



Mackenzie Valley Land and Water Board
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YELLOWKNIFE NT X1A 2P6
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May 16, 2019

File: MV2014X0011

Mr. Terence Hughes
Paramount Resources Ltd.
Suite 2800, 421-7th Ave. SW
CALGARY AB T2P 4K9

Email: terence.hughes@paramountres.com

Dear Mr. Hughes:

Land Use Permit – Approval of Extension
Pointed Mountain, near Fort Liard, NT

On May 16, 2019, the Mackenzie Valley Land and Water Board (MVLWB) extended the term for Land Use Permit (Permit) MV2014X0011 as per your February 11, 2019 request, and in accordance with subsection 26(6) of the Mackenzie Valley Land Use Regulations.

Attached is the updated cover page and Permit, which now expires on June 4, 2021. A copy of this Permit and all related correspondence and documents has been filed on the [Public Registry](#) at the MVLWB office.

If you have any questions or concerns, please contact David Finch at (867) 766-7467 or email dfinch@mvlwb.com.

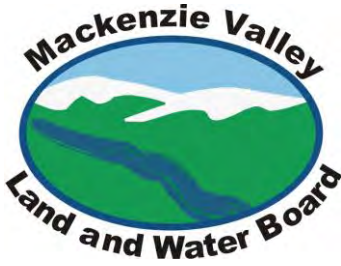
Yours sincerely,

A handwritten signature in blue ink, appearing to read "Mavis Cli-Michaud".

Mavis Cli-Michaud
MVLWB, Chair

Copied to: Distribution List
Kyle Christiansen, Resource Management Officer, GNWT-Lands, Dehcho Region

Attached: Land Use Permit MV2014X0011



**Land Use Permit –
Extension**

Permit Class A	Permit No MV2014X011	Amendment No #2 – February 3, 2016
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Subject to the Mackenzie Valley Land Use Regulations and the terms and conditions in this Permit, authority is hereby granted to:

Paramount Resources Ltd.

Permittee

to proceed with the land use operation described in the Application of:

Signature Ms. Lynn Huntley	Date June 5, 2014
Type of Land Use Operation Decommissioning and Reclamation of Pointed Mountain Gas Plant and Associated Sites	
Location Pointed Mountain near Fort Liard, NT	

This Permit may be assigned, discontinued, suspended, or cancelled pursuant to the Mackenzie Valley Land Use Regulations.

Dated at Yellowknife this 16 day of May, 2019

Signature Chair

Mavis Cli-Michaud

Signature Witness

Amanda Gauthier

Effective Date

June 5, 2014

Expiry Date

June 4, 2021

ATTENTION

It is a condition of this Permit that the Permittee comply with the provisions of the *Mackenzie Valley Resource Management Act* and Regulations and the terms and conditions set out herein. A failure to comply may result in suspension or cancellation of this Permit.

Conditions Annexed to and Forming Part of Land Use Permit MV2014X0011

Part A: Scope of Permit

1. This Permit entitles Apache Canada Ltd. to conduct the following land-use activities for the decommissioning and reclamation of the Pointed Mountain Gas Plant, associated well-sites and infrastructure, including:
 - i. Establish a temporary camp;
 - ii. Use heavy equipment;
 - iii. Fuel storage;
 - iv. Bridge construction;
 - v. Road maintenance; and
 - vi. Clearing of vegetation.

All activities are to take place within:

NW Corner	Longitude 123° 59' 00"	Latitude 60° 27' 30"
NE Corner	Longitude 123° 39' 18"	Latitude 60° 27' 30"
SW Corner	Longitude 123° 59' 00"	Latitude 60° 11' 19"
SE Corner	Longitude 123° 39' 18"	Latitude 60° 11' 19"

2. The Permit is issued subject to the conditions contained herein with respect to the use of land for the activities and area identified in Part A, Item 1 of this Permit.
3. Compliance with the terms and conditions of this Permit does not absolve the Permittee from responsibility for compliance with the requirements of all applicable federal, territorial and municipal legislation.

Part B: Definitions

Act - the *Mackenzie Valley Resource Management Act*;

Archaeological Overview - as defined by the Prince of Wales Northern Heritage Centre – Guidelines for Developers.

Archaeological Impact Assessment - as defined by the Prince of Wales Northern Heritage Centre – Guidelines for Developers.

