

**MV2018L1-0005 – Paramount Resources Ltd.
Type B Water Licence**

Part A: Scope and Definitions

Scope

- 1) This Licence entitles the Licensee to use Water and dispose of Waste for industrial undertakings for the operation and maintenance activities associated with reclamation and abandonment of wellsite H-78, including the construction and maintenance of a winter access road.
- 2) This Licence is issued subject to the conditions contained herein with respect to the taking of Water and the depositing of Waste of any type in any Waters or in any place under any conditions where such Waste or any other Waste that results from the deposit of such Waste may enter any Waters. Whenever new Regulations are made or existing Regulations are amended by the Commissioner in Executive Council under the Act, or other statutes imposing more stringent conditions relating to the quantity or type of Waste that may be so deposited or under which any such Waste may be so deposited, this Licence shall be deemed, upon promulgation of such Regulations, to be automatically amended to conform with such Regulations.
- 3) The Licensee shall take every reasonable precaution to protect the environment.
- 4) In conducting its activities under this Licence, the Licensee shall make best efforts to consider and incorporate any scientific and Traditional Knowledge that is made available to the Licensee.
- 5) Compliance with the terms and conditions of this Permit does not excuse the Permittee from its obligation to comply with the requirements of any applicable Federal, Territorial, or municipal legislation.

Definitions

In this Licence, MV2018L1-0005:

Act - the *Waters Act*, S.N.W.T. 2014, c.18.

Analyst - an Analyst designated by the Minister by subsection 65(1) of the Act.

Artesian Aquifer - a Water-bearing rock stratum which, when encountered during drilling operations, produces a pressurized flow of groundwater that reaches an elevation above the Water table or above the ground surface.

Board - the Mackenzie Valley Land and Water Board established by subsection 99(1) of the *Mackenzie Valley Resource Management Act*.

Engagement Plan - a document, developed in accordance with the Board's June 2013 Engagement and Consultation Policy and the Engagement Guidelines for Applicants and Holders of Water Licences and Land Use Permits describes proposed engagement activities during the life of the undertaking.

Inspector - an Inspector designated by the Minister under subsection 65(1) of the Act.

Licensee - the holder of this Licence.

Minister - a duly appointed member of the Executive Council who is responsible for the *Waters Act* or the department responsible for administering that Act.

Receiving Environment - for the purpose of this Licence, the natural aquatic environment outside of the Controlled Area that receives any deposit or Discharge of Waste, including Seepage, runoff or Wastewater, from the Project.

Regulations - Regulations promulgated pursuant to section 63 of the Act.

Spill Contingency Plan - a document, developed in accordance with Indian and Northern Affairs Canada's April 2007 *Guidelines for Spill Contingency Planning*, that describes the set of procedures to be implemented to minimize the effects of a spill.

Unauthorized Discharge - a Discharge or spill of any Water or Waste not authorized under this Licence.

Waste - any Waste as defined in section 1 of the Act.

Waste Management Plan - a document, developed in accordance with the Board's March 2011 *Guidelines for the Development of a Waste Management Plan* which describes the methods of Waste management from Waste generation to final disposal.

Water - any Water as defined in section 1 of the Act.

Water Use - a use of Water as defined in section 1 of the Act.

Water Use Fee - the fee for the use of Water set out in the Regulations promulgated under section 63 of the Act.

