

Government of Gouvernment des Territoires du Nord-Ouest

Department of Environment and Climate Change Land and Water Division- Dehcho P.O Box 150 Fort Simpson, NT XOE 0N0

| Telephone: | 867-695-2626 ext. 205 |
|------------|-----------------------|
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August 31, 2023

Paramount Resources Ltd Suite 2800, 421 7th Ave SW Calgary, AB T2P 4K9

Attention: Terrence Hughes

| File Number       | MV2020A0009                        |
|-------------------|------------------------------------|
| Type of Operation | OIL AND GAS DRILLING - WELLSITE    |
| Location          | F25/F25A, K-29, O-80, M-25, Quarry |

Dear Terrence Hughes,

An inspection of the above noted operation was conducted on August 15, 2023 by Manager, Resource Management Danielle Rogers and Lands Officer Christopher Penner.

Enclosed is a copy of the Environmental Inspection Report.

If you have any questions, please contact me at 867-695-2626 ext. 205.

Sincerely,

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Danielle Rogers Manager, Resource Management Department of Environment & Climate Change

CC: Andrew Wheeler, Regulatory Specialist, MVLWB Laurie Nadia- Regional Land and Water Superintendent, Department of ECC, Dehcho Christopher Penner- Lands Officer, Department of ECC, Dehcho

| Permittee:             | Paramount Resources     | Permit Expiry  | November 19,    |
|------------------------|-------------------------|----------------|-----------------|
|                        | Ltd                     | Date:          | 2025            |
| Land Use Permit No.    | MV2020A0009             | Previous       | July 14, 2023   |
|                        |                         | Inspection:    | July 14, 2025   |
| Quarrying Pormit No.   | 21/0002                 | Inspection     | August 15, 2022 |
| Quarrying Permit No.   | 21/0002                 | Date:          | August 15, 2023 |
| Contractor:            |                         | Subcontractor: |                 |
| Location(s) Inspected: | F25/F25A, K-29, O-80, N | I-25, Quarry   |                 |
| Current Stage of       | Abandonment and Recla   | mation         |                 |
| Operation:             |                         |                |                 |
| Program Modifications  | N/A                     |                |                 |
| Approved:              |                         |                |                 |

Condition of Operation "A" - Acceptable "U" - Unacceptable "N/A" - Not Applicable "N/I" - Not Inspected

| Operating Condition                            | Aspect Ir | nspected |  |
|--|-----------|----------|--|
|  | Sites     |          |  |
| Location as Permitted                          | А         |          |  |
| Time as Permitted                              | A         |          |  |
| Equipment as Approved (Type & Size)            | A         |          |  |
| Methods & Techniques                           | А         |          |  |
| Facilities                                     | А         |          |  |
| Erosion (Control or Prevention)                | A         |          |  |
| Chemicals                                      | A         |          |  |
| Wildlife and Fisheries Habitat<br>(Protection) | A         |          |  |
| Wastes   | А         |          |  |
| Fuel Storage                                   | А         |          |  |
| Brush Disposal                                 | А         |          |  |
| Restoration of Lands                           | А         |          |  |
| Permits  | А         |          |  |

Explanatory Remarks -

Inspectors from the Department of Environment and Climate Change conducted an inspection of the well sites and quarry that are associated with the MV2020A0009 Land Use Permit on August 15, 2023, via helicopter.

K-29: There were personnel on site at the time of the inspection. The rig was set up, a flare stack, tanks, numerous vehicles, a loader and portable office trailers. All infrastructure appeared to be in good condition and there were still miscellaneous materials on site. No erosion was observed at the time of the inspection.

O-80: There were no personnel on site at the time of the inspection. The wellhead was still present. Infrastructure appeared to be in a good condition. There was a pile of materials and debris that should be properly disposed of.

M-25: There were no personnel on site at the time of the inspection. The wellheads were still present. Infrastructure appeared to be in a good condition. There was a pile of materials and debris that should be properly disposed of.

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F-25/F-25A: There were no personnel on site at the time of the inspection. The wellhead was still present. Infrastructure appeared to be in a good condition. The fenced off sump was overflowing. No erosion was observed.

Quarry (2021QP0002): Woody vegetation was established throughout the quarry. Material has not yet been quarried under this quarry permit. No signs of erosion were observed.

Inspectors have no concerns and will continue to monitor.

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# **ENVIRONMENTAL INSPECTION REPORT**

Inspection Images: Figure 1



Figure 2 K-29 rig set up



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## Figure 3 O-80- note debris pile



Figure 4 O-80



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Figure 6 M-25- note debris pile



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Figure 8 F-25/F-25A- note sump overflowing



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Figure 10 Quarry



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