



Mackenzie Valley Land and Water Board
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Staff Report

Applicant: Paramount Resources Ltd.	
Location: Pointed Mountain, NT	Application: MV2014X0011
Date Prepared: August 7, 2018	Meeting Date: August 16, 2018
Subject: 2017 Annual Progress Report	

1. Purpose/Report Summary

The purpose of this Report is to present to the Mackenzie Valley Land and Water Board (MVLWB/the Board) the 2017 Annual Progress Report (2017 Annual Report) submitted by Paramount Resources Ltd. (Paramount), to satisfy Part C, condition 8 of their Land Use Permit (Permit) MV2014X0011.

2. Background

- June 5, 2014 – Issuance of Permit MV2014X0011;
- April 3, 2018 – 2017 Annual Report received;
- April 18, 2018 – Review commenced;
- May 8, 2018 – Reviewer comments and recommendations due and received;
- May 22, 2018 – Responses due and received;
- July 31, 2018 – Results of the 2017 monitoring and sampling programs submitted to the Board;
- **August 16, 2018 – 2017 Annual Report presented to the Board;** and
- June 4, 2019 – Expiration of Permit MV2014X0011.

3. Discussion

Permit MV2014X0011 was issued to Paramount to remediate the former Pointed Mountain gas plant and associated sites, including decommissioning and dismantling all remaining facilities, remediation of any impacts to land and water, and reclamation of all project sites to achieve final closure. The site is located west of the Liard River, approximately 30 kilometers northwest of Fort Liard, NT (see Appendix 1 for map), and comprises a plant site, airstrip, barge landing, six well sites and associated pipeline, and road infrastructure over an area of approximately 740 km².

Submission

On April 3, 2018, Paramount submitted its 2017 Annual Report (attached) to satisfy Part C, condition 8 of Permit MV2014X0011. Paramount included a concordance table (titled Table A in the 2017 Annual Report) that shows where each item under Part C, condition 8 is addressed.

Annual Progress Reports are not for Board approval; however, it summarizes the activities undertaken during the previous year, including the general results of monitoring activities. Additionally, the Board must be satisfied that the Permittee has completed the Annual Progress Report in accordance with the requirements of Permit MV2014X0011.

History

In posting the 2017 Annual Report for review, Board staff noted that Paramount does not currently hold a water licence in conjunction with Permit MV2014X0011. The issue of whether and when Paramount requires a water licence to conduct planned remediation activities has been discussed on several occasions:

- During previous reviews:
 - 2016 Annual Progress Report (attached);
 - Final Remediation Plan Version 3 (attached); and
- In correspondence between reviewers, Board staff and Paramount, including the following examples:
 - The Board's Information Request (IR) to GNWT-ENR (attached) in 2017 regarding the need for a Water Licence;
 - The GNWT-ENR response to the IR (attached);
 - Paramount's response to GNWT-ENR's response (attached); and
 - A meeting of interested parties in 2016 (summary notes attached) to discuss the Final Remediation Plan, and a list of additional authorizations that may be triggered by planned activities, which was developed by Board staff and Inspectors (attached).

Board staff understand that GNWT-ENR believes the Board should require Paramount to obtain a water license. Board staff also understand that the responsibility to enforce the *Waters Act* and require water licenses lies with the GNWT.

Current status

Board staff are of the understanding that the newly hired Water Resource Officer (Inspector) for the Dehcho region conducted an inspection of the Pointed Mountain operations under the *Waters Act* in mid-July 2018, in order to resolve the outstanding question of whether or not the operation is out of compliance with the *Waters Act*. Following the submission of the Inspector's report, Board staff will be able to move forward with next steps on this file.

4. Comments

Not applicable.

5. Reviewer Comments

By May 8, 2018, comments and recommendations on the 2017 Annual Report were received from 3 reviewers:

- Government of the Northwest Territories – Department of Environment and Natural Resources (GNWT-ENR) (no comment letter);

- Government of the Northwest Territories – Department of Lands (Lands Inspector) (no comment); and
- Board staff.

Paramount responded on May 22, 2018. Late comments were received from Acho Dene Koe First Nation (ADKFN) on June 6, 2018 and were not considered by Paramount.

The Review Summary and Attachments (attached) presents the concerns identified through this review.