Board - the Mackenzie Valley Land and Water Board established under Part 4 of the *Mackenzie Valley Resource Management Act*;

Borehole - a hole that is made in the surface of the ground by drilling or boring.

Drilling Waste - all materials or chemicals, solid or liquid, associated with drilling, including drill cuttings and Drilling Fluids.

Durable Land - land that is able to withstand repeated use, such as gravel or sand with minimal vegetative cover.

Flowing Artesian Well - a well in which water:

- a) Naturally rises above the ground surface or the top of any casing; and
- b) Flows naturally, either intermittently or continuously.

Fuel Storage Container - a container for the storage of *petroleum* or *allied petroleum products* with a capacity of less than 230 litres.

Fuel Storage Tank - a closed container for the storage of *petroleum* or *allied petroleum products* with a capacity of more than 230 litres.

Greywater - all liquid wastes from showers, baths, sinks, kitchens, and domestic washing facilities but not including toilet wastes.

Habitat - the area or type of site where a species or an individual of a species of wildlife naturally occurs or on which it depends, directly or indirectly, to carry out its life processes.

Inspector - an Inspector designated by the Minister under the *Mackenzie Valley Resource Management Act*;

Minister - the Minister of Lands, Government of the Northwest Territories.

Ordinary High Water Mark - the usual or average level to which a body of water rises at its highest point and remains for sufficient time so as to change the characteristics of the land. In flowing waters (rivers, streams) this refers to the "active channel/bank-full level" which is often the 1:2 year flood flow return level. In inland lakes, wetlands, or marine environments, it refers to those parts of the Watercourse bed and banks that are frequently flooded by water so as to leave a mark on the land and where the natural vegetation changes from predominately aquatic vegetation to terrestrial vegetation (excepting water tolerant species). For reservoirs, this refers to normal high operating levels (full supply level).

Permafrost - ground (soil or rock) that remains at or below 0°C for at least two consecutive years.

Secondary Containment - containment that prevents liquids that leak from Fuel Storage Tanks or containers from reaching outside the containment area and includes double-walled Tanks, piping, liners, and impermeable barriers.

Spill Contingency Plan - a document, developed in accordance with Aboriginal Affairs and Northern Development Canada's *Guidelines for Spill Contingency Planning* (April 2007), that describes the set of procedures to be implemented to minimize the effects of a spill.

Sewage - all toilet wastes and Greywater.

Sewage Disposal Facilities - Sump(s) and/or Sewage collection tank(s) designed to hold Sewage.

Sump - a man-made pit or natural depression in the earth's surface used for the purpose of depositing waste material, such as non-Toxic Drilling Waste or Sewage, therein.

Toxic - a substance that enters or may enter the environment in a quantity or concentration or under conditions such that it:

- a) Has or may have an immediate or long-term harmful effect on the environment or its biological diversity;
- b) Constitutes or may constitute a danger to the environment on which life depends; or
- c) Constitutes or may constitute a danger in Canada to human life or health.

Waste - any garbage, debris, or chemical or toxic material to be used, stored, disposed of, or handled on land, and also as defined in section 51 of the Act.

Waste Management Plan (WMP) - a document, developed in accordance with the Board's *Guidelines for Developing a Waste Management Plan*, that describes the methods of waste management from waste generation to final disposal.

Watercourse - a natural body of flowing or standing water or an area occupied by water during part of the year, and includes streams, springs, swamps and gulches but does not include groundwater.

Part C: Conditions Applying to All Activities

26(1)(a) LOCATION AND AREA

- | | | |
|----|--|-------------------------------|
| 1. | The Permittee shall not conduct this land use operation on any lands not designated in the complete application. | LOCATION OF ACTIVITIES |
| 2. | The Permittee shall not construct parallel lines or roads, unless an existing line or road cannot be used. | PARALLEL ROADS |
| 3. | The Permittee shall not conduct any part of the land use operation within 300 metres of a cabin used for traditional activities, including trapping, hunting, or fishing, unless otherwise authorized in writing by the Board. | AVOID CABINS |
| 4. | The Permittee shall locate all camps on Durable Land or previously cleared areas. | CAMP LOCATION |

