

June 1, 2022

Via Public Registry

Mackenzie Valley Land & Water Board
7th Floor, 4910 – 50th Avenue
P.O. Box 2130
Yellowknife, NT
X1A 2P6

Attention: Andrew Wheeler

Dear Mr. Wheeler:

**RE: Water Licence MV2020L1-0006 <https://mvlwb.com/registry/MV2020L1-0006>
Annual Water Report 2021 Version 2**

As per Schedule 1 of the above-mentioned Water Licence, Paramount Resources Ltd. (Paramount) has listed the information required by the Mackenzie Valley Land and Water Board (MVLWB) to fulfill the annual report requirements. They are as follows:

- a) The Fort Liard West Project was acquired by Paramount in 2004. It encompasses all-season and winter access roads; well sites, pipelines, valve sites and gas dehydration facilities; a water disposal well at O-80; a repeater site; camp, decking and staging sites; and various borrow pits and sumps. Six natural gas wells (Paramount et al K-29A, 2K-29, 3K-29, M-25, 2M-25 and F-25a) on three lease sites (K-29, M-25 and F-25) are tied-in to a 37.2km main pipeline that connects the K-29 lease site to a facility at the abandoned/reclaimed BP Pointed Mountain plant site. The M-25 lease site is linked to the F-25 plant site via a 1.4 km pipeline lateral and the F-25 plant is linked to the main pipeline via a 3.3 km pipeline lateral. When the project was active, produced water from wells on the K-29 and F-25 leases was transported via pipeline to an injection well located at O-80. The project was deactivated in 2008 due to uneconomic conditions. An updated as-built was provided in 2020, no changes since that submission. [MV2020A0009 MV2020L1-0006 - Paramount - Liard West - Permit and Licence Renewal Applications - Area Map - July23-20.pdf \(mvlwb.ca\)](#)
- b) Project activities were extremely limited due to Covid. Office of the Regulator of Oil and Gas Operations (“OROGO”) inspections took place.
- c) Monitoring activities are planned for 2022 which will include visual environmental monitoring of all project components. OROGO inspections are anticipated to take place at all 6 natural gas wells and O-80. Project activities are anticipated to take place in late summer or early fall. Paramount is still

contemplating the long term future for Liard West which may lead to redevelopment or alternatively, abandonment.

- d) 0m³.
- e) Not applicable.
- f) An updated Engagement Plan with an updated Record of Engagement was submitted on February 19, 2021. [Engagement Plan](#). No engagement activities took place during the reporting period.
- g) Not applicable during the reporting period.
- h) No construction activities occurred during the reporting period.
- i) No major maintenance occurred during reporting period.
- j) 1. Not applicable.
2. 0 m³
- k) An Erosion and Sedimentation Management Plan in June of 2021. An updated version will be submitted in the coming months
- l) 1. No reportable spills occurred in the reporting period.
2. Specific training to Liard West did not occur due to low levels of activity. Regular corporate training related to Emergency Response (training) occurred periodically throughout the year.
- m) Paramount intends to submit a Closure and Reclamation Plan in the future.
- n) None
- o) All sites were acceptable with no concerns except F-25 which had two minor concerns. Non-reportable spill was investigated and addressed. Contaminated materials were removed and disposed of outside the Northwest Territories (NWT) as per the project Waste Management Plan. Inspectors suggested replacing the windsocks at F-25. Windsocks have been ordered for all sites and will be installed in 2022.

p)

EA Commitment	Past or Current Outcome
Construction Camp to use septic systems	Paramount has and continues to camps with septic systems. Further, as per the current Waste Management Plan (WMP) camp waste is disposed of outside of the NWT
Incineration for waste disposal during operation and abandonment of the project.	Incineration where appropriate occurred during operations. As per the updated WMP only selected camp waste will be incinerated if an appropriate incinerator is onsite. If not, no further incineration of waste will take place
Waste to Fort Liard Landfill or another approved site.	As per updated WMP waste is removed from the NWT.
WMP to be updated as required	WMP has and will continue to be updated as needed throughout the life of the project.
Best Management Practices for Waste	Paramount continues to follow current BMP's for waste management.
Flaring follow AEUB Directive 60	Historical flaring followed appropriate guidelines; no future flaring is planned.
Management of Different Waste Types	As per the WMP different wastes are managed by types.

q) No requests were received during the reporting period.