Board staff asked when the results of the 2017 monitoring and sampling programs could be provided, including study results from surface water samples collected at the wetland downgradient from the surge pond and Fisherman Lake (Comment ID 1). Paramount responded that they anticipate providing these results to the Board on June 29, 2018.

Paramount provided the 2017 Environmental Monitoring Report (Report) to Board staff on July 31, 2018 (attached). The Report presented findings of Paramount's 2017 Long Term Monitoring Program, which is included within the Remediation Plan for Pointed Mountain and focuses on water and vegetation monitoring of chloride migration downgradient of the Surge Pond (including surface water sampling at Fisherman Lake and in the wetland complex between the Surge Pond and Fisherman Lake). The Report has been posted to the public registry and will be available for the Inspector to use as evidence in the forthcoming decision on compliance.

6. Security

The status of security for this project will not be affected by the Board's acceptance of the 2017 Annual Progress Report. The GNWT currently holds \$400,000.00 for Permit MV2014X0011 (attached).

7. Conclusion

Board staff conclude that further information was provided by Paramount in their response to reviewer comments and suggest that this submission is in conformity with the requirements of Permit MV2014X0011.

Annual Progress Reports are not for Board approval; however, the Board must be satisfied that Paramount is reporting in accordance with the requirements of their Permit.

8. Recommendation

Board staff recommend the Board consider whether or not to accept late comments from ADKFN.

Board staff recommend the Board **accept the 2017 Annual Progress Report**.

A draft acceptance letter is attached. Board staff recommend including the following text in the letter:

- The Board anticipates that the Dehcho Water Resources Officer will submit an Inspection Report on Pointed Mountain in the coming months. Following this, Board staff will be in contact to discuss next steps on this file.

9. Attachments

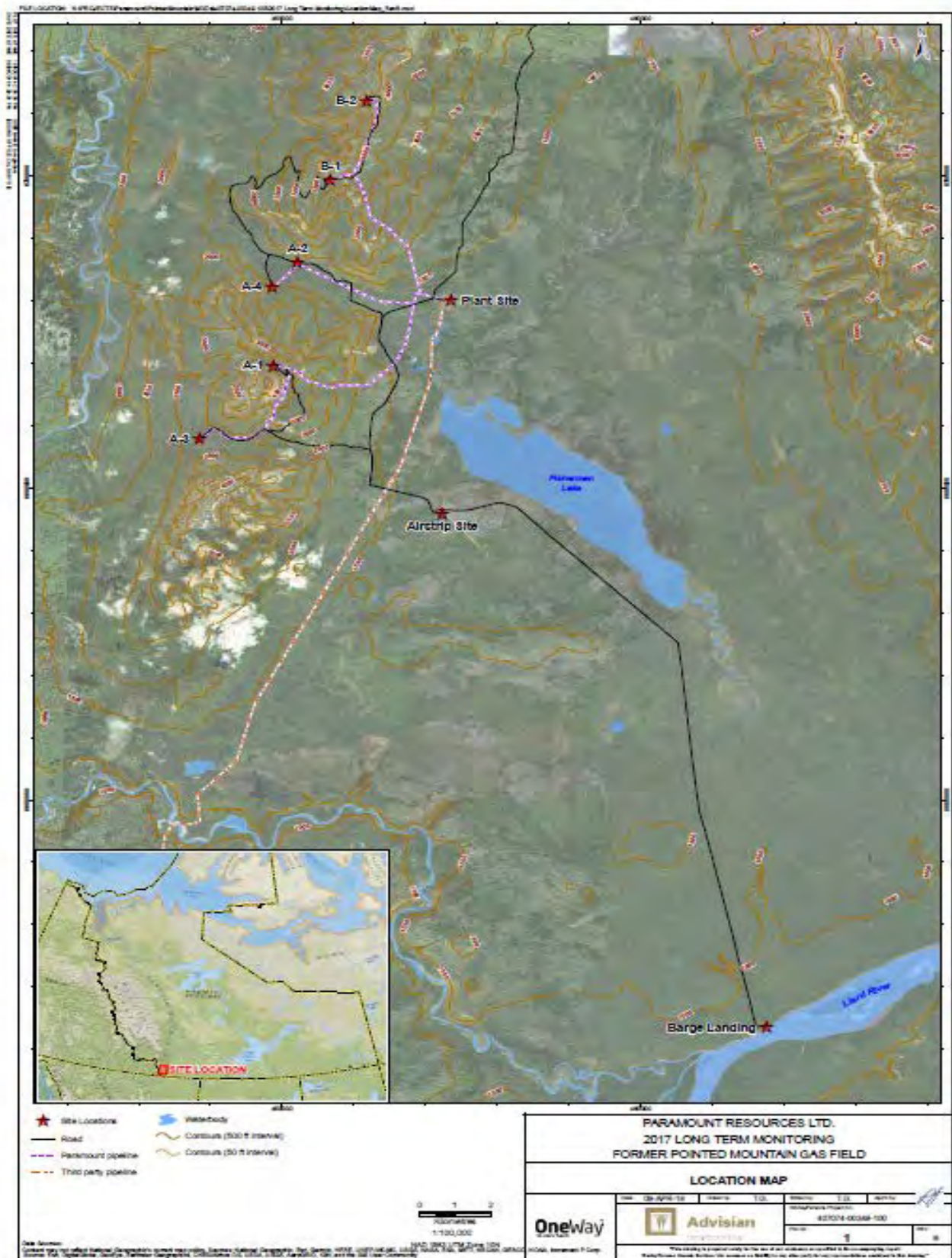
- [2017 Annual Progress Report](#)
 - [2016 Annual Progress Report – Staff Report and Comments](#)
 - [ORS page for Final Remediation Plan Version 3](#)
 - [December 20, 2017 MVLWB Information Request to GNWT-ENR](#)
 - [January 15, 2018 GNWT-ENR response to the Information Request](#)
 - [February 1, 2018 Paramount response to Information Request](#)
 - [Summary notes from meeting of interested parties on March 4, 2016](#)
 - [July 22, 2016 email from Board staff outline list of triggers for additional authorizations](#)
- Review Summary and Attachments
- [GNWT acceptance of security](#)
- [2017 Environmental Monitoring Report](#)
- Draft Acceptance Letter from the Board