26(1)(b) TIME

- | | | |
|----|--|-------------------------------|
| 5. | At least 48 hours prior to the commencement of this land use operation, the Permittee's Field Supervisor shall contact an Inspector at (867) 695-2626. | CONTACT INSPECTOR |
| 6. | At least 48 hours prior to commencement of this land use operation, the Permittee shall provide the following information, in writing, to the Board <u>and</u> an Inspector:
<ul style="list-style-type: none"> a) the name(s) of the person(s) in charge of the field operation; b) alternates; and c) all methods for contacting the above person(s). | IDENTIFY AGENT |
| 7. | At least ten days prior to the completion of the land use operation, the Permittee shall advise an Inspector of: (a) the plan for removal or storage of equipment and materials; and (b) when final clean-up and reclamation of the land used will be completed. | REPORTS BEFORE REMOVAL |
| 8. | The Permittee shall submit an annual progress report to an Inspector and the Board no later than March 31 following the calendar year reported, which shall contain at a minimum the following information:
<ul style="list-style-type: none"> a) A detailed description of work completed during the year to remediate the site; b) Any engineering studies/designs, monitoring results, or remediation research completed or updated during the year, | ANNUAL PROGRESS REPORT |

- c) A detailed waste audit of all waste produced, transported, and disposal method/location (in volumes and by types). This includes all hazardous waste, waste petroleum products, and any other wastes identified in the Waste Management Plan;
 - d) A list of unauthorized discharges;
 - e) A summary of residual risks on the site to environmental, human and wildlife health;
 - f) Updated remediation cost liability and financial security estimates;
 - g) Updated life of project work plan for all project activities, including reclamation and monitoring activities; and
 - h) A summary of all activities that took place under the Engagement Plan.
9. The Board, for the purpose of this operation, designates March 31 as spring break-up. **SPRING BREAK-UP**

26(1)(c) TYPE AND SIZE OF EQUIPMENT

10. The Permittee shall not use any equipment except of a similar type, size, and number to that listed in the complete application, the amendment application dated December 24, 2015, and the updated equipment list submitted January 26, 2016. **ONLY APPROVED EQUIPMENT**
11. The Permittee shall use portable ramps during loading or unloading of ships or barges. **PORTABLE RAMPS**
12. The Permittee shall maintain the following fire-fighting equipment at the site: **FIRE-FIGHTING EQUIPMENT**
- a) Four backpack bags complete with hand pumps; and
 - b) a minimum of two pieces of each of the following equipment: pulaskis, axes, and shovels.

26(1)(d) METHODS AND TECHNIQUES

13. The Permittee shall plug all boreholes upon completion of operations at each borehole. **PLUG BOREHOLES**
14. Prior to the movement of any vehicle that exerts pressure on the ground in excess of 35 kPa, the Permittee shall scout proposed lines and routes to select the best location for crossing streams and avoiding terrain obstacles. **DETOURS AND CROSSINGS**
15. The Permittee shall construct and maintain the overland portion of winter roads with a minimum of 10 cm of packed snow and/or ice at all times during this land-use operation. **WINTER ROADS**
16. The Permittee shall not erect camps or store material, other than that required for immediate use, on the ice surface of a Watercourse. **STORAGE ON ICE**

