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### Staff Report

<b>Applicant:</b> Paramount Resources Ltd.	
<b>Location:</b> East of Fort Liard, NT	<b>File Number:</b> MV2020L1-0007
<b>Date Prepared:</b> December 4, 2020	<b>Date of Board Meeting:</b> December 17, 2020
<b>Subject:</b> Notification of administrative error regarding security under Schedule 2, condition 1.	

#### 1. Purpose

The purpose of this Report is to notify the Mackenzie Valley Land and Water Board (MVLWB/the Board) of an administrative error regarding the amount of security required under Schedule 2, condition 1 of Water Licence (Licence) MV2020L1-0007 held by Paramount Resources Ltd. (Paramount) for the Fort Liard East oil and gas development.

#### 2. Discussion

Paramount's Fort Liard East development is situated approximately 30 kilometers (km) northeast of the Hamlet of Fort Liard, Northwest Territories. It consists of oil and gas infrastructure and supporting facilities which are accessed by a winter road, and contains seven natural gas wells which have never produced, and are currently in a suspended or abandoned state. Paramount has indicated they plan to close and reclaim the development.

On November 13, 2020, the Board met to review the Application for Licence MV2020L1-0007 to renew Licence MV2013L1-0003. The Board decided to issue the Licence MV2020L1-0007<sup>1</sup> for the use of Water for industrial activities and established security at \$1,113,261.00. The Licence was issued on November 20, 2020 for a period of 5 years.

Security requirements are stipulated in Part C of the Licence. Part C, condition 1 requires the Licensee to post and maintain a security deposit in accordance with Schedule 2, as follows:

*The Licensee shall post and maintain a security deposit with the Minister in accordance with Schedule 2. The Licensee shall not commence Project activities until the security deposit has been accepted by the Minister.*

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<sup>1</sup> See Licence MV2020L1-0007 [Reasons for Decision](#) (p. 10 (pdf p. 34))

When the Licence was issued on November 20, 2020 security under Schedule 2, condition 1 was written as \$1,397,167.00 in error. On November 27, 2020, Board staff corrected this administrative error by adjusting the security amount to \$1,113,261.00, as determined by the Board. Afterwards, Board staff [redistributed](#) the Licence to the Fort Liard East distribution list and indicated the administrative error had been corrected (attached).

### 3. Attachments

- [Licence MV2020L1-0007 and associated Reasons for Decision](#), November 20, 2020
- [Licence Distribution](#), November 27, 2020

Respectfully submitted,



Andrew Wheeler  
Regulatory Specialist