



Mackenzie Valley Land and Water Board
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Staff Report

Applicant: Paramount Resources Ltd.	
Location: Pointed Mountain, near Fort Liard, NT	File Number: MV2014X0011
Date Prepared: April 23, 2019	Date of Board Meeting: May 1, 2019
Subject: 2018 Annual Progress Report	

1. Purpose

The purpose of this Report is to present to the Mackenzie Valley Land and Water Board (MVLWB/the Board) the 2018 Annual Progress Report (2018 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;
- March 14, 2019 – 2018 Annual Report received;
- March 22, 2019 – Review commenced;
- April 10, 2019 – Reviewer comments and recommendations due;
- April 11, 2019 – Late reviewer comments received;
- April 16, 2019 – Results of the 2018 monitoring and sampling programs submitted to the Board;
- April 17, 2019 – Responses due and received;
- **May 1, 2019 – 2017 Annual Report presented to the Board;** and
- June 4, 2019 – Expiration of Permit MV2014X0011.

3. Discussion

Permit MV2014X0011 was issued for the remediation of the former Pointed Mountain gas plant and associated sites. It covers the decommissioning and dismantling all remaining facilities, remediation of any impacts to land and water, and reclamation of all project sites to achieve final closure. Activities permitted include establishment of a temporary camp; use of heavy equipment; storage of fuel; bridge construction; road maintenance; and clearing of vegetation. 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 March 14, 2019, Paramount submitted its 2018 Annual Report (attached) to satisfy Part C, condition 8 of Permit MV2014X0011. Paramount included a concordance table (titled Table A in the 2018 Annual Report) that shows where each item under Part C, condition 8 is addressed.

Annual Progress Reports are not for Board approval; however, they summarize 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

Development at Pointed Mountain began in the 1950s. It was an active gas field from 1966 to 2001, operated by BP Energy Canada. The site is located about 30 kilometres northwest of Fort Liard, and west of the Liard River. The asset was transferred to Apache Canada Ltd. in 2010, which is responsible for the site's remediation.

Permit MV2014X0011 was issued on June 5, 2014 and replaced the former MV2007X0007. It was initially issued to Apache Canada Ltd., which changed its name to Paramount Resources (ACL) on August 8, 2017, and subsequently amalgamated under Paramount Resources Ltd. on January 1, 2018.

Board staff note 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 review (attached);
 - 2017 Annual Progress Report review (attached);
 - Final Remediation Plan Version 3 (attached); and
- In an information update to the Board made by Board staff on April 12, 2018 (attached);
- 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.

Status of Other Plans

In 2017, Paramount submitted two plans to fulfill Condition 66 of the Permit: the Final Remediation Plan, V.3 on June 21, 2017, and its Weed Management Plan, V1, on August 10, 2017, Board staff updated the Board on the status of the plans on April 12, 2018. Although the two Plans were submitted and reviewed separately, it is Board staff's intention to ultimately present them to the Board for

consideration together. To date these plans have not been approved. Filing of the Inspection Report will allow Board staff to complete the review comment tables for the reviews of both the Final Remediation Plan Version 3 and the Weed Management Plan Version 1, and to subsequently bring recommendations to the Board for decision on these submissions.

During the review of the Final Remediation Plan Version 3, GNWT-ENR reiterated their recommendation that the Board require Paramount to seek a Type B water licence.

Current status

Board staff are of the understanding that the 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. To date, the Board has not received a copy of this report.

4. Comments

Not applicable.

5. Public Review

By April 10, 2019, comments and recommendations on the 2018 Annual Report were received from 3 reviewers:

- Environment and Climate Change Canada (ECCC);
- Government of the Northwest Territories, Department of Environment and Natural Resources (GNWT-ENR); and
- Government of the Northwest Territories, Department of Lands.

Paramount responded by April 17, 2019. Late comments were received from Acho Dene Koe First Nation (ADKFN) on April 11, 2019, but these were considered by Paramount in their response. The Review Summary and Attachments (attached) presents the concerns identified through this review.

Main Issues Raised during the Review

The following summarizes the main issues raised during the review:

- ADKFN requested to be engaged in regard to business opportunities related to remediation and monitoring, and to be consulted in the event of new activity;
- ADKFN requested a plain-language explanation of monitoring results and how results would affect the 2019 monitoring activity; and
- GNWT-ENR requested analytic results that were not included with the Progress Report.

