

2022 Annual Safety Report

For

Central MacKenzie Valley - Colville
Within
The Northwest Territories

OA-2019-002-MGM

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1. INTRODUCTION

Annual Safety Report

The Annual Safety Report is required pursuant to Part II Section 87 of the Oil and Gas Drilling and Production Regulations:

The Operator shall ensure that, not later than March 31 of each year, an annual safety report relating to the proceeding year is submitted to the Board and includes:

- (a) a summary of lost or restricted workday injuries, minor injuries and safety-related incidents and near-misses that have occurred during the preceding year; and*
- (b) a discussion of efforts undertaken to improve safety.*

Central MacKenzie Valley - Colville

This area never commenced production and the wells are suspended. Consultations with affected parties, suspended well inspections and environmental monitoring was conducted in 2022.

2. OVERVIEW OF DRILLING/SERVICING AND CONSTRUCTION ACTIVITIES FOR THE CENTRAL MACKENZIE VALLEY - COLVILLE AREA

2.1. ROAD CONSTRUCTION

There were no road construction activities during the 2022 reporting period.

2.2. DRILLING ACTIVITIES

There were no drilling activities during the 2022 reporting period.

2.3. SERVICE RIG ACTIVITIES

There were no service rig activities during the 2022 reporting period.

2.4 Construction Activities

There were no construction activities during the 2022 reporting period.

3. OVERVIEW OF PRODUCTION OPERATIONS ACTIVITIES FOR THE COLVILLE LAKE (SSA) AREA

3.1. SUSPENDED WELL INSPECTIONS

Suspended well inspections and gas migration testing was conducted during the 2022 reporting period.

3.2. OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS (OROGO) INSPECTIONS

No OROGO site inspections were conducted in 2022.

4. SUMMARY

4.1. SUMMARY OF LOST OR RESTRICTED WORKDAY INJURIES

There were no lost or restricted work injuries during the 2022 reporting period.

4.2. MINOR INJURIES AND SAFETY RELATED INCIDENTS

There were no minor injuries or safety incidents during the 2022 reporting period.

4.3 Total Person-Hours

Central MacKenzie Valley - Colville total work for both employee and contractor, in 2022 was 891 person-hrs

4.4. Discussion of efforts undertaken to improve safety

Element 12 of Paramount's Operations Excellence Management System (POEMS) focuses on operational excellence and continuous improvement. Several initiatives were conducted throughout 2022 in an effort to improve safety in the following elements:

- 1) Assessment of POEMS Element 2: Risk Management
- 2) Assessment of POEMS Element 4: Process Safety
- 3) Assessment of POEMS Element 7: Design, Construction and Management of Change
- 4) Assessment of POEMS Element 9: Goods, Materials & Contractor Management

Findings of the assessments have been compiled and action items identified to improve on Paramount's overall operational management system (including any items related to safety).

Paramount also conducted an internal safety culture survey. Improvement actions were identified, communicated and are in various stages of implementation. Areas of improvement focus are Leadership, Documentation and Communication.

Continued focus on additional areas for improvement under POEMS Element 3: Occupational Safety & Environmental Stewardship.