



7th Floor - 4922 48th Street
PO Box 2130, Yellowknife NT X1A 2P6

Tel: 867-669-0506 Fax: 867-873-6610
www.mvlwb.com

December 23, 2024

File: MV2020L1-0006

Terence Hughes
Paramount Resources Ltd.
Suite 4700, 888 3rd Street SW
Calgary AB T2P 5C5

Sent by email

Dear Terence Hughes,

Re: Closure and Reclamation Plan, Version 1 – Not Approved – Paramount Resources Ltd. – For Liard West Project – Fort Liard, NT

The Mackenzie Valley Land and Water Board (Board) met on December 19, 2024, and considered the Closure and Reclamation Plan (CRP), Version 1,¹ submitted by Paramount Resources Ltd. (Paramount) on April 1, 2024, as required by Water Licence (Licence) MV2020L1-0006.²

Revise the Closure and Reclamation Plan

The Board has not approved the CRP, Version 1 which is supported by the Board's Reasons for Decision (attached). Table 1 (attached) includes Board directives required to be included in CRP Version 2.0.

As per Part B, Condition 11, REVISE AND SUBMIT, the Board requires that Paramount revise the CRP and submit Version 2.0 to the Board as part of their renewal application for Licence MV2020L1-0006. The revision must address the items in the Reasons for Decision and must be prepared in accordance with the Land and Water Board (LWB) *Document Submission Standards*³ and *Guidelines for the Closure and Reclamation of Sites in the Northwest Territories*.⁴ Once submitted, the revised CRP will undergo the Board's standard public review process before being considered by the Board.

¹ See MVLWB Online Registry www.mvlwb.com for [Paramount - Liard West - CRP V1 - Mar28_24](#)

² See MVLWB Online Registry for [Paramount - Liard West - Issuance - Type B Water Licence - Nov20-20](#)

³ See MVLWB Policies and Guidelines webpage for LWB [Document Submission Standards](#).

⁴ See MVLWB Policies and Guidelines webpage for LWB [Guidelines for Closure and Reclamation of Sites in the Northwest Territories](#).

Engagement

The Board emphasizes the importance of engagement regarding closure planning and security and encourages Paramount to engage with affected parties prior to any future submissions pertaining to closure.

In a specific instance during the public review, Paramount indicated a commitment to engage Acho Dene Koe First Nation (ADKFN) regarding the closure and reclamation of roads. The Board requires that Paramount adhere to this commitment by engaging ADKFN in accordance with the *LWB Engagement and Consultation Policy* and *LWB Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits*.⁵ Paramount is required to provide an updated Engagement Record (Summary and Log)⁶ as part of the next submission of the CRP.

Water Licence and Land Use Permit Renewal

The Board strongly encourages Paramount to apply to renew MV2020L1-0006 and MV2020A0009, as their current authorizations expire on November 19, 2025. As per the Guide to the Water Licensing Process, it is recommended that Paramount submit the renewal applications at least nine months in advance of the Licence's expiry date.

Please direct questions or concerns regarding this letter to Kathy Racher via [email](#).

Yours sincerely,



Tanya MacIntosh
Chair, Mackenzie Valley Land and Water Board

BCC'd to: Dehcho Distribution List
 Danielle Rogers – Inspector, GNWT-ECC
 Wendy Bidwell – Inspector, GNWT-ECC
 Rick Walbourne – Director, Regulatory and Permitting, GNWT-ECC

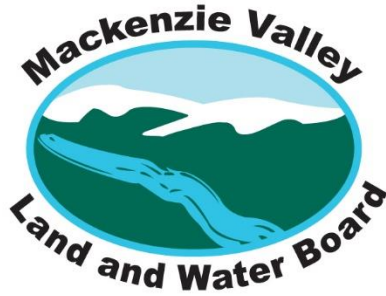
Attached: Reasons for Decision
 Table 1: Board Directives for CRP Version 2.0

⁵ See the Land and Water Boards Website for [LWB Engagement and Consultation Policy](#) and [LWB Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits](#).

⁶ See the Land and Water Boards Website for [LWB Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits](#)., Appendix E.

