

Engagement Plan Fort Liard West, NWT

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1.0 INTRODUCTION

Paramount Resources Ltd. ("Paramount") is an independent, publicly traded, liquids-focused Canadian energy company that explores for and develops both conventional and unconventional petroleum and natural gas reserves and resources. The Company also pursues longer-term strategic exploration and pre-development plays and holds a portfolio of investments in other entities. Paramount's principal properties are located in Alberta and British Columbia. The Company's Class A common shares are listed on the Toronto Stock Exchange under the symbol "POU". In 2017 Paramount completed the acquisition of Apache Canada Ltd. (ACL) and a merger with Trilogy Energy Corp.

Paramount has been an active company within the Northwest Territories since the 1990's. Paramount holds mineral rights in the Liard area under several Significant Discovery Licences and Production Licences. These rights were acquired through several different corporate transactions, including but not limited to, oil and gas rights sales, farm-ins and purchases from other oil and gas companies. Most recently, through the acquisition of ACL, Paramount became the operator of Pointed Mountain and has recently transferred approvals related to those properties into Paramount's name.

Resulting from the acquisition of these various rights, and numerous subsequent regulatory approvals, Paramount is an operator of oil and gas activity in the Liard Area of the Northwest Territories. Paramount divides the Liard area into four project areas: Liard West, Liard South, Liard East and Pointed Mountain. In appendix A of this document is an overview map of the Liard area and a project specific map for the subject project area. Below is an overview of the Liard West project area.

LIARD WEST

Paramount is the operator of the Liard West Project. The Project is situated in the NT, roughly 35 km north of the BC / NT border. From the Liard West Project area, Fort Nelson, BC is located approximately 200 km to the south, Trout Lake, NT is located roughly 150km to the east and Nahanni Butte, NT is located approximately 100km to the north. The hamlet of Fort Liard, NT is located within the Project area.

The Liard West Project 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 active, produced water from wells on the K-29 and F-25 leases is transported via pipeline to an injection well located at O-80.

All project components have been built and the wells and pipelines in the Liard West Project are suspended, deactivated and/or decommissioned. Activity in the area has been limited in recent times to suspension activities, maintenance of access and monitoring. Future plans for the Liard West Project are currently undetermined and depend on future economic and political developments.

2.0 REGULATORY FRAMEWORK

In the Liard project area Paramount receives oil and gas approvals from the Office of the Regulator of Oil and Gas Operations (OROGO). The Mackenzie Valley Land and Water Board (MVLWB) regulates the use of land and water and the deposit of waste through the issuance of Land Use Permits (LUPs) and Water Licences (WLs).

On June 1, 2013 the MVLWB released its *Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits*, this engagement plan is designed based upon the requirements of those guidelines and the regulatory mandate of the MVLWB.

2.1 ASSESSMENT PROCESSES

The Liard West development has been the subject to Environmental Assessment processes prior to licencing and permitting of activity. Some of the assessment processes were conducted prior to Paramount becoming the operator of a field: however, Paramount has assumed the outcomes and the responsibilities associated with those assessment processes since it has become the operator of a field. Examples of assessment processes are *Environmental Assessment of the Ranger Oil Ltd., Canadian Forest Oil Ltd. and Chevron Canada Resources Ltd. P-66/N-61/K-29 Gas Wells and Pipeline Tie-in Fort Liard, NT.*

2.2 ENGAGEMENT STUDIES

In support and as outcomes of the above-mentioned assessment processes several engagement studies were conducted by Paramount and previous operators, they are listed in Table 1 below.