26(1)(e) TYPE, LOCATION, CAPACITY AND OPERATION OF ALL FACILITIES

17. The Permittee shall ensure that the land use area is kept clean at all times. **CLEAN WORK AREA**

18.	The Permittee shall not locate any Sump within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector.	SUMPS FROM WATER
26(1)(f) CONTROL OR PREVENTION OF PONDING OF WATER, FLOODING, EROSION, SLIDES AND SUBSIDENCE OF LAND		
19.	The Permittee shall install and maintain culverts such that scouring does not occur.	CULVERT SIZE
20.	The Permittee shall, where permafrost exists, insulate the ground surface beneath all structures associated with this land-use operation to prevent: <ul style="list-style-type: none"> a) any vegetation present from being removed; b) the melting of Permafrost; and c) the ground settling and/or eroding. 	PERMAFROST PROTECTION
21.	The Permittee shall, where flowing water from a Borehole is encountered: <ul style="list-style-type: none"> a) plug the bore hole in such a manner as to permanently prevent any further outflow of water; and b) immediately report the occurrence to the Board and an Inspector. 	FLOWING ARTESIAN WELL
22.	The Permittee shall slope the sides waste material piles, excavations, and embankments — except in solid rock — to a minimum ratio of 2:1 vertical, unless otherwise authorized in writing by an Inspector.	EXCAVATIONS AND EMBANKMENTS
23.	The Permittee shall minimize approach grades on all Watercourse crossings.	MINIMIZE APPROACH
24.	The Permittee shall not ford wet streams.	NO FORDING OF STREAMS
25.	The land use operation shall not cause obstruction to any natural drainage.	NATURAL DRAINAGE
26.	The Permittee shall not cut any stream bank, unless otherwise authorized in writing by an Inspector.	STREAM BANKS
25.	The Permittee shall minimize erosion by installing erosion control structures as the land use operation progresses.	PROGRESSIVE EROSION CONTROL
26.	The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface.	PREVENTION OF RUTTING
27.	The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting.	SUSPEND OVERLAND TRAVEL
28.	The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging.	VEHICLE MOVEMENT FREEZE-UP

29.	The Permittee shall not use any materials other than clean snow and water in the construction of snow fills.	SNOWFILL MATERIALS
30.	Prior to spring break-up or completion of the land-use operation, the Permittee shall clean up and either remove or v-notch all snowfills from stream crossings, unless otherwise authorized in writing by an Inspector.	REMOVE OR V-NOTCH SNOW FILLS
31.	The Permittee shall not excavate land within 100 metres of Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector.	EXCAVATE NEAR WATERCOURSE
26(1)(g) USE, STORAGE, HANDLING AND ULTIMATE DISPOSAL OF ANY CHEMICAL OR TOXIC MATERIAL		
29.	The Permittee shall remove all Drilling Waste containing Toxic substances to an approved disposal facility.	DRILL WASTE DISPOSAL
30.	The Permittee shall not allow any Drilling Waste to spread to the surrounding lands or Watercourses.	DRILL WASTE CONTAINMENT
31.	Prior to the expiry date of this Permit or the end of operations, whichever comes first, the Permittee shall backfill and restore all Sumps, unless otherwise authorized in writing by an Inspector.	BACKFILL SUMPS
32.	The Permittee shall dispose of all combustible waste petroleum products by removal to an approved disposal facility.	WASTE PETROLEUM DISPOSAL
33.	The Permittee shall dispose of all Toxic substances in a manner as described in the approved Waste Management Plan and Remediation Plan.	WASTE CHEMICAL DISPOSAL
34.	The Permittee shall maintain a record of all spills. For all reportable spills, in accordance with the GNWT <i>Spill Contingency Planning and Reporting Regulations</i> , the Permittee shall: <ul style="list-style-type: none"> a) immediately report each spill to the 24-hour Spill Report Line (867) 920-8130; b) report each spill to an Inspector within 24 hours; and c) submit, to the Board and an Inspector, a detailed report on each spill within 30 days. 	REPORT SPILLS
26(1)(h) WILDLIFE AND FISHERIES HABITAT		
35.	The Permittee shall take all reasonable measures to prevent damage to wildlife and fish habitat during this land use operation.	HABITAT DAMAGE
26(1)(i) STORAGE, HANDLING AND DISPOSAL OF REFUSE OR SEWAGE		
36.	The Permittee shall adhere to the approved Waste Management Plan and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval.	WASTE MANAGEMENT

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| 37. | The Permittee shall dispose of all garbage, waste, and debris as described in the approved Waste Management Plan, unless otherwise authorized in writing by an Inspector. | REMOVE
GARBAGE |
| 38. | The Permittee shall dispose of all Sewage and Greywater as described in the approved Waste Management Plan. | SEWAGE DISPOSAL |
| 39. | Solid waste and sewage shall be disposed of at a licensed facility that has the appropriate capacity and is in compliance with their Water Licence. | LICENSED FACILITY |
| 40. | The Licensee shall provide written notification to the Board and Inspector 10 days prior to the initial deposit of solid waste or sewage demonstrating that the facility has agreed to accept the solid waste or sewage and has the ability to receive the volume of Waste requested. | WRITTEN
NOTIFICATION |
| 41. | The Permittee shall keep all garbage and debris in a secure container until disposal. | GARBAGE
CONTAINER |

