

Angela Love  
Regulatory Officer  
Mackenzie Valley Land and Water Board  
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April 5, 2019

Dear Angela Love:

**Paramount Resources Ltd. (Paramount) RECLAIM Estimates  
for MV2013A0012 and MV2013L1-0002 (Liard West)  
and MV2013A0013 and MV2013L1-0003 (Liard East)**

This letter is in respect of the request from the Mackenzie Valley Land and Water Board (MVLWB) for reviewer comments on the above captioned matters.

Paramount records no costs associated with the abandonment of wells and facilities in either of its RECLAIM estimates. OROGO's publicly available well records for the Liard West and Liard East fields show suspended wells in both locations.

With respect to the Liard West field, Paramount's application for Land Use Permit MV2013A0012 scopes in five wells. Their status is as follows:

K-29 (WID1861) – abandoned  
F-25 (WID1587) – abandoned

O-80 (WID1866) – suspended  
M-25 (WID1867) – suspended  
F-25A (WID1621) – suspended

OROGO's files also indicate the presence of an additional four suspended wells operated by Paramount in close proximity to the K-29 and M-25 wells listed above:

2K-29 (WID1989) – suspended  
K-29A (WID2030) – suspended

3K-29 (WID1999) – suspended  
2M-25 (WID2008) – suspended

It is not clear whether these four wells are covered under MV2013A0012 or a separate Land Use Permit.

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With respect to the Liard East field, Paramount's application for Land Use Permit MV2013A0013 scopes in seven wells. Their status is as follows:

C-76 (WID1817) – abandoned  
F-66 (WID1935) – abandoned

N-65 (WID1833) – suspended  
O-15 (WID1834) – suspended  
J-76 (WID1931) – suspended  
B-41 (WID1733) – suspended  
C-02 (WID1857) – suspended

I would like to take this opportunity to clarify the purpose of the Proof of Financial Responsibility (PFR) held by OROGO under section 64(1) of the *Oil and Gas Operations Act* (OGOA) in association with an Operations Authorization. Section 64(3) of OGOA indicates that the Regulator may use PFR to pay out claims made under section 63 of OGOA. Section 63 refers to claims for actual loss or damages from or for costs associated with the clean-up of debris, spills or the authorized discharge, emission or escape of oil or gas. Section 61 of OGOA defines:

- "Actual loss or damage" as including loss of income, including future income and the loss of hunting, fishing and gathering opportunities by Aboriginal peoples;
- "Debris" as an installation or structure that has been abandoned without authorization or any material that has broken away or been jettisoned or displaced in the course of an approved work or activity; and
- "Spills" as a discharge, emission or escape of petroleum.

If you have any questions regarding the above, please contact the undersigned by phone at (867)767-9097 or by email at [Pauline.dejong@gov.nt.ca](mailto:Pauline.dejong@gov.nt.ca).

Sincerely,



Pauline de Jong  
Executive Director

- c. Terence Hughes, Regulatory and Community Affairs Advisor,  
Paramount Resources Ltd.