Respectfully submitted,



Erica Janes
Regulatory Specialist

Appendix 1: Former Pointed Mountain Gas Field



Review Comment Table

Board:	MVLWB
Review Item:	Paramount Resources Ltd - former Pointed Mountain Gas Field - 2017 Annual Progress Report (MV2014X0011)
File(s):	MV2014X0011
Proponent:	Paramount Resources Ltd.
Document(s):	MV2014X0011 - Paramount Resources Ltd - 2017 Annual Progress Report - Apr3-18 (925.8 KB)
Item For Review Distributed On:	Apr 18 at 11:13 Distribution List
Reviewer Comments Due By:	May 8, 2018
Proponent Responses Due By:	May 22, 2018
Item Description:	<p>Paramount Resources Ltd. (Paramount; formerly known as Paramount Resources (ACL) Ltd. and Apache Canada Ltd) has submitted their Annual Progress Report for 2017, in accordance with Part C, condition 8 of their Land Use Permit MV2014X0011.</p> <p>Although formal approval is not required, the Board must be satisfied that Paramount has reported in accordance with the requirements of their Permit.</p> <p>Board staff note Paramount does not currently hold a water licence in conjunction with Permit MV2014X0011. The issue of whether and when Paramount requires a Water Licence to conduct planned remediation activities has been discussed during previous reviews (2016 Annual Progress Report, and Final Remediation Plan Version 3) and in correspondence between reviewers, Board staff and Paramount (for example, in 2017, the MVLWB Information Request to GNWT-ENR regarding need for Water Licence; GNWT-ENR response to the IR; and Paramount's response to GNWT-ENR's response, as well as in 2016, a meeting of interested parties to discuss the Final Remediation Plan, and a list of additional authorizations that may be triggered by planned activities, which was developed by Board staff and Inspectors). Board staff understand that GNWT-ENR believes that the Board should require Paramount to obtain a water licence. Board staff also understand that the responsibility to enforce the Waters Act and require water licences lies with the GNWT.</p> <p>Currently, Board staff are waiting for the new Dehcho Water Resource Officer to conduct an inspection of the Pointed Mountain operations under the <i>Waters Act</i>, in order to resolve the outstanding question of whether or not the operation is out of compliance with the <i>Waters Act</i>. Following the filing of the Inspector's report, Board staff will be able to move forward with next steps on this file.</p>

