



September 19, 2018

Mackenzie Valley Land & Water Board
7th Floor, 4922 48th Street
P.O. Box 2130
Yellowknife, NT
X1A 2P6

Attention: Angela Love

RE: New Land Use Permit and Water License For Celibeta Area NWT

Dear Ms. Love,

Paramount Resources Ltd. ("Paramount") is hereby submitting applications for a Land Use Permit and Water License to facilitate oil and gas activities at Celibeta H-78. Paramount assumed ownership of this well in the fall of 2017. Suspension and abandonment activities as regulated by The Office of the Regulator for Oil and Gas Operations are required to be undertaken as per their guidelines. The new permit and licence are required to access the project areas. Paramount is seeking an exemption from preliminary screening for these applications because the well was originally drilled in 1959 and last accessed in 1990, both dates are prior to the implementation of the *Mackenzie Valley Resource Management Act*.

Enclosed are two hard copies of the applications, as well the electronic files have been uploaded to http://lwbors.yk.com/LWB_IMS/MVLWBReviewItems.aspx. Also enclosed is a cheque with payment for the permit and licence application fees and associated water use fees. If there are any questions, please do not hesitate to contact the undersigned at (403) 206-3859 or email me at terence.hughes@paramountres.com.

Yours truly,

PARAMOUNT RESOURCES LTD.

A handwritten signature in blue ink that reads "Terence Hughes".

Terence Hughes
Regulatory and Community Affairs Advisor

ENCL.



Mackenzie Valley Land and Water Board

7th Floor - 4922 48th Street, PO Box 2130

Yellowknife, NT. X1A 2P6

☎ 867-669-0506

☎ 867-873-6610

🌐 mvlwb.com

Water Licence Application Form

(Subsection 6(1) of the Northwest Territories Water Regulations)

APPLICATION/LICENCE NO: _____

(Amendment or Renewal only)

1. NAME AND MAILING ADDRESS OF APPLICANT

Applicant's Name	Paramount Resources Ltd.		
Mailing Address	Suite 2800, 421 7 th Avenue SW		
Community	Calgary		
	Alberta		
Prov/Terr		Postal Code	T2P 4K9
	403-206-3859		
Telephone		Fax	403-262-7667
	Terence.hughes@paramountres.com		
Email	_____		

2. ADDRESS OF HEAD OFFICE IN CANADA IF INCORPORATED

Mailing Address	Same as above		
Community	Same as above		
	Same as above		
Prov/Terr		Postal Code	Same as above
	403-206-3859		
Telephone		Fax	Same as above

3. LOCATION OF UNDERTAKING

Project Map is enclosed with this application. The well site location is Celibeta H-78. Latitude 60° 07' 29.31" Longitude 122° 13' 35.25" . Unit H Section 78 Grid Area in NTS Sheet 95-B-I-E.H.

4. DESCRIPTION OF UNDERTAKING

As a result of an acquisition in 2017, Paramount Resources Ltd. (Paramount) is the operator of the Celibeta, NWT Project ("The Project"), which will encompass a winter access road and well site. The well was drilled in 1959-1960 and further suspension work was completed in 1990. The well has never been tied-in and has never produced. Inspections of the well have been taking place via helicopter since 2013. Paramount has reviewed the historical files and has not been able to determine the original access or the access used in 1990. Paramount has scouted access along existing cutlines. It is anticipated the access will be approximately 32.5 km from Paramount's existing access in Liard East (MV2013A0013).

At this time, the Celibeta Project is not operating except for on-going surveillance and environmental monitoring. Long term future plans for the Celibeta Project are to abandon the well to comply with the guidelines set out by the Office of the Regulator for Oil and Gas Operations of the Northwest Territories (https://www.orogo.gov.nt.ca/sites/orogo/files/resources/orogo_well_suspension_and_abandonment_guidelines_and_interpretation_notes.pdf). Following, abandonment Paramount would undertake reclamation work.

The proposed source is the Liard River and a small water body east of SDL 122, Paramount has used both in past years to support its activities at Liard East (MV2013I1-003). Paramount investigated a number of other water bodies as sources, all of which were found to be either insufficient in volume or of cultural significance to Acho Dene Koe.

5. TYPES OF UNDERTAKING

Industrial

6. WATER USE

Water is required to build and maintain winter road. A small volume is required to assist in the abandonment and or suspension work.

Potential Water Use

Water Use	Water Source	Volume	Volume Returned to the Environment
Access Construction	Liard River / Water Source	1200 m ³ /km	1200 m ³ /km
Lease Construction	Liard River / Water Source	1500 m ³ /well site	1500 m ³ /well site
Suspension/Abandonment	Liard River / Water Source	10 to 20 m ³ /well	None

7. QUANTITY OF WATER INVOLVED

300m³ for a maximum of 180 days.

8. WASTE DEPOSITED

None

9. OTHER PERSONS OR PROPERTIES AFFECTED BY THIS UNDERTAKING

See Engagement Plan and log

10. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION

Given that most of the water will be used for ice road building from established sources and no waste is to be deposited in the Northwest Territories environmental impacts are expected to be limited.

- DFO Protocol for Water Withdrawal for Oil & Gas Activities in the Northwest Territories **and** Changes to DFO Protocol for Winter Water Withdrawal in the NWT
- DFO (Fisheries and Oceans Canada). 1995. Freshwater Intake End-of-Pipe Fish Screen Guidelines
- DFO (Fisheries and Oceans Canada) Northwest Territories Operational Statements
- the withdrawal of any water will not exceed 10% of the instantaneous flow, in order to maintain existing fish habitat and
- water flow is maintained under the ice, where this naturally occurs.

11. CONTRACTOR AND SUB-CONTRACTORS

To be determined.

12. STUDIES UNDERTAKEN TO DATE

Archeological Impact Assessment (currently underway)

13. PROPOSED TIME SCHEDULE

Start Date: December 1, 2018 Completion Date: December 1, 2025

Name: Terence Hughes

Title: Regulatory and Community Affairs Advisor

Signature

Date: September 20, 2018

FOR OFFICE USE ONLY

Application Fee Amount: _____

Receipt No.:

Water Use Deposit Amount: _____

Receipt No.:

Please make all cheques payable to the Receiver General for Canada.