Part B: General Conditions

1. The Licensee shall ensure a copy of this Licence is maintained on site at all times.
2. The Licensee shall take every reasonable precaution to protect the environment.
3. All references to policies, guidelines, codes of practice, statutes, regulations or other authorities shall be read as a reference to the most recent versions, unless otherwise denoted.
4. All information submitted to the Board, as required by this Licence, shall:
 - a) Be submitted in a form acceptable to the Board;
 - b) Be in accordance with the Board's March 2012 Document Submission Standards;
 - c) Include a conformity table, which identifies wherein the pertinent requirements of this Licence are addressed; and
 - d) Includes a revision history table and summary of the revisions made.
5. The Licensee shall operate in accordance with approved plans, programs, studies and manuals referred to in this Licence, including such revisions as may be made pursuant to the conditions of this Licence and as approved by the Board.
6. The Licensee shall review the plans, programs, studies and manuals annually, or as directed by the Board, and make any necessary revisions to reflect changes in operations. All revised plans, programs, studies and manuals shall be submitted to the Board, for approval, at least 60 days, unless otherwise specified, prior to implementing any proposed updates or changes in the approved plan, program, study or manual, and shall be accompanied by a brief summary of the changes made. All revised plans, programs, studies, and manuals shall be presented in a format consistent with the Board's *Standard Outline for Management Plans*.
7. The Schedules and any compliance dates specified in this Licence may be changed at the discretion of the Board. If any date for any submission falls on a weekend or holiday, the item shall be submitted on the following business day.
8. Beginning June 30, 2019, and no later than every June 30 thereafter, the Licensee shall submit an **Annual Water Licence Report** to the Board. The Report shall be in accordance with Schedule 1, condition 1, for a one-year period, with the reporting period ending March 31 of the year being reported.
9. Meters, devices, or other such methods used for measuring the volumes of Water used and Waste Discharged shall be installed, operated, and maintained by the Licensee to the satisfaction of an Inspector.
10. The Licensee shall adhere to the **Engagement Plan**, once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval.

Part C: Conditions Applying to Security Requirements

1. Prior to the use of Water or the disposal of Waste for this undertaking, the Licensee shall post and maintain a security deposit with the Minister in the amount of ~~\$XXX~~. The security deposit shall be maintained until such time as it is refunded by the Minister.
2. Upon request of the Board, the Licensee shall submit an updated Project reclamation liability estimate utilizing the current version of RECLAIM or another method acceptable to the Board.
3. The amount of the security deposit required by Part C, condition 1 may be revised by the Board based on estimates of the Project's reclamation liability referred to in Part C, condition 2 or based on such other information as may become available to the Board.
4. If the amount of the security deposit is revised by the Board as described under Part C, condition 3, the Licensee shall post the revised amount with the Minister within 90 days of the Board giving notice of the revised amount.

Commented [KL1]: The Proponent has proposed a Security under the Land Use Permit only, totalling \$80,000.00. Board staff are seeking reviewer input on this condition.

Part D: Conditions Applying to Water Use

1. The Licensee shall obtain all Water for this operation from Water sources described in the application.
2. The Licensee may only withdraw up to 299 m³ of Water per day.
3. The Licensee may only withdraw up to 53,820 m³ of Water per year.
4. Prior to the effective date of this Licence and in advance of any Water use, the Licensee shall annually pay the Water Use Fee in accordance with the Mackenzie Valley Land and Water Board's *Water Use Fee Policy*.

Part E: Conditions Applying to Waste Disposal

1. The Licensee shall adhere to the **Waste Management Plan**, once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval.
2. If during operations, an uncontrolled flow of liquids at surface is encountered, including that produced from an Artesian Aquifer, the Licensee shall notify an Inspector and then the Board immediately. The Licensee shall collect and sample water from the flowing source at the point of discharge from the well as directed by the Inspector.
3. Any fluids generated to surface shall be contained and shall not be disposed of without the approval of the Inspector.
4. Waste, including Wastewater, shall not be discharged or decanted to any Waterbody, Watercourse or to the ground surface within 100 metres of the normal high water mark of any Waterbody or Watercourse.
5. Prior to the discharge or decant of Water or Waste the Licensee shall:
 - a) Obtain a representative sample of the Water or Waste using the best methods available and describe in detail the prevailing conditions and how the sample was obtained;
 - b) Locate all discharge areas to the satisfaction of the Inspector; and
 - c) Indicate in writing to the Inspector and the Board;
 - i. The results of the sampling and analysis;
 - ii. The location of decant;
 - iii. The volume of decant;
 - iv. The method of decant;
 - v. The direction of flow;
 - vi. The location of fresh Waterbodies where the decanted effluent may go, if applicable; and
 - vii. The ability of all discharge areas to absorb the decanted Waste under different conditions.
6. The Licensee shall ensure that any unauthorized Wastes do not enter any Waters.
7. All analyses shall be conducted in accordance with methods prescribed in the current edition of *Standard Methods for the Examination of Water and Wastewater* or by such other methods as may be approved by the Analyst.