26(1)(j) PROTECTION OF HISTORICAL, ARCHAEOLOGICAL AND BURIAL SITES

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| 42. | The Permittee shall not operate any vehicle or equipment within 150 metres of a known or suspected historical or archaeological site or burial ground. | ARCHAEOLOGICAL
BUFFER |
| 43. | The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site. | SITE DISTURBANCE |
| 44. | The Permittee shall, where a suspected archaeological or historical site, or burial ground is discovered: <ul style="list-style-type: none"> a) immediately suspend operations on the site; and b) notify the Board at (867)669-0506 or an Inspector at (867) 695-2626, and the Prince of Wales Northern Heritage Centre at (867) 920-6182 or 873-7688. | SITE DISCOVERY
AND
NOTIFICATION |
| 45. | Prior to any new land disturbance, the Permittee shall conduct an Archaeological Impact Assessment of the sites where disturbance is planned and shall submit a summary report to the Board and the Prince of Wales Northern Heritage Centre. | AIA |

26(1)(k) OBJECTS AND PLACES OF RECREATIONAL, SCENIC AND ECOLOGICAL VALUE

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26(1)(l) SECURITY DEPOSIT

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| 46. | Prior to commencement of the land use operation, the Permittee shall deposit with the Minister a security deposit in the amount of \$400,000. | SECURITY DEPOSIT |
| 47. | All costs to remediate the area under this Permit are the responsibility of the Permittee. | RESPONSIBILITY
FOR REMEDIATION
COSTS |

26(1)(m) FUEL STORAGE

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| 48. | The Permittee shall not place any fuel storage containers within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. | FUEL NEAR WATER |
| 49. | The Permittee shall ensure that all fuel caches have adequate Secondary Containment. | FUEL CACHE
SECONDARY
CONTAINMENT |
| 50. | The Permittee shall set up all refueling points with Secondary Containment. | SECONDARY
CONTAINMENT –
REFUELING |
| 51. | The Permittee shall mark all Fuel Storage Containers and Tanks with the Permittee's name. | MARK
CONTAINERS |
| 52. | The Permittee shall not allow petroleum products to spread to surrounding lands or Watercourses. | FUEL
CONTAINMENT |
| 53. | The Permittee shall adhere to the approved Spill Contingency Plan and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval. | SPILL
CONTINGENCY
PLAN |
| 54. | Prior to commencement of operations, the Permittee shall ensure that spill-response equipment is in place, to respond to any potential spills. | SPILL RESPONSE |
| 55. | The Permittee shall clean up all leaks, spills, and contaminated material. | CLEAN UP SPILLS |
| 56. | All equipment that may be parked for two hours or more, should have a haz-mat/drip tray under it, or be sufficiently diapered. Leaky equipment shall be repaired immediately. | DRIP TRAYS |

26(1)(n) METHODS AND TECHNIQUES FOR DEBRIS AND BRUSH DISPOSAL

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| 57. | The Permittee shall progressively dispose of all brush and trees and shall complete all brush disposal; all disposal shall be completed prior to the expiry date of this Permit. | BRUSH DISPOSAL/
TIME |
| 58. | The Permittee shall not clear areas larger than identified in the complete application. | MINIMIZE AREA
CLEARED |

26(1)(o) RESTORATION OF THE LANDS

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| 59. | The Permittee shall store overburden and use it to recontour the site after operations are complete, unless otherwise authorized in writing by an Inspector. | SAVE AND PLACE
ORGANIC SOIL |
| 60. | Prior to the expiry date of this Permit, the Permittee shall complete all cleanup and restoration of the lands used. | FINAL CLEAN-UP
AND
RESTORATION |

