

From: [Bill Pain](#)
To: [Terence Hughes](#)
Cc: [Danielle Rogers](#); [Melinda Lenoir](#); [Kyle Christiansen](#); [Jamie Chambers](#); [Rick Walbourne](#); [Shannon Allerston](#); [Sean Joseph](#); [Andrew Wheeler](#)
Subject: RE: Paramount Liard East Amendment Request - Incomplete
Date: Monday, March 1, 2021 3:25:12 PM

Hi Terence,

GNWT has reviewed your previous RECLAIM estimate and your February 12, 2021 letter to the MVLWB which requests a reduction in security and includes an updated security estimate. However, GNWT notes that there still are omissions within that estimate that would prevent us from completing a thorough update.

Paramount's February 2021 security estimate has a total land and water liability cost of \$677,011. In November 2020, the MVLWB determined the security as follows: LUP MV2020A0010 - \$1,397,167, WL MV2020L1-0007 - \$1,113,261, Total - \$2,510,428. Thus, Paramount is seeking a \$1,833,417 reduction in security.

From review of the February 12, 2021 updated security estimate, the GNWT understands Paramount added a mobilization and demobilization of a camp cost to the estimate. It is also noted that the remainder of the estimate reflects Paramount's March 2019 estimate, not the MVLWB November 2020 determination. Most line items in the February 12, 2021 updated security estimate differ from the MVLWB 2020 determination. For each line item in the updated estimate, it is requested that Paramount provide the rationale and evidence used to justify the change in cost from that determined by the MVLWB in November 2020.

It is recognized by GNWT that Paramount did provide additional discussion with regards to the following several line items in the cost estimate. We have provided an initial response to these below:

- well abandonment costs - the GNWT's position regarding security that is responsibility of the Office of the Regulator for Oil and Gas Operations has not changed. This position has been supported by the Board and is documented in the November 2020 reasons for decision
- natural gas and oil production facilities - The GNWT accepts that an update to the estimate may be warranted to address Paramount's claim that the natural gas and oil production facilities have not been constructed. This will be assessed further in an updated estimate as requested above.
- infrastructure currently on the project site - with regards to infrastructure at the project site, the GNWT seeks further clarity from Paramount on the specific line items in the estimate that Proponent is seeking to update. This will be assessed further in an updated estimate as requested above.

In summary, GNWT would be happy to review and provide comment on an updated RECLAIM estimated submitted to GNWT prior to your re-submission to the Board. Once Paramount has

provided the updated estimate based on the details above, GNWT would be in a better position to revise its estimate based on the evidence provided by Paramount.

If you wish further clarification or would like to discuss this recommendation in further detail, please do not hesitate to contact myself or Rick Walbourne, A/Manager, Water and Regulatory.

Regards,

Bill

Mársı | Kinanāskomitin | Thank you | Merci | Hąı' | Quana | Qujannamiik | Quyanainni | Máhsı | Máhsı | Mahsi
Bill Pain, M.Sc., E.P.

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Bill

From: Terence Hughes <Terence.Hughes@paramountres.com>

Sent: February 22, 2021 10:30 AM

To: Andrew Wheeler <awheeler@mvlwb.com>

Cc: Danielle Rogers <Danielle_Rogers@gov.nt.ca>; Melinda Lenoir <Melinda_Lenoir@gov.nt.ca>; Kyle Christiansen <Kyle_Christiansen@gov.nt.ca>; Jamie Chambers <Jamie_Chambers@gov.nt.ca>; Bill Pain <Bill_Pain@gov.nt.ca>; Rick Walbourne <Rick_Walbourne@gov.nt.ca>; Shannon Allerston <sallerston@mvlwb.com>; Sean Joseph <sJoseph@mvlwb.com>

Subject: RE: Paramount Liard East Amendment Request - Incomplete

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All,

For ease of reference attached is the Paramount Resources Ltd. ("Paramount") submissions to the

MVLWB on the matter referenced above. Paramount included an estimate, to be clear our estimate does not include any items related to production, as production has never been assessed, screened, approved or occurred at Liard East.

If the Government of the Northwest Territories (“GNWT”) has questions regarding the attached Paramount would be happy to receive them via email. Alternatively, if the GNWT would like to provide Paramount a revised GNWT security estimate for the project that is aligned with the project approvals for Paramount to compare to our estimate we would be happy to receive that information.

Paramount looks forward to hearing back from the GNWT so that the security issue for the project can be resolved.

Thanks,

Terence Hughes
Regulatory and Community Affairs Advisor
Paramount Resources Ltd.
Phone: 403-206-3859

From: Andrew Wheeler <awheeler@mvlwb.com>
Sent: Monday, February 22, 2021 9:59 AM
To: Terence Hughes <Terence.Hughes@paramountres.com>
Cc: Danielle Rogers <Danielle_Rogers@gov.nt.ca>; Melinda Lenoir <Melinda_Lenoir@gov.nt.ca>; Kyle Christiansen <Kyle_Christiansen@gov.nt.ca>; Jamie Chambers <Jamie_Chambers@gov.nt.ca>; Bill Pain <bill_pain@gov.nt.ca>; Rick Walbourne <rick_walbourne@gov.nt.ca>; Shannon Allerston <sallerston@mvlwb.com>; Sean Joseph <sJoseph@mvlwb.com>
Subject: Paramount Liard East Amendment Request - Incomplete

Good morning Terence,

The Liard East amendment requests received on February 12, 2021 lack information required to be deemed complete. I have attached a letter with information pertaining to submission and engagement requirements. The request and incomplete letter have been uploaded to [MV2020L1-0007](#) and [MV2020A0010](#).

If you have any questions, please do not hesitate to email or call.

Andy

Andrew Wheeler
Regulatory Specialist
Mackenzie Valley Land and Water Board



From: Terence Hughes <Terence.Hughes@paramountres.com>

Sent: Friday, February 12, 2021 3:43 PM

To: Andrew Wheeler <awheeler@mvlwb.com>

Cc: Permits <permits@mvlwb.com>

Subject: Paramount Resources Ltd. MV2020A0010

Good Afternoon Mr. Wheeler,

The attached documents were also uploaded this afternoon. If you have any questions please do not hesitate to contact me.

Terence Hughes
Regulatory and Community Affairs Advisor
Paramount Resources Ltd.
Phone: 403-206-3859