On April 16, 2019, Paramount provided the Board with the analytical results referenced in the Annual Report. These were posted to the Registry and Board staff observed that they fulfilled both the ADKFN and ENR requests for more information.

6. Security

The status of security for this Project will not be affected by the Board's decisions related to the 2018 Annual Report

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 request the Board consider accepting the late review comments from AKDFN.

Board staff recommend the Board accept submission of the 2018 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

- [2018 Annual Progress Report](#)
 - Map (see appendix 1)
 - Information update to the Board made by Board staff on April 12, 2018
 - [2016 Annual Progress Report – Staff Report and Comments](#)
 - [2017 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
- Draft Decision Letter from the Board

Respectfully submitted,



David Finch
Regulatory Specialist

Appendix 1: Location of Former Pointed Mountain Gas Field



Review Comment Table

Board:	MVLWB
Review Item:	Paramount Resources Ltd. - Pointed Mountain - 2018 Annual Progress Report (MV2014X0011)
File(s):	MV2014X0011
Proponent:	Paramount Resources Ltd.
Document(s):	Paramount - Pointed Mountain 2018 Annual Progress Report (735.51 KB)
Item For Review Distributed On:	Mar 22 at 15:05 Distribution List
Reviewer Comments Due By:	Apr 10, 2019
Proponent Responses Due By:	Apr 17, 2019
Item Description:	<p>Paramount Resources Ltd. (Paramount) has submitted the 2018 Annual Progress Report for remediation of the former Pointed Mountain Gas Field, on March 14, 2019. This report is required by Permit MV2014X0011, condition #8, which outlines the requirements of the report.</p> <p>Reviewers are invited to submit comments and recommendations using the Online Review System (ORS) by the review comment deadline specified below. If reviewers seek clarification on the submission, they are encouraged to correspond directly with the proponent prior to submitting comments and recommendations.</p> <p>Reviewers may also wish to consider providing an overarching recommendation regarding whether they are in support of the submission to provide context for comments and recommendations and to assist the Board with its decision.</p> <p>All documents that have been uploaded to this review are also available on our public Registry. If you have any questions or comments about the ORS or this review, please contact Board staff identified below.</p>
General Reviewer Information:	<p>In addition to the email distribution list, the following organization received review materials by fax:</p> <ul style="list-style-type: none"> • Fort Simpson Métis Local #52, Marie Lafferty, President (867) 695-2040.
Contact Information:	<p>Angela Love 867-766-7456 David Finch 867 766 7467 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	Long Term Monitoring	<p>Comment Submitted after Due Date) In this section the proponent discusses sampling results from groundwater monitoring wells. It is noted that the results of the sampling indicated that chloride concentrations had both increasing and decreasing trends at various monitoring wells located near the surge pond.</p> <p>Recommendation ADKFN requests a plain language review (via letter) of the findings from the sampling and monitoring conducted in 2018. Further, the Nation would like Paramount to indicate how these results may impact their long-term monitoring plan for 2019.</p>	<p>Apr 16: Analytical results from the 2018 monitoring season was uploaded to the MVLWB FTP on April 16, 2018. Summary of results can be found in section 5 of the report.</p>	<p>Acceptable response. Note that the summary of results is in section 5 of the analytical report, not the Annual Progress Report. The 2019 schedule is outlined in Appendix 5 of that same document, and it essentially follows the same program as 2018.</p> <p>Board staff request that in future Paramount include the analytical results together with the Annual Progress Reports, to allow parties to review them simultaneously.</p> <p>Board staff recommend that Paramount follow up with AKDFN to determine if they need additional information. This can be noted in the 2019 Annual Report under Engagement Activities, per Permit condition 8 (h).</p>
2	Draft Remediation Schedule	<p>Comment Submitted after Due Date) In this section the proponent describes the reclamation and associated activities that will occur in the upcoming years.</p> <p>Recommendation ADKFN notes that the Nation should be consulted for any new activities occurring at the site. ADKFN further notes that local business and community members</p>	<p>Apr 16: Noted</p>	<p>Acceptable response.</p> <p>Engagement can be noted in the 2019 Annual Report under Engagement Activities, per Permit condition 8 (h).</p>

		should be employed when applicable for site remediation (including plant propagation) and monitoring activities.		
3	Engagement Activities	Comment Submitted after Due Date) Paramount indicated that no engagement activities took place in 2018. Recommendation ADKFN expects that Paramount will engage with ADKFN in 2019 and consult with the Nation on project activities at this site, and all others that are operated by Paramount within ADKFN Traditional Territory.	Apr 16: Noted	Acceptable response. Engagement can be noted in the 2019 Annual Report under Engagement Activities, per Permit condition 8 (h).