61. The Permittee shall submit to the Board for approval a Final Remediation Plan by June 30, 2015, which shall contain the following information:
- a) A summary of all data from previous site investigations, including complete surface and subsurface characterization and contaminant characterization;
 - b) Contaminants of concern to be addressed (including rationale for selection);
 - c) Reclamation objectives to be achieved (including rationale for selection and site-specific remediation targets/closure criteria);
 - d) Identify the media affected;
 - e) Identify, delineate, quantify, and characterize materials to be treated or removed;
 - f) A summary of the reclamation options evaluated and the methodology used to select the preferred strategy (including how the selected option will meet the objectives);
 - g) Detailed description of the process of remediation using the selected technology;
 - h) Details of sampling and analyses to be performed and quality assurance and quality control measures to be implemented;
 - i) Control measures and contingency plans to mitigate potential adverse effects to adjacent receptors such as humans, ground and surface water, vegetation, and wildlife;
 - j) Identify and map occurrence or habitat for the plant and animal species that have been identified as At Risk or May Be At Risk in the project area, and for each species, provide measures to mitigate impacts to habitats during the project lifetime;
 - k) Measures to minimize air emissions;
 - l) Sediment and erosion control measures;
 - m) Contingency plan in the event that contaminants are released into the environment;
 - n) Identify the fate of residual contaminants and any risk management activities or long-term monitoring activities that will address residual impacts;
 - o) Detailed implementation work plan including timeline and associated costs;
 - p) Remediation target/closure criteria verification and land use restrictions that may apply to future use of the site; and
 - q) Project monitoring activities, including an outline of components that will be monitored during reclamation work and site-specific monitoring that will be conducted to identify impacts to these components from Project-related activities.
62. If not approved by the Board, the Remediation Plan shall be revised and resubmitted for approval within 45 days of receiving notification of the Board's decision.
63. The Permittee shall adhere to the approved Remediation Plan and shall annually review the plan and modify the plan as necessary, or at the direction of the Board, to reflect changes in operations or technology. Revisions to the plan shall be submitted to the Board for approval.

**RESUBMIT PLAN IF
NOT APPROVED**

**REMEDIATION
PLAN**

64.	Prior to the expiry date of this Permit, the Permittee shall prepare the site in such a manner as to facilitate natural revegetation.	NATURAL REVEGETATION
65.	The Permittee shall carry out progressive reclamation of disturbed areas as soon as it is practical to do so.	PROGRESSIVE RECLAMATION
26(1)(p) DISPLAY OF PERMITS AND PERMIT NUMBERS		
66.	The Permittee shall keep a copy of this permit on hand at all times during this land use operation.	COPY OF PERMIT
26(1)(q) BIOLOGICAL AND PHYSICAL PROTECTION OF THE LAND		
67.	The Permittee shall not move any equipment or commence any drilling when one or more caribou are within five hundred (500) metres.	CARIBOU DISTURBANCE
68.	If migratory birds or their nesting areas, or any species at risk are encountered during the course of operations, the Permittee shall minimize all activity so as to not disturb these animals.	MIGRATORY BIRD DISTURBANCE
69.	The Permittee shall adhere to the approved Engagement Plan and shall annually review the plan and make any necessary revisions to reflect changes in operations or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval.	ENGAGEMENT PLAN
70.	If any Plan is not approved by the Board, the Permittee shall revise the plan according to the Board's direction and re-submit it to the Board for approval.	RESUBMIT PLAN
71.	All revised plans submitted to the Board shall include a brief summary of the changes made to the plan.	SUMMARY OF CHANGES
72.	The Permittee shall, upon request from the Board, submit additional Plans, revise Plans, or conduct studies as the Board deems necessary.	ADDITIONAL PLANS/STUDIES

Annex A Revisions to Land Use Permit MV2014X0011

List of changes that have been made to the Land Use Permit since issuance

Date	Condition	What has changed
May 7, 2015	Section 26(1)(o) – Final Remediation Plan	Submission date changed to June 30, 2015
July 3, 2015	Administrative correction to the geographic coordinates in Part A	Maximum longitude changed to 123° 59' 00"
February 3, 2016	26(1)(b) – Spring Break Up	Condition added
	26(1)(c) – Only Approved Equipment	Modified to include amendment application
	26(1)(d) – Winter Roads, Storage on Ice	Condition added
	26(1)(f) – Vehicle Movement Freeze-up	Condition added
	26(1)(f) – Snowfill Materials	Condition added
	26(1)(f) – Remove or V-Notch Snowfills	Condition added
October 12, 2017	Footnote	Permittee name change
January 30, 2018	Footnote	Permittee name change
May 16, 2019	N/A	Extension to Term.



