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July 31, 2020

Files: MV2020A0010 and MV2020L1-0007

Terence Hughes  
Regulatory and Community Affairs Advisor  
Paramount Resources Ltd.  
2800, 421-7 Avenue SW  
CALGARY AB T2P 4K9

Sent by email

Dear Terence Hughes:

**Land Use Permit Application – Incomplete**  
**Water Licence Application – Incomplete**  
**Operation and Maintenance of Natural Gas Facilities – Fort Liard East, NT**

On July 23, 2020 the Mackenzie Valley Land and Water Board (Board) staff received the Applications for Land Use Permit (Permit) MV2020A0010 and Water Licence (Licence) MV2020L1-0007 from Paramount Resources Ltd. (Paramount). The Applications have been reviewed by Board staff and found to be lacking sufficient information under section 19 and paragraph 22(1)(a) of the Mackenzie Valley Land Use Regulations (MVLUR) and under section 5 of the Waters Regulations. For the Applications to be considered complete and forwarded for review, the following information must be submitted to the Board's office:

1. Certificate of Corporate Registration (Section 2 of the Application Forms)

The Application documents do not include a Certificate of Corporate Registration from the Government of the Northwest Territories.

**Please provide a Certificate of Corporate Registration from the Government of the Northwest Territories**

2. Eligibility (Section 5 of the Permit Application Form)

The Application includes the use of material from borrow pits; however, Quarry Permits, as issued by the Government of the Northwest Territories Department of Lands (GNWT-Lands), were not included in the Application.

**Please provide Quarry Permits which allow the use of material from the borrow pits identified in the Application. If Paramount does not currently hold Quarry Permits, please confirm that Quarry Permits will be acquired prior to operations.**

3. Project Description (Section 8 of the Permit Application Form and Section 4 of the Water Licence Form)

The Applications indicate the following:

- Facilities included: well sites (N-65, O-15, C-76, F-66, J-76, B-41, and C-02), access, borrow pits, campsites, and sumps.
- Planned activities: assessment, monitoring, abandonments, remediation and reclamation relating to seven well sites, and associated infrastructure.

Board staff note that information identifying the wells as reclaimed or not reclaimed is provided in the Liard East figure; however, the current status of the facilities are not explicitly stated in the Application. The status of the various facilities is required to deem the Application complete as it is important for reviewers in understanding the scope of activities.

**Please indicate the current status of each facility and the activity anticipated to occur throughout the life of the authorizations, if granted. This may be accomplished by updating “Table 1: Components Applied for in the Application” in Attachment A. Board staff have included an example of the updated table below.**

PROJECT COMPONENT	LOCATION (lat/long)	STATUS (Operational, Reclaimed, Abandoned, etc.)	ANTICIPATED ACTIVITY (Routine operations, re-entry, completion, suspension, abandonment, production, reclamation, remediation, monitoring, maintenance, etc.)	AREA (hectares)
<b>Existing well sites/battery sites:</b>				
N-65	60°40'N, 122°45'W	Reclaimed	Monitoring	2.25
O-15	60°30'N, 123°00'W	Abandoned	Reclamation	2.25
C-76	60° 20'N, 122° 45'W			1.44
F-66	60° 20'N, 122° 45'W			2.25
J-76	60° 20'N, 122° 45'W			2.25
<b>Existing Access Road</b>				
Access to F-66	60° 20'N, 122° 45'W	Operational	Operations and Maintenance	0.19

4. Camp (Section 9 of the Permit Application Form and Section 4 of the Water Licence Form)

The Application includes campsites but does not describe the size, layout, and description of how sewage and grey water will be managed. The Waste Management Plan indicates wastewater will be part of down hole injection.

**Please include detail for camps on the size, layout, and clarify how sewage and grey water will be managed. Please also clarify if the wastewater that will be injected down hole, as identified in Table 2 in the Waste Management Plan, also includes sewage and grey water from camps.**

5. Waste Management Methods (Section 11 of the Permit Application Form and Section 8 of the Water Licence Form)

The Application provides a general overview of the waste types that will be generated and whether waste will be treated/disposed. Apart from kitchen waste, the Waste Management Plan does not provide adequate detail on how waste will be generated, where waste will be generated by location, the volume of waste, how waste will be stored and where waste will be stored. Additionally, the potential environmental effects of each waste stream are not indicated.