Table 1: Engagement Studies

Study Name	Field
Report on Traditional Knowledge of Natural and Cultural Resources in the Fisherman Lake and Liard Range Area, NWT. (June 18, 1999)	Liard West
Heritage Resources Impact Assessment Assessment Final Report (Archaeologist Permit 99-889)	Liard West
Socio-Economic Monitoring, Construction Phase Fort Liard Pipeline and Facilities Project	Liard West

2.3 LICENCES AND PERMITS

The Liard West area has had activity pre-dating the creation of the MVLWB under the Mackenzie Valley Resource Management Act. Permits and licences from the MVLWB to Paramount date back to the year 2000. Permitting and licencing activities have continued through the life of the project areas at Liard and all three fields are in their third permit and licence cycle. These historical permits and licences had a much larger scope of activities associated with them then is approved currently. In the Table below is a listing of Paramount's previous LUPs and WLs in the Liard area.

Table 2: Historical LUPs and WLs

Liard West
MV2001P0097
MV2000L1-011
MV2002A0071
MV2002L1-0013
MV2006P0021
MV2006L1-005
MV2013A0012
MV2013L1-0002

The above LUPs and WLs are publicly available via the MVLWB Public Registry (<http://www.mvlwb.ca/Boards/mv/SitePages/registry.aspx>), including the engagement work associated with each LUP and WL. The consultation log related to this Engagement Plan is in Appendix B.

Table 3 below lists Paramount's current LUPs and WLs for the Liard Project Area. Given the current state of the project (built and in some instances decommissioned and/or suspended) the scope of the LUP and WL are very limited. Activities contemplated include maintenance, access, suspensions and abandonments, reclamation and remediation. It is important to note that OROGO is the regulator for the down-hole activities of suspension, reactivation and abandonment, along with the maintenance decommissioning of Oil and Gas surface equipment: however, surface use, waste disposal and water use for these activities is within the jurisdiction of the MVLWB as well.

Table 3: Current LUP and WL

Liard West	Registry Link
MV2020A0009	https://mvlwb.com/registry/MV2020a0009
MV2020L1-0006	https://mvlwb.com/registry/MV2020L1-0006

3.0 AFFECTED PARTIES ENGAGEMENT

An affected party is defined as “a party that is predicted to be affected by a proposed Project, such as an Aboriginal organization/government, an individual occupying land for traditional purposes, a private landowner, or lease holder (e.g., for a lodge).”¹ As previously stated and is evident on the public registries of the MVEIRB and MVLWB, Paramount’s Liard West Project has a long and extensive engagement history. Paramount’s level of engagement with affected parties has been and will continue to be reflective of its activity level in the area. Prior to and during construction and development activities engagement activities were more frequent and intense and included studies, community meetings, open houses, meetings with Chief and Councils, telephone calls and both written and electronically notifications. As the activity in the Project areas have declined the frequency and magnitude of engagement has followed suit.

3.1 LIST OF IDENTIFIED AFFECTED PARTIES

In Table 4 below is a list of identified affected parties for the Liard West project area:

Table 4: Affected Parties for the Liard West Project Area

Affected Party	Contact Person(s)	Contact Information
Acho Dene Koe First Nation	Chief Gene Hope	General Delivery, Fort Liard, NT X0G 0A0 867-770-4571 chief@adkfirstnation.ca
	Director: Scott Mackay	62 Baker Street Guelph, Ontario N1H 4G1

¹ Engagement and Consultation Policy

June 5, 2018 https://glwb.com/sites/default/files/mvlwb_engagement_and_consultation_policy_-_nov_25_19.pdf

