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June 29, 2023

File: MV2020L1-0007

Terence Hughes  
Regulatory and Community Affairs Advisor  
Paramount Resources Ltd.  
Suite 2800 – 421, 7th Avenue SW  
Calgary AB T2P 4K9

Sent by email

Dear Terence Hughes

**Re: 2022 Annual Water Licence Report – Acknowledged – Liard East – Oil and Gas – Fort Liard, NT**

The Mackenzie Valley Land and Water Board (the Board) met on June 22, 2023 and reviewed the 2022 Water Licence Annual Report (Annual Report) submitted by the Paramount Resources Ltd on March 31, 2023 for the Liard East project to fulfill Part B, Condition 1 of Water Licence MV2020L1-0007. The Board hereby acknowledges the 2023 Annual Report as submitted.

The Board requires Paramount to address outstanding comments and recommendations provided in the attached Review Comment Table for all future Annual Report submissions under Licence MV2020L1-0007.

The Board has provided Paramount with a reporting template that should be used in all future Annual Reports. The Board also requires that Paramount, in all future Annual Reports:

1. Provide tables to show monthly quantities of water and waste used, as well as the annual totals;
2. Provide specific references for any information referred to in the Annual Report, including links, plan versions, pages, and heading and/or subheading; and
3. Provide full and specific explanations, including rationale for items that are not applicable, of the information presented to fulfill all of the reporting requirements.

The Board has determined that the Water Licence Report meets the requirements of Part B, Condition 17, Annual Water Licence Report and Schedule 1, Condition 1 of the Licence. The Board hereby acknowledges the Annual Report as submitted.

Please direct questions or concerns regarding this letter to [Kathy Racher](#) in writing.

Yours sincerely,

A handwritten signature in blue ink that reads "Tanya MacIntosh". The signature is written in a cursive style with a long horizontal stroke at the beginning.

Tanya MacIntosh  
Chair, Mackenzie Valley Land and Water Board

BCC'd to: Dehcho Distribution List  
Wendy Bidwell – Inspector, GNWT-ECC

Attachment: Annual Report Template

# Water Licence Annual Report

Reporting year: \_\_\_\_\_

**Paramount Resources Ltd.**

**Licence #: MV2020L1-0007**

**Expires: November 19, 2025**

*Part B, condition 17: Beginning March 31, 2023 and every March 31 thereafter, the Licensee shall submit an Annual Water Licence Report to the Board. The Report shall be in accordance with Schedule 1.*

*Schedule 1, condition 1: The Annual Water Licence Report referred to in Part B, condition 17 of this Licence shall cover the previous calendar year (January 1 through December 31), and shall include, but not be limited to, the following information:*

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c) Updated Project Schedule.....	2
d) Water Use.....	3
e) A Summary of Meters and Devices .....	3
f) A Summary of Engagement Activities .....	4
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<sup>1</sup> Note that the lettering used in this template corresponds to the lettering of the Schedule in the Water Licence.

**a) As-Built Map and Summary of Wells**

*Identify all current sites and infrastructure at the Liard South Project sites with a summary of the operation to date including the name and location of all existing wells and the status and identification of all wells.*

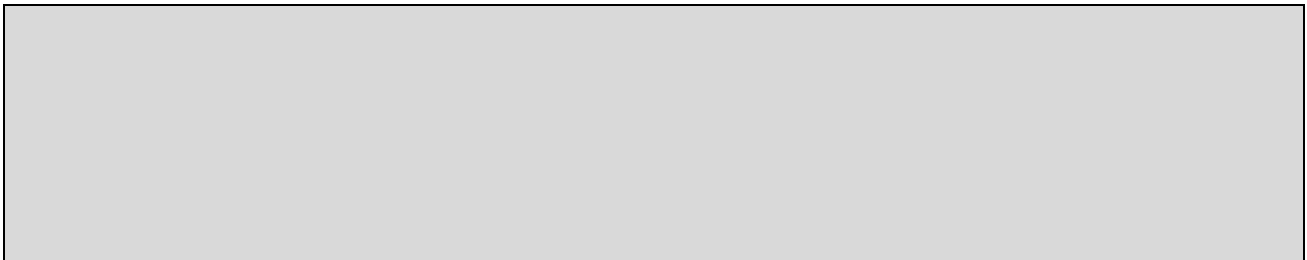
Please attach any as-built drawings or reports as an appendix to this report.