	<p>In the interim and with this outstanding question in mind, reviewers are invited to submit questions, comments and recommendations on the 2017 Annual Progress Report by May 8, 2018.</p> <p>If you have questions or comments regarding this review or the Online Review System, please contact Erica Janes at (867)766-7466 or ejanes@mvlwb.com.</p>
<p>General Reviewer Information:</p>	<p>In addition to the email distribution list, the following organizations have received review materials by fax:</p> <ul style="list-style-type: none"> • Fort Simpson Métis Local #52 - Marie Lafferty, President (867)695-2040; • Hay River Metis Council - Trevor Beck, President (867)874-4472; • Northwest Territory Métis Nation - Tim Heron, NWTMN IMA Coordinator (867)872-3586; and • Liard First Nation – Kaska Dena Council - George Morgan, Chief (867) 536-7910.
<p>Contact Information:</p>	<p>Erica Janes 867-766-7466 Heather Scott 867-766-7463 Jen Potten 867-766-7468</p>

Comment Summary

Acho Dene Koe First Nation: Julie Swinscoe				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
1	Monitoring	<p>Comment (Submitted after Due Date) As previously stated in the October 6, 2017 remediation referral, ADKFN requires community engagement in the form of both archaeological and ecological monitoring in order to ensure the operation properly addresses the ecological and cultural concerns of the community. Specifically, one or two ADKFN community members should be on-site as monitors for the entire development process. These monitors will act as liaisons for the ADKFN community, ensuring information and development updates are communicated with the</p>	N/A	Comment submitted after due date.

		community and that community concerns are voiced to Paramount. Recommendation See above.		
2	Weed Management	Comment (Submitted after Due Date) As outlined in the Weed Management Plan referral response on October 14, 2017, weeds have economic, environmental, and social impacts. An effective weed management plan for the former Pointed Mountain Gas site is important to ADKFN members and the community of Fort Liard. Managing weeds at this location is a long-term commitment requiring ongoing monitoring and adaptive approaches. ADKFN notes that some progress was made as noted in the 2017 Annual Progress Report and local services were utilized in this effort. Recommendation ADKFN requests that the Nation continue to be actively involved in the long-term management of weeds for this project. Involvement would include communication of plans, consultation regarding methods of weed management, and the use of local services, when applicable.	N/A	Comment submitted after due date.
3	Table C Draft Remediation Schedule	Comment (Submitted after Due Date) In Table C “Draft Remediation Schedule” contained within the Annual Progress Report, Paramount states that in 2020 the proponent will conduct vegetation and archaeological assessments of new vegetation clearing activity. Recommendation ADKFN	N/A	Comment submitted after due date.

		requests that in this measure, local traditional knowledge be sought and community involvement occur in the completion of these activities. ADKFN further requests the opportunity to bring on their lands consultants to perform all necessary archaeological and traditional land use work in order to advance the remediation process while satisfying local cultural values.		
4	ADKFN Full response	Comment (doc) < (Submitted after Due Date) Please see ADKFN full response, attached. Recommendation See above.	N/A	Comment submitted after due date.

GNWT - ENR: Central Email GNWT

ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
1	General File	Comment (doc) ENR Letter - No Comments or Recommendations at this time. Recommendation	--	Noted.

GNWT - Lands - Dehcho Region: Kyle Christiansen

ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
1	2017 Annual Progress Report (MV2014X0011)	Comment Inspectors from the Department of Lands have no comments regarding the 2017 Annual Progress Report filed under Land Use Permit MV2014X0011. Recommendation Not applicable.	--	Noted.

MVLWB: Erica Janes

ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Analysis
1	Section 4.1: Monitoring completed in 2017 and 4.2 Assessment and Studies	Comment These sections refer to a number of separate reports that detail the results of the 2017 monitoring and sampling programs, as well as study results from surface water	May 22: We anticipate a copy of the 2017 monitoring program results can be provided to the Board on June 29.	Noted. Board staff will post the submission on

		<p>samples collected at the wetland downgradient from the surge pond, as well as from Fisherman Lake.</p> <p>Recommendation When will the referenced reports be provided to the Board?</p>		<p>the public registry.</p>
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