

**Inuvialuit Water Board
Reasons for Decision**

Issued pursuant to *Waters Act*, S.N.W.T. 2014, c.18, ss 48(1)

Water Licence Number: N5L1-1845 (Type B)

This is the decision of the Inuvialuit Water Board, made on July 27, 2026, regarding an application made by:

**MGM Energy
Suite 4700, 888 3rd Street SW
Calgary, Alberta T2P 5C5**

for the issuance of a Water Licence for the Oil & Gas Exploration Well Abandonment Program: Langley K-30, Langley E-07 and Kumak I-25 and for the use of water and the deposit of waste for an industrial undertaking as described in the Water Licence application, Project Description Reports, supplementary information and the record of this proceeding.

Background:

The Langley K-30, Langley E-07 and Kumak I-25 wellsites are located in the outer Mackenzie Delta within the Inuvialuit Settlement Region (ISR), Northwest Territories (NWT). The Langley K-30 well is situated on the northern tip of Langley Island. The Langley E-07 well is located approximately 6 km south of Langley K-30 and the Kumak I-25 well is located approximately 20 km southeast of Langley E-07. The Langley K-30, Langley E-07 and Kumak I-25 wellsites were drilled under Water Licences N7L1-1787, N7L1-1822 and N7L1-1815 respectively, which authorized the use of water and the deposit of waste. These licences were issued by the former Northwest Territories Water Board (NWTWB) which was renamed the Inuvialuit Water Board (IWB) prior to the signing of the NWT Devolution Agreement in 2014.

MGM Energy Oil and Gas Well Exploration Drilling Program was conducted at the Langley K-30, Langley E-07 and Kumak I-25 during the winters of 2002 / 2003, 2007 / 2008 and 2006 / 2007, respectively. MGM Energy has proposed the abandonment of the Langley K-30 well due to shoreline erosion along the Beaufort Sea. The Langley E-07 and Kumak I-25 wells were also identified for abandonment because of their proximity to the Langley K-30 wellsite and the opportunity to abandon multiple wells within the same area as part of a single program.

The application was filed with the IWB on September 19, 2023, within the framework of the Waters Regulations (WR) Schedule D - Column III, Item 1(a). The application included a Project Description for the Langley K-30, Langley E-07 and Kumak I-25 Well Abandonment Program, prepared by KAVIK-STANTEC Inc., on behalf of MGM Energy. Additional information was requested by the IWB on September 28, 2023, and MGM Energy provided the additional information to the IWB on December 31, 2025. IWB requested follow up information on January 23, 2026, and MGM submitted the

information to the IWB on March 11, 2026. The IWB accepted the Application as complete on April 22, 2026.

The IWB gave Public Notice on April 27, 2026, in accordance with the *Waters Act*, S.N.W.T. 2014, c.18 at ss 43(1)(a) and 43(1)(b) that it received a Type B Water Licence application from MGM Energy for the Well Abandonment Program.

In accordance with IWB processes, a copy of the Water Licence application and supplementary information was provided to the Environmental Impact Screening Committee (EISC), a body created by the Inuvialuit Final Agreement (IFA). Copies were also provided to the Government of the Northwest Territories (GNWT), Departments of: Environment and Climate Change (ECC), Municipal and Community Affairs (MACA), Health and Social Services (H&SS), Industry, Tourism and Investment (ITI) as well as the Department of Fisheries and Oceans Canada (DFO), Environment and Climate Change Canada (ECCC), Canadian Northern Economic Development Agency (CanNor), Inuvialuit Land Administration (ILA), Inuvialuit Regional Corporation (IRC), Inuvialuit Game Council (IGC), Wildlife Management Advisory Council (NWT) (WMAC - NWT), Fisheries Joint Management Committee (FJMC), Aklavik Hunters and Trappers Committee (AHTC), Aklavik Community Corporation (ACC), Tuktoyaktuk Hunters and Trappers Committee (THTC), Tuktoyaktuk Community Corporation (TCC), Inuvik Hunters and Trappers Committee (IHTC) and Inuvik Community Corporation (ICC) for a fifty-three (53) day review period (April 28, 2026 – June 19, 2026). Responses regarding the application were received on June 19, 2026, from DFO and GNWT ECC and taken into consideration by the Board during the decision-making process related to the Licence.

Given the scope of the application and the limited public comment, the IWB determined there would be no public hearing.