Table 1: Board Directives for CRP Version 2.0

#	Board Directive	Related Review Comments
1	Update the CRP with a proposed schedule for closure and reclamation. The schedule is to include: <ul style="list-style-type: none"> • A timeline for conducting site assessments. • A timeline for conducting closure activities. • Time of year activities are to be completed. • Approximate time required for each assessment and activity. 	GNWT 10 and 11, MVLWB 21
2	Provide the summaries noted in response to GNWT 2, 4, 8, and MVLWB 3.	GNWT 2, 4, 8, and MVLWB 3
3	Update the CRP with the information reported to OROGO, as noted in response to GNWT 2, 4, 8, and MVLWB 3.	GNWT 2, 4, 8, and MVLWB 3
4	Update the CRP as per responses to GNWT 3, 5, 6, 7, 9, MVLWB 2 and 5	GNWT 3, 5, 6, 7, 9, MVLWB 2 and 5



7th Floor - 4922 48th Street
PO Box 2130, Yellowknife NT X1A 2P6

Tel: 867-669-0506 Fax: 867-873-6610
www.mvlwb.com

Reasons for Decision

Closure and Reclamation Plan Version 1	
File Number	MV2020L1-0006
Company	Paramount Resources Ltd.
Project	Liard West
Location	Fort Liard, NT
Activity	Oil and Gas
Date of Decision	December 19, 2024

Table of Contents

1.0 List of Defined Terms and Abbreviations.....3

2.0 Summary of Submission4

3.0 Main Issues Raised During the Regulatory Proceeding4

4.0 Regulatory Process.....4

5.0 Decision – Closure and Reclamation Plan Version 1.....5

 5.1 Closure and Reclamation Plan Uncertainties..... 5

 5.2 Engagement 7

 5.3 Subsequent Security Review..... 7

6.0 Conclusion8

On December 19, 2024, the Mackenzie Valley Land and Water Board (MVLWB or Board) met and considered the Closure and Reclamation Plan Version 1 (CRP 1) submitted by Paramount Resources Ltd. (Paramount) to the Board on April 1, 2024, for Water Licence (Licence) MV2020L1-0006 for the Fort Liard West Project (the Project). After reviewing the CRP V1 and the evidence gathered during the regulatory proceeding, the Board has made the following decisions:

- 1) To deny Version 1 of the CRP; and
- 2) To require revisions to Version 1 of the CRP, which Paramount must submit as Version 2.0 with the renewal application for MV2020L1-0006.

These Reasons for Decision set out the Board’s regulatory process for the CRP V1 submitted by Paramount and rationale for decisions regarding it. A summary of CRP V1 and the main issues identified during the proceeding is provided in Sections [3.0](#) below, followed by an outline of the regulatory process in [Section 4.0](#). The Board’s decisions and supporting rationale are set out in [Section 5.0](#).

1.0 List of Defined Terms and Abbreviations

Applicant/Licensee	Paramount Resources Ltd.
CRP	Closure and Reclamation Plan
DFO	Fisheries and Oceans Canada
Distribution List	The list of individuals and organizations to whom materials from the regulatory proceeding were circulated. ¹
GNWT	Government of the Northwest Territories
Licence	Water Licence MV2020L1-0006
LWBs	Land and Water Boards of the Mackenzie Valley
MVLWB or Board	Mackenzie Valley Land and Water Board
MVRMA	Mackenzie Valley Resource Management Act
ORS	Online Review System (www.new.onlinereviewssystem.ca)
Party	As per the LWB Rules of Procedures , an applicant, a person, or an organization participating in this regulatory process.
Permit	Land Use Permit MV2020A0009
Project	Fort Liard West Oil and Gas Development

¹ To access the Distribution List, see the LWBs’ Online Review System for [Paramount Resources Ltd. – Liard West – Closure and Reclamation Plan Version 1 – May3_24](#).

2.0 Summary of Submission

On April 1, 2024, Paramount submitted CRP V1² to satisfy Part I, Condition 1 of Water Licence MV2020L1-0006.

In making its decision and preparing these Reasons for Decision, the Board has reviewed and considered:

- 1) The CRP V1 as submitted by Paramount;
- 2) The evidence and submissions received by the Board from Paramount related to the CRP V1; and
- 3) The comments and recommendations, evidence, and submissions received by the Board from Parties during the public review.