Acho Dene Koe First Nation Land Services c/o Shared Value Solutions	Manager: Meghan Buckham	226-706-888 (ext. 102 and 108) lands@adkfirstnation.ca
Acho Dene Koe Corporate Group	Tom Wezelman	General Delivery, Fort Liard, NT X0G 0A0 867-770-4571 TomWezelman@adkcorporate.ca
ADK Holdings Ltd.	Jodi Carlow	General Delivery, Fort Liard, NT X0G 0A0 (250) 727-5903 JCarlow@jbts.ca
Dehcho First Nations	Grand Chief Gladys Norwegian and Resource Technical Coordinator Nicole Hardisty	PO BOX 89 Fort Simpson, NT X0E 0N0 867-695-2610 Nicole_Hardisty@dehcho.org
Dene Tha First Nation	Chief James Ahnassay	PO BOX 958 High Level, AB T0H 1Z0 780-926-2422 James.Ahnassay@denetha.ca
Dene Tha First Nation	Fred Didzena Director of Lands Department	PO Box 120 Chateh, AB T0H 0S0 780-321-3774 Fred.Didzena@denetha.ca
Hamlet of Fort Liard	Mayor Hilary Deneron and Senior Administrative Officer John McKee	General Delivery Fort Liard, NT X0G 0A0 867-770-4104 web@fortliard.com sao@fortliard.com
Sambaa K'e First Nation	Chief Dolphus Jumbo	PO Box 10 Trout Lake, NT X0E 1Z0 Tel: (867) 206-2800 chief@sambaakefn.com
Sambaa K'e First Nation	Jessica Jumbo Environmental Coordinator	PO Box 10 Trout Lake, NT X0E 1Z0 Tel: (867) 206-2800 environment@sambaakefn.com
Sambaa K'e First Nation	Ruby Jumbo Executive Director	PO Box 10 Trout Lake, NT

		XOE 120 Tel: (867) 206-2800 manager@sambaakefn.com
Sambaa K'e First Nation (Planit North Inc.)	Christine Wenman Lands, Resources and Environment Advisor	1st Floor, 4501 – 50th Avenue Yellowknife, NT Tel: (867) 445-4127 christine@planitnorth.ca
Sambaa K'e Development Corporation	Brenda Jumbo Manager	PO Box 10 Trout Lake, NT XOE 120 Tel: (867) 206-2800 sdkcorp@yahoo.ca

3.2 ONGOING ENGAGEMENT

Paramount does not have a high level of activity planned for the Fort Liard West project area, as a result, ongoing engagement activities are expected to be limited. As a result, engagement activities for MVLWB regulated activities are expected to be limited over the course of the current LUPs and WLs terms. Contemplated activities and the associated engagement are outlined in Table 5 below. The ordering of Table 5 is sequential from the most likely to least likely activity.

Table 5: Activities Requiring Engagement

Activity	Potential Issue(s)	Planned Engagement	Planned Engagement Follow-up
LUP Extension Request and Replacement Applications	Paramount's short and long-term plan for the project area. Effectiveness of current conditions and plans	Written Notification	Telephone Calls and Electronic correspondence
WL Replacement Applications	Paramount's short and long-term plan for the project area. Effectiveness of current conditions and plans	Written Notification	Telephone Calls and Electronic correspondence
Maintenance Activities	Timing and Contracting opportunities	Written Notification	Telephone Calls and Electronic correspondence
OROGO Authorized Oil and Gas Activities	Timing and Contracting opportunities	Written Notification 60 days prior to activity	Telephone Calls and Electronic correspondence