Mackenzie Valley Land and Water Board
7th Floor - 4922 48th Street
P.O. Box 2130
YELLOWKNIFE NT X1A 2P6
Phone (867) 669-0506
FAX (867) 873-6610

Reasons for Decision

Issued pursuant to paragraph 40(2)(c) of the Mackenzie Valley Land Use Regulations (MVLUR)

Land Use Permit Extension Request	
Preliminary Screener	MVLWB
Reference/File Number	MV2014X0011
Company	Paramount Resources Ltd.
Project	Pointed Mountain, near Fort Liard, NT
Date of Decision	May 16, 2019

These Reasons for Decision set out the Mackenzie Valley Land and Water Board’s (the Board or MVLWB) decision of May 16, 2019 for an Extension Request made by Paramount Resources Ltd. (Paramount) for Land Use Permit (Permit) MV2014X0011.

1.0 Background

On February 11, 2019, the Board received an Extension Request for Permit MV2014X0011. The Permit was issued to Paramount to remediate the former Pointed Mountain gas plant and associated sites. It addresses the decommissioning and dismantling of all remaining facilities, remediation of any impacts to land and water, and reclamation of all project sites to achieve final closure.

Activities permitted at the site 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, and comprises a plant site, airstrip, barge landing, six well sites and associated pipeline, and road infrastructure over an area of approximately 740 km².

Subsection 26(6) of the Mackenzie Valley Land Use Regulations (MVLUR) states that the Board may extend the term of a permit for an additional period not exceeding two years, upon written request from the permittee prior to the expiration of the permit. As the Permit is not set to expire until June 4, 2019, Paramount’s request was found to be compliant with the MVLUR, and hence considered by the Board.

Review of the request commenced on March 22, 2019 when it was posted to the Online Review System. Comments from reviewers were due and received on April 10, 2019, with proponent responses due and received on April 17, 2019. Following the close of the review, the request was brought before the Board on May 16, 2019.

History of the Pointed Mountain Gas Field

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 km northwest of Fort Liard, west of the Liard

River. The asset was transferred to Apache Canada Ltd. in 2010. 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 with Paramount Resources Ltd. on January 1, 2018. Paramount is now responsible for remediation activity at the site. Two amendments have been made to Permit MV2014X0011 during its lifespan, on May 7, 2015 and February 3, 2016.

Extension Request

Paramount requested a two-year extension as the status of the land use operation contemplated under Permit MV2014X0011 continues to be active. The request did not include any change to the scope of activities included under the existing Permit. The new expiry date for the Permit is June 4, 2021.

Engagement

An Engagement Record was included with the Request. Paramount noted they engaged with the following parties prior to submission of the request to the Board:

- Stakeholders and affected parties identified in the Pointed Mountain Engagement Plan:
 - Acho Dene Koe First Nation (ADKFN);
 - Landmark Resource Management Ltd. (Landmark; on contract to ADKFN); and
 - Northwest Territory Metis Nation (NWTMN)

Party	Method	Date(s)	Summary
Parties in Engagement Plan <ul style="list-style-type: none"> • ADKFN • NWTMN • Landmark 	email	January 7, 2019	Notification package indicating that Paramount intended to apply for an extension
ADKFN	telephone; email	January 21, 2019	Call to notify Chief (left message)
Landmark	telephone	January 21, 2019 January 22, 2019	Discussion of request; copied email to ADKFN email at Landmark.
NWTMN	telephone	January 21, 2019	Discussion of request; project history/overview.

NWTMN indicated that they were currently busy with their own land claim but indicated how they could be engaged in future. Paramount also contacted ADKFN and Landmark (ADKFN's contract land management partner) to provide notification and appropriate routing of information.

2.0 Public Review

By April 10, 2019, comments and recommendations on the extension request were received from 3 reviewers:

- Government of the Northwest Territories, Department of Environment and Natural Resources (GNWT-ENR);
- Government of the Northwest Territories, Department of Lands, Inspector (Dehcho Region); and
- Acho Dene Koe First Nation (ADKFN).

ADKFN communicated that it then had a judicial review application before the Supreme Court of the Northwest Territories regarding Paramount's compliance with the project's original benefits plan. As a result, ADKFN requested that the Board defer its decision on Paramount's extension request until the court had ruled on the matter. Alternatively, they requested that the Board compel Paramount to disclose the terms of the original benefits plan before rendering decision on the extension request.

