

August 11, 2020

Mackenzie Valley Land and Water Board

Box 2130
7th Floor - 4922 48th Street
Yellowknife, NT
X1A 2P6

Attention: Angela Love

**Re: Paramount Resources Ltd. Fort Liard East New Land Use Permit and Water Licence
MV2020A0010 and MV2020L1-0007**

Dear Mr. Wheeler,

Paramount Resources Ltd. (Paramount) is providing the information below and enclosed to complete the applications for a new Land Use Permit (LUP) and Water Licence (WL) for the Fort Liard East Project.

#1. See enclosed document.

#2. Paramount does not currently have any active quarry permits in the Liard East project area. If material is required Paramount will apply for one prior to operations.

#3. Enclosed is an updated Attachment A.

#4. See enclosed camp layout. Sewage and Grey Water will be stored and transported to a waste facility outside of the Northwest Territories. Wastewater does not include sewage or camp water.

#5. No waste will be disposed of in the Northwest Territories. An updated Waste Management Plan is enclosed with this letter, specifically section 4.3. Paramount would also note that a portion of the information requested could have and can be found in Table 5 of the document.

#6.

- a) No waste will be disposed of in the Northwest Territories
- b) Paramount is not applying for bioremediation or thermal desorption at this time and understands that those techniques would need to be approved for the project by the Mackenzie Valley Land and Water Board.

#7.

- a) Table 3 of Attachment A has been updated.

b) Paramount is applying for a Type "A" Land Use Permit as it meets several the triggers listed in the Mackenzie Valley Land Use Regulations. However, the environmental drill anticipated to be used does not meet the criteria under 4(b)l, it would meet the criteria under 5(b)i for a Type "B" Land Use Permit. To clarify, the term drilling in the context of this application is/was meant to mean Oil and Gas Drilling, not drilling for environmental/reclamation purposes.

#8. Well sites, camp and staging areas (which for Liard East could be a well site or camp site not in use) are listed in Attachment A (Table 1) and shown on the Project Map in Appendix 1 of the document.

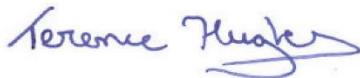
#9. All tanks will have secondary containment.

#10. Response resources can be found in section 6 and Appendix C. The action plan is found in Appendix B "ERP Sections Related NWT Response Specific Instructions." Spills could occur at any of the camp sites, well sites, staging areas and access roads depending on activities. Spills would only occur in the Liard East project area in seasons of abandonment, suspension and reclamation activities. A worst-case scenario has been added to the Spill Contingency Plan and updated version is enclosed with this response.

#11. The application stated that *"It is anticipated the majority of activities will take place in the winter months. Summer and fall activities will be limited to monitoring and helicopter-based work."* To clarify, abandonment, suspension and the majority of reclamation work will occur in winter months (December through March), as the project roads are winter access. Minor reclamation work and monitoring will occur in the summer and fall months. The project area has never produced and is and will be in either a suspended, abandoned or reclaimed state.

Should you have any questions, please do not hesitate to contact the undersigned via phone at 403-206-3859.

Sincerely,
Paramount Resources Ltd.



Terence Hughes
Regulatory and Community Affairs Advisor