3.0 Main Issues Raised During the Regulatory Proceeding

These Reasons for Decision focus primarily on the following key issues raised during the regulatory proceeding:

- 1) Closure and Reclamation Plan uncertainties;
- 2) Engagement; and
- 3) Subsequent security review.

Issues that were resolved by Parties to the Board's satisfaction during the proceeding are not addressed in detail in these Reasons.

4.0 Regulatory Process

On April 1, 2024, Paramount submitted the CRP V1.³ On May 3, 2023, the CRP was deemed complete and circulated to the Distribution List for public review on the Online Review System (ORS).⁴

On May 30, 2024, review comments were due and received. The Board received comments and recommendations regarding the Plan from the Government of the Northwest Territories – Department of Environment and Climate Change (GNWT-ECC). The Department of Fisheries and Oceans Canada (DFO) indicated they had no comments or recommendations. Board staff also submitted comments and questions for the purposes of clarification.

On June 12, 2024, the response deadline was extended to August 30, 2024, in response to a request from the Licensee. The Licensee responded to the Parties' comments and recommendations by the deadline.⁵

² See MVLWB Online Registry www.mvlwb.com for [Paramount - Liard West - CRP V1 - Mar28_24](#)

³ Ibid

⁴ See MVLWB Online Review System for [Paramount Resources Ltd. - Liard West - Closure and Reclamation Plan Version 1 - May3_24](#)

⁵ Ibid

5.0 Decision – Closure and Reclamation Plan Version 1

Having due regard to the facts, circumstances, and the merits of the submissions made to it, and to the purpose, and provisions of the MVRMA and the Waters Act, the Board has determined that CRP V1 should be denied. The Board's determinations and reasons for this decision are set out below.

The Board does not approve the CRP V1 and issues directives to the Licensee, which include revisions required as part of the next version of the CRP (Version 2.0), outlined below.

5.1 Closure and Reclamation Plan Uncertainties

Board Directive #1: Revise the CRP with a proposed schedule for closure and reclamation. The proposed schedule is to include:

- A timeline for conducting site assessments.
- A timeline for when closure objectives, criteria, and closure options will be proposed, following assessments.
- A timeline for conducting closure activities.
- Time of year activities are to be completed.
- Approximate time required for each assessment and closure activity.

This Board directive is supported by the following evidence:

- Paramount indicated they need to conduct further site assessments to develop the CRP.⁶
- Paramount is not certain when they will conduct these site assessments,⁷ though, they committed to providing a generic schedule in the next version of the CRP.⁸
- The public review identified uncertainties regarding closure planning:
 - Closure options,⁹
 - Preferred closure options,¹⁰
 - Closure objectives,¹¹
 - Closure criteria.¹²

Board Directive #2: Provide the summaries noted in response to GNWT 2, 4, 8, and MVLWB 3.

⁶ See MVLWB Online Registry www.mvlwb.com for [Paramount - Liard West - CRP V1 - Mar28 24](#), section 5.4.2; see MVLWB Online Review System for [Paramount Resources Ltd. - Liard West - Closure and Reclamation Plan Version 1 - May3 24](#), MVLWB 18 and 21

⁷ See MVLWB Online Review System for [Paramount Resources Ltd. - Liard West - Closure and Reclamation Plan Version 1 - May3 24](#), GNWT 10

⁸ Ibid, GNWT 11

⁹ Ibid, GNWT 12, MVLWB 6

¹⁰ Ibid, GNWT 2-9, MVLWB 11

¹¹ Ibid, MVLWB 7, 8

¹² Ibid, GNWT 12, MVLWB 4, 10, 12, 13

Board Directive #3: Revise the CRP to include the information reported to OROGO, as noted in response to GNWT 2, 4, 8, and MVLWB 3.

These Board directives are supported by the following evidence:

- The GNWT requested more information on fuel and other waste remaining, what reclamation work is needed for pipelines and their final condition.¹³ LWB staff made similar recommendations.¹⁴
- Paramount did not address these requests, but indicated they would provide some of this information to OROGO by the end of September 2024.

