

From: [Terence Hughes](#)
To: [Erica Janes](#)
Cc: [Sonja Martin-Elson](#); [Jamie Chambers](#)
Subject: Paramount Resources Ltd. Pointed Mountain June 14, 2019 Correspondence
Date: Friday, June 14, 2019 3:20:05 PM
Attachments: [PRL Pointed Mountain June 14 2019.pdf](#)
[GNWT Pointed Mountain Letter 2019 Signed.pdf](#)

Good Afternoon,

Please see the attached correspondence regarding Pointed Mountain. If you have any questions I can be reached at 403-206-3859 or via email.

Respectfully.

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

June 12, 2019

Mackenzie Valley Land and Water Board
P.O Box 2130
4922 - 48th Street
7th Floor YK Centre Mall
Yellowknife, NT. X1A 2P6

RE: Pointed Mountain Future Land Use Permit and Water Licence

Dear Ms. Janes,

Paramount Resources Ltd. (“Paramount”) has received a letter dated June 5th, 2019 from Sonja Martin-Elson of the Department of Environment and Natural Resources (“ENR”), a copy of which is attached for your easy reference. Paramount became the operator of the Pointed Mountain effective August of 2017. In February 2019, Paramount applied for an extension to the existing Land Use Permit (“LUP”) MV2014X0011 originally held and applied for by Apache Canada Ltd. The extension request for the LUP was granted on May 16, 2019. The extension will continue to provide Paramount access to the project area and facilitate the 2019 summer program.

After review, Paramount believes that the existing LUP does not have a sufficient scope of equipment and additional reclamation/remediation techniques to facilitate the activities that are required to achieve the long-term goal of closure for the project area, including the issues raised in June 5th ENR letter. To that end, Paramount intends to start the engagement process for a new LUP and accompanying Water Licence (“WL”) in the summer of 2019. The engagement process and outcomes along with existing site information and the results of the 2019 summer program will inform the scope of the new LUP and WL for the Pointed Mountain project area. Paramount anticipates applying for the new LUP and WL in late 2019.

If you have any questions regarding the above or would like further information please contact the undersigned via phone at 403-206-3859 or e-mail at terence.hughes@paramountres.com .

Respectfully,
Paramount Resources Ltd.



Terence Hughes
Regulatory and Community Affairs Advisor

CC:

Jamie Chambers, Regional Superintendent, GNWT ENR
Sonja Martin-Elson, Water Resource Officer, GNWT ENR



Department of Environment and Natural Resources
9910-105th Avenue, P.O. Box 240
Fort Simpson, NT
X0E 0N0
Telephone: (867) 695-7450 Fax: (867) 695-2381

Date: June 5th, 2019

File: MV2014X0011

Mr. Terence Hughes
Paramount Resources Ltd.
Suite 2800, 421-7th Ave SW
Calgary, AB T2P 4K9

Email: terence.hughes@paramountres.com

Dear Mr. Hughes:

An inspection of the Pointed Mountain Site was conducted on July 24th 2018 by Water Resource Officer Sonja Martin-Elson. During the inspection violations were identified. The violation constitutes an offence under section 4 of the *WATERS ACT REGULATIONS R-019-2014*, which states:

- 4. (1) A person may use water and deposit waste without a licence if the proposed use or deposit*
(a) has no potential for significant adverse environmental effects;

Results shown in the 2017 Long-Term Monitoring report released for Pointed Mountain show that chloride levels down gradient from the surge pond exceed the standard set out by the Canadian Water Quality Guidelines for the Protection of Aquatic Life. Samples taken in the marsh area down gradient from the surge pond also show levels exceeding the standard.

The only source of Chloride in the area is from that surge pond and it never exists in its free form in the environment. Because of this the surge pond is causing significant adverse environmental effects down gradient. Chloride is toxic to aquatic life. Down gradient there is Fisherman's Lake which the community uses for various activities such as fishing. Chloride also affects vegetation and wildlife. Large trees down gradient of the surge pond are dead and the spread of them is visible from the air. There is no natural process by which chlorides are broken down, metabolized, taken up, or removed from the environment; which means it will remain there until cleaned up.

It is the recommendation of this inspector that the Pointed Mountain Site MV2014X0011 needs a Water Licence to be in compliance with the Waters Act.

Sincerely

Sonja Martin-Elson



Cc.

Jamie Chambers, Regional Superintendent, GNWT ENR

Erica Janes, Regulatory Specialist, Mackenzie Valley Land and Water Board