

## Review Comment Table

<b>Board:</b>	SLWB
<b>Review Item:</b>	S12L1-001 - 2017 Annual Water Licence Report - I-78 Wellsite and Staging Area
<b>File(s):</b>	<a href="#">S12L1-001</a>
<b>Proponent:</b>	MGM Energy
<b>Document(s):</b>	<a href="#">2017 Annual Report - I-78 Wellsite and Staging Area</a> (4.4 MB)
<b>Item For Review Distributed On:</b>	Feb 13 at 15:42 <a href="#">Distribution List</a>
<b>Reviewer Comments Due By:</b>	Mar 13, 2018
<b>Proponent Responses Due By:</b>	Apr 16, 2018
<b>Item Description:</b>	<p>MGM Energy has submitted the 2017 Annual Report in accordance with the requirements of Water Licence <a href="#">S12L1-001</a>, Part B, conditions 2 and 7. Although formal Board approval is not required under the Licence, the Board must be satisfied that the Licensee has met the requirements of the Licence. The purpose of this review is also to consider the progress made on reclamation of the Project Site (East Mackay I-78 Wellsite and Staging Area) as well as whether the results and conclusions have been appropriately and accurately reported and support the recommended further reclamation activities.</p> <p>This Type B Water Licence was issued on July 24, 2012 for a period of five years and expired July 23, 2017 but is not closed. The Licence was for winter exploratory oil and gas drilling of one well within Exploration Licence (EL) 466, approximately 7-15km S of Tulita. The associated Land Use Permit is <a href="#">S12A-001</a> was granted a 2 year extension June 15, 2017 and expires July 23, 2019.</p> <p><b>*NOTE*</b> The Proponent response deadline has been extended to April 16, 2018.</p>
<b>General Reviewer Information:</b>	The Board encourages reviewers to submit any questions, comments, and recommendations on these submissions by the review comment deadline specified. All documents that have been uploaded to this review are also available on our public registry. If you have any questions or comments about the ORS or this review, please contact Board staff identified.
<b>Contact Information:</b>	Sabrina Sturman 867-598-2413

## Comment Summary

GNWT - ENR: Central Email GNWT				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Response
3	General File	<b>Comment</b> ( <a href="#">doc</a> ) ENR Letter with Comments and Recommendations <b>Recommendation</b>		
1	Topic 1: Proposed 2018 Monitoring Plan	<b>Comment</b> Section 3.2.1 states that evidence that would trigger the collection of a soil and standing water samples includes the presence of a hydrocarbon-like sheen on the surface of standing water. In 2017, standing water as observed at the wellhead with a slight sheen. However, water samples were not collected and Paramount identified that the delineation of the impacts surrounding the wellhead will be addressed when the wellhead is cut, capped and abandoned. <b>Recommendation</b> 1) ENR supports the proposed 2018 Monitoring Plan presented in the 2017 Annual Environmental Inspection Report.		Agreed
2	None	<b>Comment</b> None <b>Recommendation</b> 2) ENR recommends surface water samples be conducted in 2018 should a sheen be observed on the standing water at the wellhead.		Agreed
GNWT- OROGO: Ed Hardy				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Staff Response

1	General File	<b>Comment</b> ( <a href="#">doc</a> ) General - 2018-03-12 Letter SLWB S12L1-001 WID 2078 <b>Recommendation</b>		
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March 13, 2018

Sabrina Sturman  
Regulatory Specialist  
Sahtu Land and Water Board  
Box 1,  
Fort Good Hope, NT X0E 0H0

Dear Ms. Sturman,

**Re: Paramount Resources Ltd.  
Water Licences – S01L1-003, S03L1-015, S04L1-011, S04L1-012,  
S03L1-016, S12L1-001  
2017 Water Licence Annual Reports  
Request for Comment**

The Department of Environment and Natural Resources (ENR), Government of the Northwest Territories has reviewed the plan at reference based on its mandated responsibilities under the *Environmental Protection Act*, the *Forest Management Act*, the *Forest Protection Act*, the *Species at Risk (NWT) Act*, the *Waters Act* and the *Wildlife Act* and provides the following comments and recommendations for the consideration of the Board.

**2017 Annual Water Licence Report – S01L1-003 - Nogha C-49 Wellsite and Sump and Nogha M-17 Wellsite**

**Topic 1: Proposed 2018 Monitoring Plans**

**Comment(s):**

None.

**Recommendation(s):**

- 1) ENR supports the proposed 2018 Monitoring Plan presented in the 2017 Annual Environmental Inspection Reports.

## **2017 Annual Water Licence Report - S03L1-016 - Nogha B-23 and Nogha K-14**

### **Topic 1: Proposed 2018 Monitoring Plans**

#### **Comment(s):**

None.

#### **Recommendation(s):**

- 1) ENR supports the proposed 2018 Monitoring Plans presented in the 2017 Annual Environmental Inspection Reports

## **2018 Annual Water Licence Report - S03L1-015 - Maunoir C-34 & L-80**

### **Topic 1: Proposed 2018 Monitoring Plans**

#### **Comment(s):**

In the previously submitted Inspection Report, (2015 – no report was submitted in 2016 by Paramount), ENR recommended surface water samples should also be conducted with ground investigations in 2016 to delineate potential zones of contamination due to the potential for contaminated soil at these two well sites. Paramount responded stating that water samples will be taken from areas within the vicinity of the bare areas. However, due to the omission of the 2016 report and the lack of mention in the 2017 report on surface water sampling, GNWT carries forward this recommendation unless Paramount can provide the sampling results from 2016 (and 2017 if collected).