Board Directive #4: Revise the CRP as per responses to GNWT 3, 5, 6, 7, 9, MVLWB 2 and 5

This Board directive is supported by the following evidence:

- Uncertainties were identified pertaining to earthworks, revegetation, and the all season road. The GNWT asked Paramount to clarify the surface area that will require earthworks and revegetation.¹⁵ Paramount indicated this information would be provided in a future CRP.
- Paramount indicated they will provide information on closure of the road following discussion with ADKFN.¹⁶
- Paramount clarified some uncertainties in response to GNWT 6, 7, and 9. These pertain to what season they plan to conduct reclamation work, whether a camp will be needed, and the status of well K-29. Paramount stated they will conduct reclamation in the summer, utilize facilities in Fort Liard, and that K-29 was abandoned.
- Paramount committed to cataloguing all components in the next CRP.¹⁷
- Paramount committed to aligning the CRP with the Boards’ closure framework.¹⁸

Table 1 - Board Directives for CRP V2.0

Table 1 below includes all Board directives required to be included in CRP V2.0. Paramount is required to include a conformity table outlining where each related review comment has been addressed.

#	Board Directive	Related Review Comments
1	Revise the CRP with a proposed schedule for closure and reclamation. The proposed schedule is to include proposed timelines for: <ul style="list-style-type: none"> • A timeline for conducting site assessments. 	GNWT 2-10, 11, 12

¹³ Ibid, GNWT 2, 4, and 8

¹⁴ Ibid, MVLWB 2 and 3

¹⁵ Ibid, GNWT 3

¹⁶ Ibid, GNWT 5

¹⁷ Ibid, MVLWB 2

¹⁸ Ibid, MVLWB 5

#	Board Directive	Related Review Comments
	<ul style="list-style-type: none"> • A timeline for when closure objectives, criteria, and closure options will be proposed, following assessments. • A timeline for conducting closure activities. • Time of year activities are to be completed. • Approximate time required for each assessment and closure activity. 	MVLWB 4, 6, 7, 8, 10, 11, 12, 13 18, and 21
2	Provide the summaries noted in response to GNWT 2, 4, 8, and MVLWB 3.	GNWT 2, 4, 8, and MVLWB 3
3	Revise the CRP to include the information reported to OROGO, as noted in response to GNWT 2, 4, 8, and MVLWB 3.	GNWT 2, 4, 8, and MVLWB 3
4	Revise the CRP as per responses to GNWT 3, 5, 6, 7, 9, MVLWB 2 and 5	GNWT 3, 5, 6, 7, 9, MVLWB 2 and 5

5.2 Engagement

Board Directive #5: engage ADKFN in accordance with the LWB *Engagement and Consultation Policy* and LWB *Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits*.¹⁹ Paramount is required to provide an updated Engagement Record (Summary and Log)²⁰ as part of the next submission of the CRP.

This Board directive is supported by the following evidence:

- The GNWT also recommended Paramount describe reclamation requirements for the road, culverts, and bridges.²¹ Paramount indicated they will provide this information following discussion with Acho Dene Koe First Nation (ADKFN).

5.3 Subsequent Security Review

The Board has decided not to require a review of the security required under the Licence and Permit.

The GNWT recommended the Board determine whether an updated security review is required.²² The Board considered this as part of their decision on the CRP V1. The Board notes that since the Licence and Permit expire on November 19, 2025, renewal applications should be submitted nine months in advance. To eliminate the potential for parallel reviews, the Board determined it would be more efficient to address security as part of the renewal proceeding.

¹⁹ See the Land and Water Boards Website for [LWB Engagement and Consultation Policy](#) and [LWB Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits](#).

²⁰ See the Land and Water Boards Website for [LWB Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits](#), Appendix E.

²¹ Ibid, GNWT 5

²² Ibid, GNWT 13

6.0 Conclusion

The Board has denied the CRP Version 1

The Board hereby requires Paramount to revise the CRP Version 1 and submit Version 2.0 in accordance with the directives in these Reasons for Decision. The Board requires Paramount to submit CRP Version 2.0 as part of their application to renew Water Licence MV2020L1-0006. Once submitted, the revised CRP Version 2.0 will undergo a public review before being considered by the Board.

SIGNATURE



Tanya MacIntosh, Chair
Mackenzie Valley, Land and Water Board

December 23, 2024

Date