**b) Summary of Project Activities**

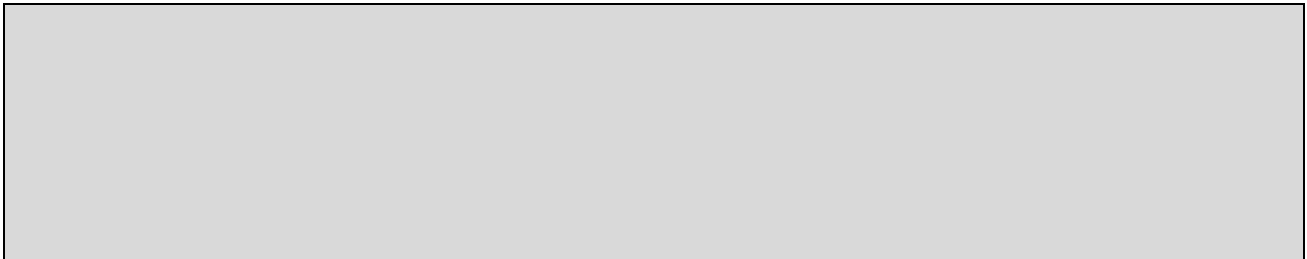
*A brief summary of Project activities.*

Only identify activities that happened during the reporting period. Be clear about what each activity includes.



**c) Updated Project Schedule**

Be clear explaining what each activity includes.



**d) Water Use**

*The monthly and annual quantities in cubic metres of Water obtained from all sources.*

**Table 1: Monthly and Annual Water Quantities Used**

Month	MONTHLY Volume (m <sup>3</sup> )	TOTAL Volume (m <sup>3</sup> )
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		
<b>TOTALS</b>		

**e) A Summary of Meters and Devices**

*A summary of the calibration and status of the meters and devices referred to in Part B, Condition 16 of this Licence.*

Include what meters and/or devices are used.

**f) A Summary of Engagement Activities**

*A summary of engagement activities conducted in accordance with the approved **Engagement Plan**, referred to in Part B, Condition 18 of this Licence.*

Only identify engagement occurring in the reporting year.

**g) Traditional Knowledge**

*A summary of how Traditional Knowledge was incorporated into decision making.*

**h) A Summary of Construction Activities**

*A summary of Construction activities conducted in accordance with Part E of this Licence.*

If there were no construction activities, please make note of that. If required, please attach any as-built drawings or reports as an appendix to this report.

Be clear about what each activity includes.

**i) Maintenance Activities**

*A summary of major maintenance activities conducted in accordance with this Licence.*

Include a summary of major maintenance activities conducted. This includes any changes, repairs and modifications. If any problems occurred during the year, please note them here. If there are no changes, make note of that.

Be clear about what each activity includes.

**j) Waste Management**

*A summary of activities conducted in accordance with the approved Waste Management Plan, referred to in Part F, Condition 2 of this Licence, including:*

- i. A summary of approved updates or changes to the process or facilities required for the management of Waste; and*

- ii. Monthly and annual quantities/volumes by location of Sewage and associated Waste and other materials managed under the plan.*

**Table 2: Monthly and Annual Quantities of Waste**

<b>Month</b>	<b>Volume of Waste (m<sup>3</sup>)</b>
January	
February	
March	
April	
May	
June	

July	
August	
September	
October	
November	
December	
<b>TOTALS</b>	

**k) Erosion and Sedimentation Management Plan**

*A summary of activities conducted in accordance with the approved Erosion and Sedimentation Management Plan, referred to in Part F, Condition 5 of this Licence, including:*

- I. A summary of approved updates or changes to the process or facilities required for the management of erosion and sedimentation;*
- II. A description of any erosion susceptible areas encountered;*
- III. A summary of activities undertaken to prevent or mitigate erosion;*
- IV. A report of the performance of mitigations applied to each area;*
- V. A summary and interpretation of monitoring results, including any Action Level exceedances; and*
- VI. A description of actions taken in response to any Action Level exceedances.*

Be sure to address each point.

Include a summary of areas encountered and activities conducted. If any problems occurred during the year, please note them here. If there are no changes, make note of that.

**l) Spill Contingency Plan**

*A summary of activities conducted in accordance with the approved Spill Contingency Plan, required in Part G, condition 2 of this Licence, including:*

- I. A list and description of all Unauthorized Discharges, including the date, NWT spill number, volume, location, summary of the circumstances and follow-up actions taken, and status (i.e. open or closed), in accordance with the reporting requirements referred to in Part G, condition 3 of this Licence.*

Add additional rows and details as required. Copies of Spill Reports should be attached in Appendix C to this report.