Paramount responded on April 17, 2019. Regarding ADKFN's requests of the Board, Paramount stated that they were not aware of any benefits plan signed by previous owners of the project prior to its acquisition. They noted that a benefits plan was not a requirement of the *Mackenzie Valley Resource Management Act* (MVRMA) or the Mackenzie Valley Land Use Regulations, so therefore was not a requirement of permits or extensions thereof. Finally, they noted that: "Paramount believes that it is in the best interest of all parties that a Land Use Permit remain in place to ensure that Paramount can continue to manage the site toward closure" ([Paramount response 1](#)).

No changes to conditions have been made. The expiration date on the cover page has been updated.

3.0 Security

As per condition 46 of Permit MV2014X0011, a security in the amount of \$400,000.00 is held for this Permit. The Board's decision did not affect security.

4.0 Decision

After reviewing the evidence and submissions of Paramount, the written comments and submissions received by the Board, and the Staff Report prepared for the Board, the Board, having due regard to the facts, circumstances, the merits of the submissions made to it, and to the purpose, scope, and intent of the MVRMA and Regulations made thereunder, has made the following decision:

The Board has decided to approve the Extension Request made by Paramount for Land Use Permit MV2014X0011. The Board's determinations and reasons for this decision are set out below.

- The Board has reviewed the information contained in the May 16, 2019 Staff Report regarding environmental impacts and/or public concerns.
- The use of land proposed by Paramount is of a nature contemplated by the MVRMA.
- The existing operation is a remediation of a former oil and gas site, and it is in the public interest to continue.
- The Board is satisfied that appropriate consultation has been conducted and that advice has been sought and considered, in accordance with sections 63 and 64 of the MVRMA.

4.1 Engagement

In keeping with the Board's [Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits](#), the Board finds that parties were adequately engaged during the application process.

4.2 ADKFN Benefits Issues

On April 10, 2019, the Board received [correspondence](#) from ADKFN following its review of the extension request.¹ ADKFN requested that the Board defer its decision until the Supreme Court of the Northwest Territories (NWTSC) had decided on a judicial review application filed by ADKFN regarding Paramount's compliance with the original benefits plan for the Pointed Mountain gas field. In the alternative, ADKFN requested that the Board direct Paramount to disclose this benefits plan prior to making its decision on the extension request. Paramount, in response, stated that they were aware of no such benefits plan having been agreed to. The matter was heard by the Supreme Court of the Northwest Territories on April 9, 2018 and a decision rendered on May 8, 2019.

The Board acknowledges the ADKFN's ongoing land claim negotiations and its Treaty rights in the area of the Pointed Mountain gas field. It should be noted, however, that ADKFN raised no concerns in relation to the level of consultation undertaken on the Paramount application; nor was any concern raised about Paramount's conduct of the consultation. Further, ADKFN did not provide any evidence indicating that granting an extension for Paramount's activities under the Permit would infringe their rights or cause damages.

The Board finds that the remediation of the Pointed Mountain gas field is in the public interest (both environmentally and economically) and should continue if possible. Indeed, given ADKFN Treaty rights to hunt and fish in this area, it is the Board's view that the remediation work could enhance the potential for traditional use of this area. The Board also notes that the proposed Land Use Permit extension does not constitute new activity, merely the continuation of remediation activities that have been underway for some time.

The Board is of the view that it has no jurisdiction over oil and gas benefits plans and no authority to order disclosure of such a document, if one exists, in a proceeding initiated to extend the term of a land use permit. Neither does the Board have any authority under the Mackenzie Valley Land Use Regulations for socio-economic impacts or benefits.

5.0 Conclusion

Land Use Permit MV2014X0011 contains provisions that the Board deems necessary to ensure and monitor compliance with the MVRMA and the Regulations made thereunder, and to provide appropriate safeguards in respect of Paramount's use of the land affected by the Permit.

Thus, the Board could see no reason to not grant Paramount's request for an extension, and the request was duly approved by the Board on May 16, 2019.

SIGNATURE

Mackenzie Valley Land and Water Board



Mavis Cli-Michaud, Chair

May 16, 2019

Date

¹ Acho Dene Koe First Nation to Angela Love, Mackenzie Valley Land and Water Board, 10 April 2019. "Re: Paramount Resources Pointed Mountain Land Use Permit Extension (MV2014X0011)." On file at [MVLWB Online Registry](#).