



May 5, 2017

Terence Hughes
Regulatory and Community Affairs Advisor
MGM Energy Corporation
#4700, 888 – 3rd Street SW
Calgary, AB T2P 5C5

Dear Mr. Hughes:

**Re: N7L1-1802 MGM Energy Corp - Umiak N05 Drilling Sump and
N7L1-1797 MGM Energy Corp - Burnt Lake N16 Drilling Sump
– 2016 Environmental Site Monitoring Reports**

The Inuvialuit Water Board (IWB) acknowledges receipt of the 2016 Environmental Site Monitoring Reports for N7L1-1802 - Umiak N05 Drilling Sump and N7L1-1797 - Burnt Lake N16 Drilling Sump, submitted on March 9, 2017. The IWB provides the following comments regarding these files.

- Water Licences N7L1-1802 and N7L1-1797 expired on February 28, 2011 and December 31, 2014 respectively.
- As required by N7L1-1802, Part H, Item 2b) The Licensee shall monitor drilling sump after closure for a term of five years. According to our records, the sump was closed in 2005. This condition has been completed by the Licensee, therefore, no further sump monitoring reports for N7L1-1797 are required to be submitted to the IWB.
- As required by N7L1-1797, Part H, Item 2b) The Licensee shall monitor drilling sump after closure for a term of five years. According to our records, the sump was closed in 2004. This condition has been completed by the Licensee, therefore, no further sump monitoring reports for N7L1-1797 are required to be submitted to the IWB.

The IWB will be working with Environment and Natural Resources (ENR) Water Resources Officer on file closure for N7L1-1802 and N7L1-1797. Please note that completion of the sump monitoring requirements as required by N7L1-1802 and N7L1-1797 does not absolve the Licensee from their responsibilities as required by the GNWT Land Use Permits for these programs.

Should you have any questions or concerns, contact me at 867-678-8610 or adhikarib@inuvwb.ca or Mardy Semmler, Executive Director, at 867-678-8609 or semmlerm@inuvwb.ca.

Sincerely,

Bijaya Adhikari, PhD
Science and Regulatory Coordinator

cc: Lloyd Gruben, Water Resources Officer - ENR Inuvik
Dan Carmichael, A/Regional Superintendent – Department of Lands – Beaufort Delta Region