Response:

- (a) MGM will undertake a site specific engineered ice island design that will integrate many factors including potential ice shifting and lateral forces from possible winter storm surges. This process, with significant safety allowances, contemplates a variety of ice load analyses under natural and potential environmental conditions (i.e., crushing ice failure, passive ice failure, simple shear failure, sliding resistance, etc.). As stated in Section 5.3.3.4 page 5-5 of the PD, "....design of spray ice islands requires that it resist lateral loads imposed by movement of the natural ice...."
- (b) MGM's approach to mitigation in the event that ice shifting and lateral forces affect an engineered ice island will be guided by the following:
 - (i) Minor shifting may not impact drilling activity and therefore no mitigation would be required.
 - (ii) More significant shifting could result in the temporary suspension of drilling activities.

MGM Energy Corp.

Information Requests/Responses #2 September 12, 2008

IR Number:

NEB - 2.3

Source:

National Energy Board

To:

MGM

Preamble:

INAC Water Resources Division provides the following in its 4 September 2008 comments to the NWT Water Board:

(a) It is noted that MGM is proposing to treat [its] waste water with a treatment system. It is assumed that the holding tanks proposed will be capable of storing wastewater when the camp is running at full capacity (not only during start up conditions). MGM has indicated that if the Inuvik sewage lagoon is required for the disposal of sewage that approval from the town will be acquired. It is requested that the approvals be sought as a contingency prior to operating the camp to ensure proper holding capacity is available at the Inuvik sewage facility.

Request:

Please indicate:

- (a) whether, prior to commencing its West Langley Drilling Project, MGM will seek approval from the Town of Inuvik to dispose of sewage in the town's sewage lagoon, and:
- (b) whether MGM will ensure that the disposal of camp sewage will conform to any operating licence requirements such as from the Gwich'in Land and Water Board.

Response:

- (a) MGM will seek approval from the Town of Inuvik to dispose of camp sewage in the town's sewage lagoon prior to commencing field activity for the project.
- (b) In the event that MGM disposes of sewage in the Town of Inuvik's sewage lagoon, MGM would comply with the approval granted by the town and request that the Town ensure its compliance to their operating licence.

West Langley Drilling, Completion, Testing and Abandonment Project: 2008-2011

MGM Energy Corp.

Information Requests/Responses #2 September 12, 2008

IR Number:

NEB - 2.4

Source:

National Energy Board

To:

MGM

Preamble:

INAC Water Resources Division in its 4 September 2008 comments to the NWT Water Board noted that:

MGM states that access, staging and marshalling activities will only occur once the
ground surface is frozen and has adequate snow cover. Low ground pressure vehicles will
then be used to blade, pack snow and build snow ramps. MGM should ensure that all
construction and offloading activities will be performed in order to avoid any disturbance
to the local terrain (e.g. rutting, erosion, etc.).

Request:

Please identify the measures that MGM would undertake to avoid any disturbance to local terrain (e.g., rutting, erosion, etc.) during construction and offloading activities.

Response:

Section 5.3.3.1, page 5-3 and 5-4; Table 12-2 page 12-4; Table 12-3 page 12-5 and 12-6; and Section G.4 of Appendix G provide details of mitigation related to local terrain disturbance during construction and offloading. Referenced sections describe mitigation which includes: barge landing and/or staging sites will be chosen on the basis of avoiding environmental sensitivities and selecting stable shorelines; initial deployment of equipment using steel barge ramps; used of low ground pressure vehicles to pack existing snow; use of snow fences and snow makers to collect snow; development of an onshore ice pad on land immediately in front of the barge landing and/or staging site; rutting will be avoided and vehicle movements will be suspended if rutting occurs; and mushroom shoes will be used on any bladed equipment.