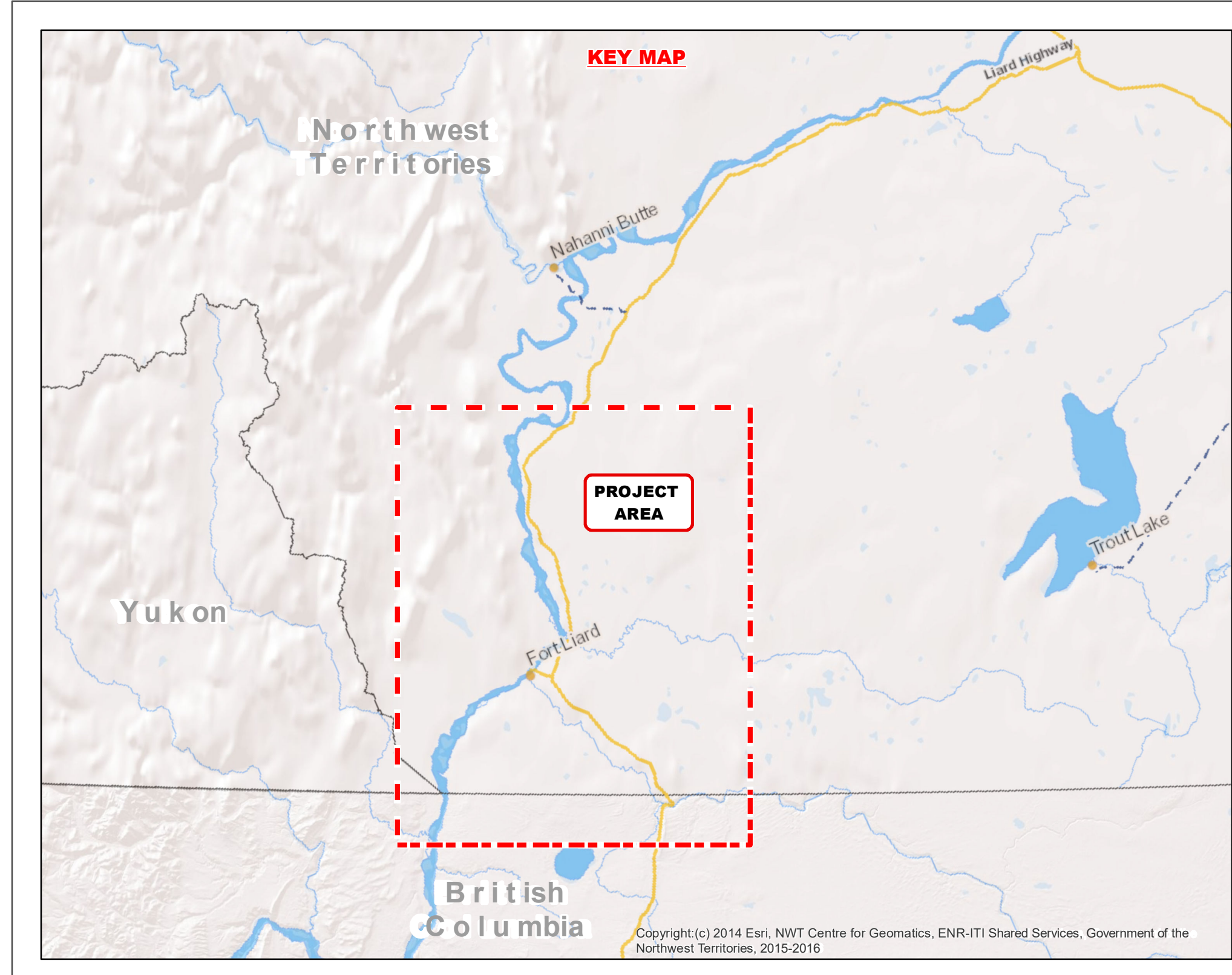
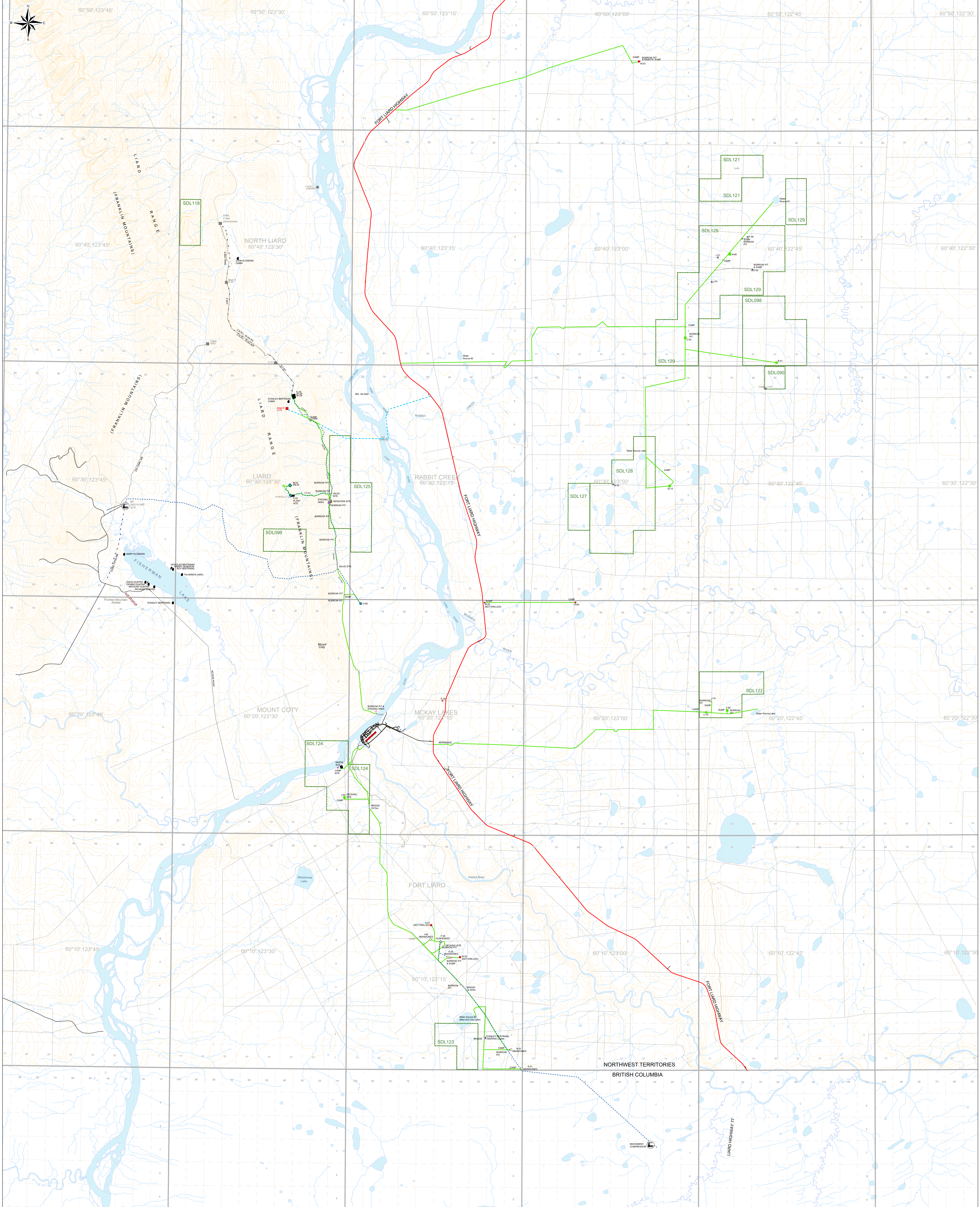
Reclamation and remediation planning and activities	Timing, techniques, technology and contracting opportunities	Written Notification, electronic correspondence, MVLWB regulatory process. 60 days notification prior to site activities.	Telephone Calls and in person (face to face and virtual) meetings
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Ongoing engagement is expected to continue with all the affected parties identified in Table 4.