#### **Recommendation(s):**

- 1) ENR recommends Paramount provide the water sampling results from 2016 (and 2017 if collected) that was committed to by Paramount.
- 2) If no surface water samples have been collected to date as requested, or if the analytical results indicated further testing is warranted, ENR recommends adding water sampling analysis in 2018 to delineate potential zones of contamination for both areas. This should include testing for petroleum hydrocarbons regardless of whether the surface waters pass the “stick test”.

## **2017 Annual Water Licence Report - S04L1-011 - Maunoir E-35 Sump**

### **Topic 1: Proposed 2018 Monitoring Plans**

#### **Comment(s):**

In 2016, slumping along the northern corner of Sump 2 was identified and Stantec recommended a mitigation plan be developed. In the 2017 Annual Environmental Inspection Report it is explained that a mitigation plan has not yet been developed as more information is required for proper development.

In 2017, further slumping and tension cracks were observed and soluble parameters in standing water were higher than background levels for a second consecutive year. Under current conditions Paramount suggests that the sump's side slope will further collapse, however this will not impact the drilling wastes that are contained at lower depths.

#### **Recommendation(s):**

- 1) ENR supports the proposed 2018 Monitoring Plans presented in the 2017 Annual Environmental Inspection Report.
- 2) ENR supports the recommendation made by Stantec that a remediation plan be developed to address the unstable slopes and depressions present along the perimeter of Sump 2. Further, ENR recommends additional detail is provided as to when a mitigation plan will be developed.

## **2017 Annual Water Licence Report - S04L1-011 - Maunoir A-67 Wellsite**

### **Topic 1: Proposed 2018 Monitoring Plan**

#### **Comment(s):**

None.

#### **Recommendation(s):**

- 1) ENR supports the proposed 2018 Monitoring Plan presented in the 2017 Annual Environmental Inspection Report.

## **2017 Annual Water Licence Report - S04L1-012 - Turton G-47 Wellsite and Sump**

### **Topic 1: Proposed 2018 Monitoring Plan**

#### **Comment(s):**

None.

#### **Recommendation(s):**

- 1) ENR supports the proposed 2018 Monitoring Plan presented in the 2017 Annual Environmental Inspection Report.

## **2017 Annual Water Licence Report - S12L1-001 - East Mackay I-78 Wellsite and Staging Area**

### **Topic 1: Proposed 2018 Monitoring Plan**

#### **Comment(s):**

Section 3.2.1 states that evidence that would trigger the collection of a soil and standing water samples includes the presence of a hydrocarbon-like sheen on the surface of standing water.

In 2017, standing water as observed at the wellhead with a slight sheen. However, water samples were not collected and Paramount identified that the delineation of the impacts surrounding the wellhead will be addressed when the wellhead is cut, capped and abandoned.

#### **Recommendation(s):**

- 1) ENR supports the proposed 2018 Monitoring Plan presented in the 2017 Annual Environmental Inspection Report.
- 2) ENR recommends surface water samples be conducted in 2018 should a sheen be observed on the standing water at the wellhead.

Comments and recommendations were provided by ENR technical experts in the Water Resources Division and the Sahtu Region and were coordinated and collated by the Environmental Assessment and Monitoring Section (EAM), Conservation, Assessment and Monitoring Division (CAM).

Should you have any questions or concerns, please do not hesitate to contact Patrick Clancy, Environmental Regulatory Analyst at (867) 767-9233 Ext: 53096 or email [patrick.clancy@gov.nt.ca](mailto:patrick.clancy@gov.nt.ca).

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Clancy', written in a cursive style.

Patrick Clancy  
Environmental Regulatory Analyst  
Environmental Assessment and Monitoring Section  
Conservation, Assessment and Monitoring Division  
Department of Environment and Natural Resources  
Government of the Northwest Territories





NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

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Sahtu Land and Water Board  
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MAR 12 2018

Dear Board Members:

**Comments S12L1-001 2017 Annual Water Licence Report East MacKay I-78 WID 2078**

This letter is in respect to the Sahtu Land and Water Board request for reviewer comments on the above captioned matter, dated March 12<sup>th</sup> 2018. Well East MacKay I-78 WID 2078 operated by Paramount Resources Ltd. is regulated by the Office of the Regulator of Oil and Gas Operations (OROGO) under the *Oil and Gas Operations Act*.

Section 56 of the *Oil and Gas Drilling and Production Regulations* requires that all wells be permanently plugged and decommissioned in order to isolate all oil and gas bearing, pressure and potable water zones and to prevent any formation fluid from flowing through or escaping from the well-bore, a process known as abandonment. This well is currently classified as suspended and still requires abandoned.

Reviewers should note that abandonment of a well may require intensive, short duration activity and heavy machinery access (e.g. service rig) to a well site, to complete well abandonment or suspension operations. All well operations require authorization from OROGO. Compliance with the terms of an authorization and other legal requirements is monitored and enforced by OROGO's compliance team.

OROGO's *Suspension and Abandonment Guidelines and Interpretation Notes* (the Guidelines), issued under section 18 of the *Oil and Gas Operations Act* describe the technical requirements for well suspension and abandonment and compliance with section 56. To promote safety and environmental protection, they also impose a deadline for a company to abandon a well if it will not be used for the production of oil or gas. The Guidelines came into effect on February 1, 2017 and can be accessed on OROGO's website at:

[www.oro.go.gov.nt.ca/en/well-suspension-and-abandonment-guidelines-and-interpretation-notes](http://www.oro.go.gov.nt.ca/en/well-suspension-and-abandonment-guidelines-and-interpretation-notes)

If you have any questions about this letter and OROGO's role, please contact us at [OROGO@gov.nt.ca](mailto:OROGO@gov.nt.ca)

Regards,

Ed Hardy  
Technical Specialist