**Please update the Waste Management Plan to include detail on how waste will be generated, where waste will be generated by location, the volume of waste, how waste will be stored, where waste will be stored, and the potential environmental effects of each waste stream, as per the Mackenzie Valley Land and Water board Guidelines for Developing a Waste Management Plan (2011).**

6. Waste Management Methods (Section 11 of the Permit Application Form and Section 8 of the Water Licence Form)

- a) Table 5 of the Waste Management Plan indicates that contractors will provide a “turnkey” service for the management of waste: this is not clear whether the material will be disposed in the Northwest Territories or elsewhere.

**Please indicate whether waste will be disposed within the Northwest Territories. If waste will be stored within the Northwest Territories, please provide a letter from a waste services provider indicating they will accept the material.**

- b) The Waste Management Plan describes various bioremediation activities and thermal desorption methods which do not appear to be in the scope of the current authorizations. Please note that should bioremediation and thermal desorption methods be considered by Paramount, they would potentially require a new licence and permit or an amendment to the existing licence and permit, if granted.

**Please clarify if Paramount is requesting these to be included in the scope.**

7. Equipment (Section 12 of the Permit Application Form)

- a) Attachment A of the Application lists the various equipment required for the authorization. The size of some equipment has been listed; however, the Application requires the size (weight in tonnes) of all equipment to be specified.

**Please update Attachment A to include the size (weight in tonnes) of all equipment.**

- b) The Application indicates an environmental rig in the equipment list, while the Application states in other locations that no drilling will occur.

**Please clarify whether the environmental rig will be utilized for drilling, and whether the rig meets the Permit trigger in the Mackenzie Valley Land Use Regulations (MVLUR) under paragraphs 4(b)(i) or 5(b)(i).**

8. Fuel and Methods of Fuel Transfer (Section 13 of the Permit Application Form)

The Application form indicates that fuel will be stored at well sites, camps, and staging areas, while not specifically stating which well site, camp, or staging area fuel will be located.

**Please update the Application form or Attachment A to indicate the specific location in which fuel will be stored.**

9. Methods of Fuel Transfer (Section 14 of the Permit Application Form)

The Application states that “hazardous material storage tanks with a capacity greater than 4000 L will have secondary containment.”

**For those tanks that will not have secondary containment, please indicate the age of the tanks, the volume of the tanks and whether they will be used for refueling.**

10. Spill Contingency Plan (Section 15 of the Permit Application Form and Section 10 of the Water Licence Form)

The Application provides general information pertaining to spill contingency planning, but no details are provided on potential spill locations, magnitude, effects, worst case scenario, action plans, or the response resources at the facilities / work locations.

**Please update the Spill Contingency Plan to include detail on potential spill locations, magnitude, effects, worst case scenario, action plans, or the response resources at the facilities / work locations, as per the Indigenous and Northern Affairs Canada Guidelines for Spill Contingency Planning (2007).**

11. Period of Operation (Section 16 of the Permit Application Form and Section 13 of the Water Licence Form)

The Application does not describe the time of year the project activities are planned to occur, and whether there will be seasonal shutdowns.

**Please indicate the time of year the project activities are planned to occur and whether there will be seasonal shutdowns.**

Upon receipt of this information, the Applications will be reviewed in accordance with the *Mackenzie Valley Resource Management Act* and Waters Regulation. For further assistance, please refer to “Guide To Completing Land Use Permit Applications to the Mackenzie Valley Land and Water Board” and “Guide To Completing Water Licence Applications to the Mackenzie Valley Land and Water Board” available on our website at [www.mvlwb.com](http://www.mvlwb.com) under “Apply for Permit/Licence” and “Forms and Guides”.

If this supplementary information is not provided within ninety (90) days, then it shall be assumed that you do not wish to continue with the processing of these Applications, and the Applications will be returned to you.

If you have any questions or concerns, please email [awheeler@mvlwb.com](mailto:awheeler@mvlwb.com).

Yours sincerely,

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

Andrew Wheeler  
Regulatory Specialist

Copied to: Danielle Rogers, GNWT-Lands, Resource Management Officer III, Dehcho Region  
Kyle Christiansen, GNWT-Lands, Manager Resource Management, Dehcho Region  
Jamie Chambers, GNWT-ENR, Regional Superintendent, Dehcho Region