4.0 CONCLUSION

Paramount will continue to engage affected parties through the remaining life of its current LUPs and WLs and throughout the remaining life of the Liard Project areas. In support of regulatory submissions to the MVLWB Paramount will continue to provide documentation of Paramount's engagement activities relating to the MVWLB regulatory authority.

5.0 APPENDIX A: AS BUILT MAPS



OVERVIEW MAP SHOWING

FORT LIARD

As-Build June 2017
60°50', 123°45" to 60°10", 122°45"
NORTHWEST TERRITORIES

Scale: 1:75,000

Legend

Leases

- Abandoned
- Built
- Built - Tied-in
- Foreign
- Reclaimed
- Suspended

Facilities

- Camp - Built
- Camp - Foreign
- Battery - Built
- Sump - Built
- Borrow Pit - Built
- Decking Site - Built

Gathering System

- Built
- Not Used
- Not Built
- Foreign

Access Roads

- Access Built
- Access Foreign

Transportation

- Highway
- Old Paramount Ice Road
- Road
- Trail
- Cut Line

Boundaries

- SDL Lands
- Provincial Boundaries
- Contours

Hydrography

- Waterbody
- Watercourse

Other

- Bridge
- Gas Plant / Compressor
- Cabins

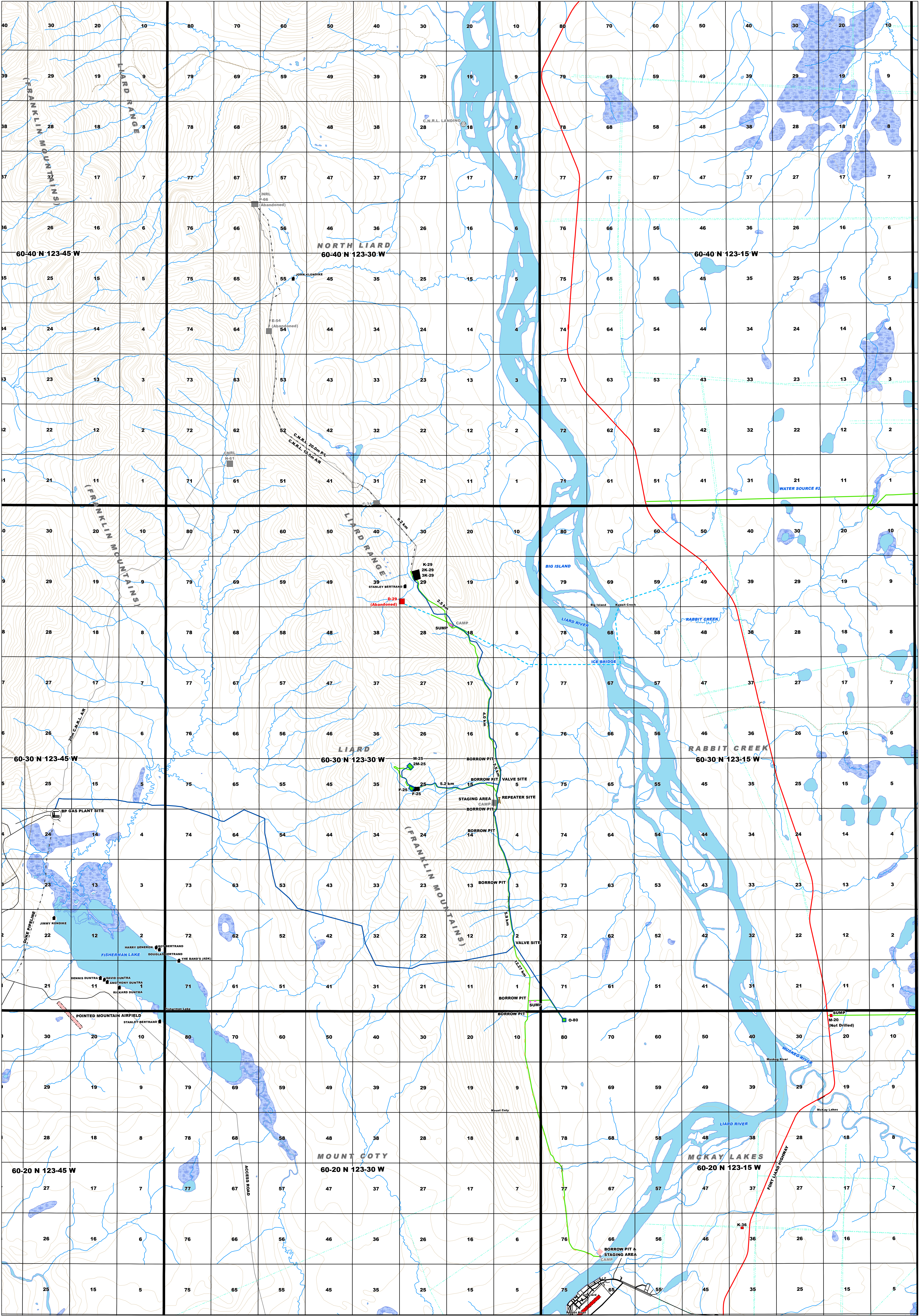
REVISION


REVISION	DESCRIPTION	DRAWN BY	DATE
00	Original Map Created as 170347-OM-01	KDG	2017-06-28
01	Status of J-76 changed to 'Abandoned'	AJB	2020-04-01