**Table 6: Unauthorized discharge details**

Date	NWT Spill Number	Substance Discharged	Volume	Location	Circumstances and Actions Taken	Status (open/closed)
					Include details in the space below this table.	

Add additional details, as applicable:

- II. *An outline of any spill training and communications exercises carried out during the previous calendar year.*

**m) Closure and Reclamation Activities**

*A summary of any closure and reclamation work completed during the year.*

- i. Details of any Progressive Reclamation undertaken;*
- ii. A discussion on whether planning and implementation remains on schedule, and a summary of any new scheduling setbacks;*
- iii. A summary of Reclamation Research completed;*
- iv. A summary of engagement conducted regarding Closure and Reclamation; and*
- v. A list of any factors that would increase or decrease the Closure Cost Estimate the next time the Estimate is updated.*

Be sure to address each point.

Please attach any relevant as-built drawings or reports in Appendix D to this report.



**n) Actions Taken to Address Concerns, Non-Conformances, or Deficiencies**

*A list of any non-compliance(s) with the conditions of this Licence or any directive from the Board pursuant to the conditions of this Licence.*

Please detail how Paramount is addressing any issues. Include pertinent documentation and correspondence in an Appendix to this report.



**o) Commitments Made to Environmental Assessment**

*A table detailing all commitments related to Water use and the deposit of Waste made during the Environmental Assessment, with descriptions of how each commitment is being or has been met.*

**p) Other Details Requested by the Board**

*Any other details requested by the Board on or before November 1 of the year being reported.*

If the Board has requested any other details on Water use, operating procedures, reclamation, maintenance work, or other topics, include details in this section with a summary of the outcome(s). Include any attachments as Appendices to this report.





### **Other Information**

It could be helpful to include the following:

- a summary of correspondence with the Inspector, including inspection dates and identification of any issues of non-compliance. The MVLWB is interested in this information in order to facilitate discussions to resolve any issues;
- any other information here that may help the MVLWB and public understand the operations at Liard South;
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**Paramount Resources Ltd.  
Water Licence #: MV2021L1-0006**

## **Appendix D: As-built Drawings and Reports**

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**Paramount Resources Ltd.  
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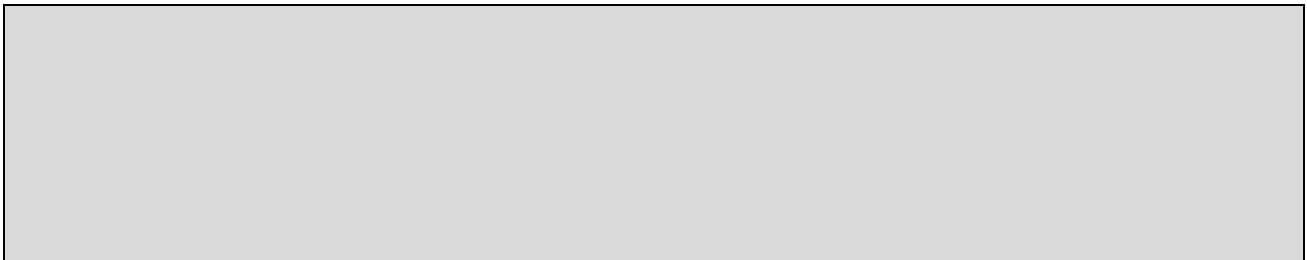
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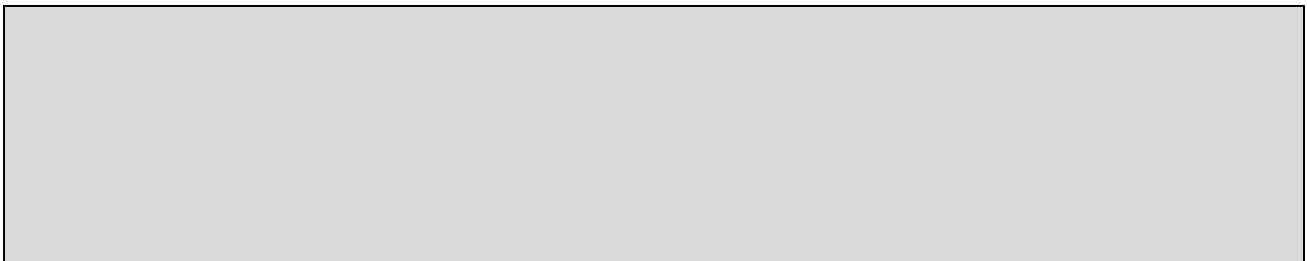
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