Part F: Conditions Applying to Watercourse Crossings

1. The Licensee shall minimize the disturbance of riparian vegetation within the immediate boundary of any Watercourse crossing to the extent practicable.
2. The Licensee shall ensure that only clean snow is used for construction of snowfills for vehicle and equipment access on all Watercourse crossings and that no debris (with the exception of those items discussed in Part F, condition 4), is placed in the Watercourse channel.
3. Ice and snow crossings should not impede the flow of any Watercourse. These crossings shall be v-notched or removed before spring break-up to facilitate natural flow.
4. Any materials placed below the normal high Water mark used in the construction of Water crossings shall be free of any contaminants, debris, or fine materials.
5. Any materials placed below the normal high Water mark used in the construction of Water crossings shall be removed before spring break-up.
6. The removal of naturally occurring material from the bed or banks of any stream below the ordinary high water mark is not permitted.
7. The Licensee shall not cut or remove any material below the normal high water mark.
8. All areas affected by construction or removal activities shall be stabilized and landscaped to pre-construction profiles or as approved by an Inspector.

Part G: Conditions Applying to Spill Contingency Planning

1. The Licensee shall adhere to the **Spill Contingency Plan**, once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval.
2. If, during the term of this Licence, a spill or an Unauthorized Discharge occurs or is foreseeable, the Licensee shall:
 - a) Implement the approved Spill Contingency Plan referred to in Part G, condition 1;
 - b) Immediately report it using the NU-NT Spill Report Form by one of the following methods:
 - i. Telephone: (867) 920-8130
 - ii. Fax: (867) 873-6924
 - iii. E-mail: spills@gov.nt.ca
 - iv. Online: Spill Reporting and Tracking Database;
 - c) Within 24 hours, notify the Board and an Inspector; and
 - d) Within 30 days of initially reporting the incident, submit a detailed report, including descriptions of causes, response actions, and any changes to procedures to prevent similar occurrences in the future, to the Board and an Inspector.
3. The Licensee shall restore all areas affected by spills and Unauthorized Discharges to the satisfaction of an Inspector.

Part H: Conditions Applying to Closure and Reclamation

1. Within 90 days following the effective date of this Licence, the Licensee shall submit to the Board, for approval, a **Closure and Reclamation Plan**.
2. Notwithstanding the time schedule referred to in Part H, condition 1, the Licensee shall endeavour carry out progressive reclamation of disturbed areas as soon as it is practical to do so.
3. The Licensee shall complete the reclamation work within the time schedule specified in the approved Closure and Reclamation Plan, or as subsequently revised and approved by the Board.
4. Upon implementation of the Closure and Reclamation Plan, the Licensee shall provide to the Board updates of all closure and reclamation activities in the Annual Water Licence Report referred to in Part B, condition 8.

Commented [KL2]: Board staff are seeking reviewer input on this condition.

Schedules
Attached to Water Licence MV2018L1-0005
Paramount Resources Ltd.

Table of Contents

Schedule 1: Annual Water Licence Report

Schedule 1: General Conditions

1. The Annual Water Licence Report referred to in Part B, condition 8 shall include, but not be limited to, the following:
 - a) The monthly and annual quantities in cubic metres of fresh water obtained from all sources;
 - b) The monthly and annual quantities in cubic metres of each and all Waste discharged;
 - c) Identification of any new areas susceptible to erosion;
 - d) A description and performance evaluation of each preventative and mitigative measure implemented to address erosion control issues and an assessment of any re-vegetation programs;
 - e) Identification or update of all fuel storage locations and containment details;
 - f) A list of any spills and Unauthorized Discharges;
 - g) A summary of engagement activities undertaken during the previous calendar year, including a brief description of activities planned for the forthcoming year;
 - h) Any updates or revisions to the approved Engagement Plan;
 - i) Any updates or revisions to the approved Spill Contingency Plan;
 - j) Any updates or revisions to the approved Waste Management Plan;
 - k) Any updates or revisions to the approved Closure and Reclamation Plan;
 - l) A summary of any closure and reclamation work completed during the year and an outline of any work anticipated for the next year; and
 - m) Any other details on Water Use or Waste disposal requested by the Board.