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Job No.: 200007C MXD No.: 200007-OM-01.mxd Coordinate System: NAD 1983 UTM Zone 10N

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As-Built Map
FORT LIARD WEST

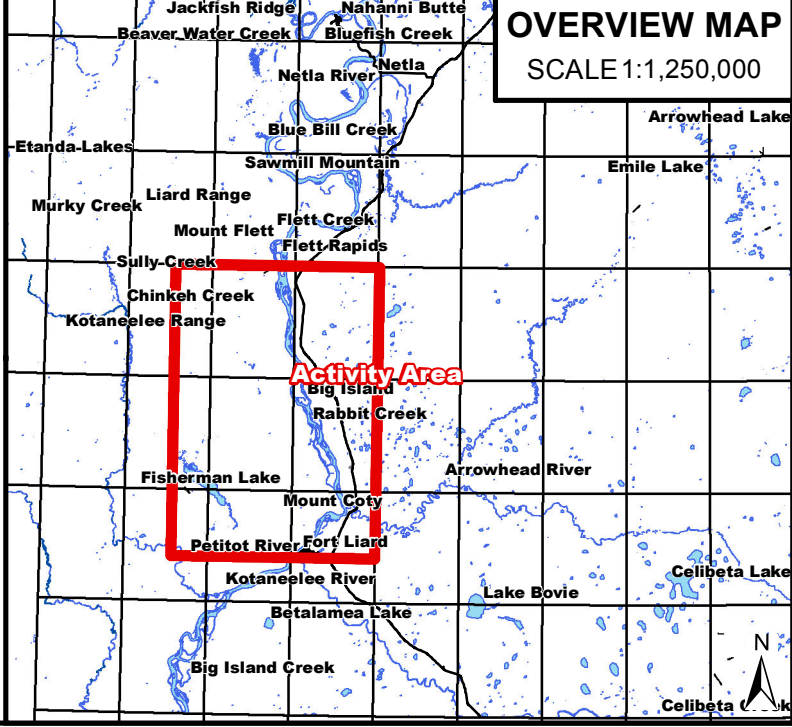
2013

Northwest Territories
NAD 1983 UTM Zone 10N


Legend

Cabins	Transportation	Leases	Battery
Seismic	Fort Liard Highway	Built	Built
Airstrip	Old Paramout Ice Road	Built - Tied-in	Sump
Built	Road	Foreign	Borrow Pit
Foreign	Trail	Reclaimed	Built
Gathering System	Access Built	Gas Plant	Other
Built	Access Foreign	Camp	Foreign
Not Used	Bridge	Built	Decking Site - Built
Not Built	Barge	Foreign	
Foreign			

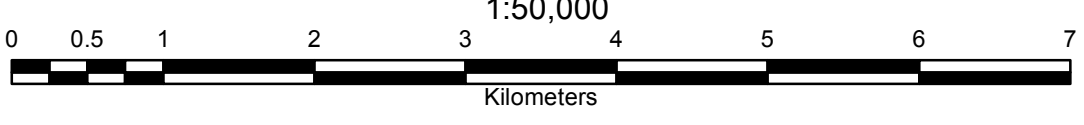
Watercourse
 String Bog
 Waterbody
 Wetland
 Contours




OVERVIEW MAP
SCALE 1:1,250,000



N



0 0.5 1 2 3 4 5 6 7
Kilometers



UGS
UNIVERSAL
Geomatics Solutions

Tech: snicholson
Revised: 20 Aug 2013
Job No.: 05-0399G
Filename: Fort Liard_West.mxd
Projection: NAD 1983 UTM Zone 10N

6.0 APPENDIX B: CONSULTATION LOG