Scope of the Licence:

Upon review of the application and evidence in the Public Register, the IWB has determined that the scope of the undertaking covered by the Water Licence includes the use of water and for the deposit of waste associated with an Industrial Undertaking for MGM Energy Oil and Gas Exploration Well Abandonment: Langley K-30, Langley E-07 and Kumak I-25. The Langley K-30 well is located on the northern tip of Langley Island, Langley E-07 is located approximately 6 km south of Langley K-30 and Kumak I-25 is located approximately 20 km southeast of Langley E-07 in the Inuvialuit Settlement Region (ISR) of the Northwest Territories with coordinates for Langley K-30 at Latitude 69.323530° North and Longitude 135.610909° West; Langley E-07 at Latitude 69.271768° North and Longitude 135.534208° West; and Kumak I-25 at Latitude 69.243447° North and Longitude 135.079542° West.

Requirements of the *Waters Act*:

MGM Energy has provided the IWB with an application and supporting information for its consideration as required by the *Waters Act*, S.N.W.T. 2014, c.18 at ss 34(1).

The IWB, as required by *Waters Act*, S.N.W.T. 2014, c.18 at s 4, has notified the Applicant of its obligation to comply with any and all other legislation pertinent to the activities authorized under this licence.

The IWB is in accordance with *Waters Act*, S.N.W.T. 2014, c.18 at ss 26(5)(a) by ensuring that the granting of a Water Licence to MGM Energy will not adversely affect, in a significant way, any existing Licensee, providing the conditions of the Licence are met. There are no other applicants with precedence.

The IWB does not believe that any users or persons listed in the *Waters Act*, S.N.W.T. 2014, c.18 at ss 26(5)(b) will be adversely affected by the use of water and the disposal of waste proposed by the Licensee provided that the Licensee operates in accordance with the Terms and Conditions of the Water Licence.

The IWB is of the view that compliance with the Water Licence Terms and Conditions will ensure that the waste produced by the undertaking will be treated and deposited in a manner that will maintain water quality in the area and will be consistent with applicable water quality standards in accordance with the *Waters Act*, S.N.W.T. 2014, c.18 at ss 26(5)(c)(i).

The IWB is satisfied that the effluent standards set out in the Terms and Conditions of the Water Licence are consistent with the *Waters Act*, S.N.W.T. 2014, c.18 at ss 26(5)(c)(ii) and will protect the receiving waters and environment.

Decision to Issue:

The MGM Energy Oil and Gas Exploration Well Abandonment Program: Langley K-30, Langley E-07 and Kumak I-25 for the use of water and the disposal of waste proposed by the Applicant is of a nature contemplated by the *Waters Act*.

The EISC issued a decision document on March 21, 2019: "*The development, if authorized subject to environmental terms and conditions recommended by the Screening Committee, will have no such significant negative impact and may proceed without environmental impact assessment and review under the Inuvialuit Final Agreement.*" [IFA s. 11. (17)(b)].

No objection by any person to the issuance of this Licence was made known to the IWB.

In accordance with the *Waters Act*, S.N.W.T. 2014, c.18 at ss 37(b)(i), the IWB has the authority to issue this Water Licence.

The IWB has reviewed the Water Licence Application and all written comments received during the comments review period. Upon consideration of the facts and circumstances, the merits of the submissions made to it and the purpose, scope and intent of the *Waters Act* and the Waters Regulations, the IWB has determined that it can issue Water Licence N5L1-1845 to MGM Energy subject to the Terms and Conditions contained therein.

The Board included a Security Deposit for this program in the amount of six hundred thousand dollars (\$600,000.00) as specified by Part B, Item 9 of the licence. Pursuant to

section 11(2) of the Waters Regulations, the Board considered factors when determining the security deposit amount, including the applicant's past performance, company profile, together with the nature, scope, and potential environmental liabilities associated with the oil and gas exploration well abandonment program for the three oil and gas exploration wells. The Security Deposit is to be made payable to GNWT ECC.

Water Licence Number N5L1-1845 contains Terms and Conditions the IWB considers necessary to ensure compliance with the *Waters Act* and the Waters Regulations and provides appropriate safeguards for the MGM Energy Oil and Gas Exploration Well Abandonment Program: Langley K-30, Langley E-07 and Kumak I-25 for the use of water and the disposal of waste associated with the industrial undertaking.

For all the above reasons the IWB has issued Water Licence N5L1-1845 to MGM Energy in accordance with the *Waters Act*, S.N.W.T. 2014, c.18 at s 27 for the Oil and Gas Exploration Well Abandonment Program: Langley K-30, Langley E-07 and Kumak I-25 for the use of water and the disposal of waste.

Term of the Water Licence:

The IWB has determined that the Term of the Water Licence will be for a period of six (6) years from July 31, 2026 to July 30, 2032.

SIGNED this 30th day of July 2026 on behalf of the Inuvialuit Water Board.


Chairperson - Inuvialuit Water Board