



Office of the Regulator of Oil and Gas Operations  
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John Hawkins  
Director Asset Management  
Paramount Resources Ltd  
Suite 2800, 421 – 7 AVE SW  
CALGARY AB T2P 4K9

January 14, 2019

Dear John Hawkins:

**Letter of Decision: Application for an Operations Authorization for the  
Abandonment of the Bovie J-76 and Celibeta No.2 H-78 Wells (OA-2018-004-PAR)**

On November 22, 2018, the Office of the Regulator of Oil and Gas Operations (OROGO) received a complete application from Paramount Resources Ltd. (Paramount) for an Operations Authorization for the abandonment of the Celibeta No.2 H-78 and Bovie J-76 wells in the East Fort Liard area.

Paramount also filed additional information with OROGO in response to the following Information Requests:

Information Request No. 1 – received from Paramount on January 7, 2019

Information Request No. 2 – received from Paramount on January 8, 2019

The Regulator, designated under section 121 of the *Oil and Gas Operations Act* (OGOA), may issue an Operations Authorization under section 10(1)(b) of that act. The Regulator has delegated the power to issue authorizations under section 10(1)(b) of OGOA to the Chief Conservation Officer, in accordance with section 8 of that act.

The Regulator, or its delegate, must fulfill its obligations as a regulatory authority under the *Mackenzie Valley Resource Management Act* (MVRMA). It must also determine the adequacy of Aboriginal consultation, where a decision has the potential to adversely impact an asserted or existing Aboriginal right.

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I make the following findings with respect to Paramount's application for an Operations Authorization:

1. Paramount's application and supplemental information submissions satisfy the application requirements of OGOA and the *Oil and Gas Drilling and Production Regulations* in relation to the proposed activities. I am persuaded that Paramount intends to conduct the proposed activities in a manner consistent with the purposes set out in OGOA.

I note that all references to legislation in documentation submitted by Paramount should be reviewed to ensure that they refer to the correct, Northwest Territories legislation.

2. Preliminary Screening – The Bovie J-76 well was subject to an environmental assessment (EA00-003) by the Mackenzie Valley Environmental Impact Review Board (MVEIRB). It is therefore exempt from preliminary screening in accordance with Schedule 1, section 2.1 of the *Exemption List Regulations* established under the *Mackenzie Valley Resource Management Act* (MVRMA).

The abandonment of the Celibeta No.2 H-78 well was subject to preliminary screening by the Mackenzie Valley Land and Water Board (MVLWB) when Land Use Permit MV2018A0022 and Water Licence MV2018L1-0005 were issued. I have adopted the results of this preliminary screening.

OROGO will advise the MVEIRB of these determinations.

3. Land Use Plan Conformity – The proposed activities take place near Fort Liard in the Dehcho region of the NWT. They do not fall within the boundaries of a Land Use Plan approved under the MVRMA. Therefore, there is no requirement to assess land use plan conformity under the MVRMA.

4. **Indigenous and community consultation** – Paramount has conducted consultation and engagement activities with the relevant organizations representative of Aboriginal rights holders and the community of Fort Liard. The MVEIRB and MVLWB also undertook public processes for the environmental assessment of the Bovie J-76 well and the issuance of the Land Use Permit and Water Licence associated with the abandonment of the Celibeta No.2 H-78 well, respectively. Taking into account the nature and scale of the activity and the concerns raised, consultation undertaken by Paramount on the activities proposed under OA-2018-004-PAR is adequate.
5. **Proof of Financial Responsibility** – Paramount has provided satisfactory proof of financial responsibility in accordance with sections 13 and 64(1) of OGOA. This proof of financial responsibility must remain in force for the duration of the activity.
6. **Safety** – I have consulted with the Chief Safety Officer, in accordance with section 12 of OGOA, and am satisfied with the safety of the proposed activities.

Paramount's application is approved, subject to the terms contained in the attached Operations Authorization.

Paramount must post a copy of the attached Operations Authorization in a clearly visible location at the work site.

Sincerely,



**James Fulford**  
Chief Conservation Officer

Encl. Operations Authorization OA-2018-004-PAR



BUFFALO PARCEL COURIER SERVICES LTD., 1000 BUFFALO DRIVE, HAY RIVER, N.W.T. X0E 0R9  
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CITY CALGARY	PROVINCE AB	CARRIAGE SUBJECT TO THE FOLLOWING CONDITIONS IN ADDITION TO THOSE ON BACK				TOTAL	
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## OPERATIONS AUTHORIZATION

Subject to the terms listed below, authorization is granted under Section 10 of the *Oil and Gas Operations Act* and Part 2 of the *Oil and Gas Drilling and Production Regulations* to

Company Name	Company Operating Licence #
Paramount Resources Ltd.	NWT-OL-2014-014
Responsible Officer and Title	
John Hawkins, Director, Asset Management	


to proceed with the works and activities described in its November 22, 2018 application for

Scope of Work	Settlement Area or Region
The abandonment of the Bovie J-76 and Celibeta No.2 H-78 wells.	Dehcho

This authorization may be varied by the Regulator or its delegate under Section 10 of the *Oil and Gas Operations Act*.

This authorization expires on April 30, 2020.

Dated at Yellowknife, Northwest Territories on January 14, 2019

Name of Regulator / Delegate	Signature of Regulator / Delegate
Mr. James Fulford	
Title	
Chief Conservation Officer	

## ADDITIONAL TERMS

1. Paramount Resources Ltd. shall cause the approved work and activities to be conducted in accordance with the requirements of the *Oil and Gas Operations Act* and the *Oil and Gas Drilling and Production Regulations*, as well as any other acts or legislation as may apply.
2. Paramount Resources Ltd. shall cause the approved work and activities to be conducted in accordance with any guidelines and/or interpretation notes issued by the Regulator under section 18 of the *Oil and Gas Operations Act*.
3. Paramount Resources Ltd. shall cause the approved work and activities to be conducted in accordance with the specifications, standards and other information referred to in its application received November 22, 2018 and subsequent submissions.
4. Paramount Resources Ltd. shall request approval from the Chief Conservation Officer prior to undertaking any change to or deviation from the authorized work or activities, including but not limited to key personnel, the safety plan, the environmental protection plan and contingency plans.
5. Paramount Resources Ltd. shall provide, for the approval of the Chief Conservation Officer, by January 28, 2019:
  - a. A list of any emergency response contractors for this operation that will be utilized in the event of any emergency and any such contractor's emergency response plans; or
  - b. A list of Paramount Resources Ltd.'s own emergency response assets in relation to those aspects if Paramount Resources Ltd. is relying on its own resources for emergency response for this operation or aspects of this operation.
6. Paramount Resources Ltd. shall provide all staff and contractors for this program with its Emergency Response Plan and the OROGO 24-hour Incident Reporting phone number (867-445-8551) prior to commencing any work or activity.
7. Paramount Resources Ltd. shall submit to OROGO an updated operator contact list for this program prior to any work or activity.