Environment and Climate Change Canada: Richard Bingley

ID	Topic	Reviewer Comment/ Recommendation	Proponent Response	Board Staff Analysis
1	ECCC Comments	Comment ECCC has reviewed Paramount Resources Ltd.'s Pointed Mountain - 2018 Annual Progress Report (MV2014X0011) in accordance with the department's mandate and has no comments at this time. Recommendation N/A	Apr 16: N/A	Noted.

GNWT - ENR: Central Email GNWT

ID	Topic	Reviewer Comment/ Recommendation	Proponent Response	Board Staff Analysis
2	General File	Comment (doc) ENR Letter with Comments Recommendation		
1	Topic 1: ENR Previous Comments, Contamination and Analytical Results	Comment ENR has reviewed the 2018 Annual Progress Report for remediation of the former Pointed Mountain Gas Field by Paramount Resources Ltd. (Paramount). ENR notes that the report mentions in Section 4.1	Apr 16: Analytical results from the 2018 monitoring season was uploaded to the MVLWB FTP on April 16, 2018.	Noted.

		<p>that surface and groundwater contamination for chloride was observed down-gradient from the surge pond. However, no analytical results were included in the Progress Report. ENR further notes that Section 6 of the report states no unauthorized discharges occurred in 2018. ENR has previously commented on progress reports for this site (April 24, 2017) and has responded to Board IR's (January 13, 2018) on the contamination of the site. In review of this report, ENR maintains it previous recommendations regarding the ongoing unauthorized discharge of waste for the site.</p> <p>Recommendation None.</p>		
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GNWT - Lands - Dehcho Region: Kyle Christiansen

ID	Topic	Reviewer Comment/ Recommendation	Proponent Response	Board Staff Analysis
1	MV2014X0011 - Annual Progress Report	<p>Comment An Inspector from the Department of Lands reviewed the MV2014X0011 Annual Progress Report and has no comments at this time.</p> <p>Recommendation Not applicable.</p>	Apr 16: N/A	Noted.



April 10, 2019

Jen Potten
Regulatory Coordinator
Mackenzie Valley Land and Water Board
7th Floor – 4910 50th Avenue
P.O. Box 2130
Yellowknife, NT
X1A 2P6

Dear Ms. Janes,

**Re: Paramount Resources Ltd.
Land Use Permit Application– MV2014X0011
2018 Annual Progress Report
Former Pointed Mountain Gas Field
Request for Comment**

The Department of Environment and Natural Resources (ENR), Government of the Northwest Territories has reviewed the report at reference based on its mandated responsibilities under the *Environmental Protection Act*, the *Forest Management Act*, the *Forest Protection Act*, the *Species at Risk (NWT) Act*, the *Waters Act* and the *Wildlife Act* and provides the following comment for the consideration of the Board at this time.

Topic 1: ENR Previous Comments, Contamination and Analytical Results

Comment(s):

ENR has reviewed the 2018 Annual Progress Report for remediation of the former Pointed Mountain Gas Field by Paramount Resources Ltd. (Paramount). ENR notes that the report mentions in Section 4.1 that surface and groundwater contamination for chloride was observed down-gradient from the surge pond. However, no analytical results were included in the Progress Report. ENR further notes that Section 6 of the report states no unauthorized discharges occurred in 2018.

ENR has previously commented on progress reports for this site ([April 24, 2017](#)) and has responded to Board IR's ([January 13, 2018](#)) on the contamination of the site. In review of this report, ENR maintains its previous recommendations regarding the ongoing unauthorized discharge of waste for the site.

Recommendation(s):

None.

Should you have any questions or concerns, please do not hesitate to contact Patrick Clancy, Environmental Regulatory Analyst at (867) 767-9233 Ext: 53096 or email patrick.clancy@gov.nt.ca.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Clancy', written in a cursive style.

Patrick Clancy
Environmental Regulatory Analyst
Environmental Assessment and Monitoring Section
Environmental Stewardship and Climate Change Division
Department of Environment and Natural Resources
Government of the Northwest Territories