



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

Office of the Regulator of Oil and Gas Operations

P.O. Box 1320, Yellowknife, NT X1A 2L9

Tel: 867-767-9097 • Fax: 867-920-0798 • Web: www.oro.go.gov.nt.ca

Courier Address: 4th floor, 5201 – 50th Avenue, Yellowknife, NT X1A 3S9

John Hawkins
Director Asset Management
Paramount Resources Ltd.
Suite 2800, 421 – 7 AVE SW
CALGARY AB T2P 4K9

December 9, 2020

Dear John Hawkins:

**Letter of Decision: Application for an Operations
Authorization for East Fort Liard Abandonment Program (OA-2020-001-PAR)**

On November 13, 2020, the Office of the Regulator of Oil and Gas Operations (OROGO) received a complete application from Paramount Resources Ltd. (Paramount) for an Operations Authorization (OA) for the abandonment of the Arrowhead B-41, Arrowhead C-02/1, Arrowhead N-65 and Arrowhead O-15 wells in the East Fort Liard area.

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

Information Request No. 1 – received from Paramount on December 1, 2020.

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. On August 2, 2020, the Commissioner in Executive Council designated me as the Regulator under section 121 of OGOA.

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.

.../2

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

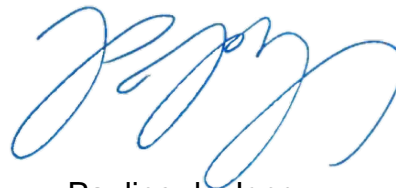
1. Paramount's application and supplemental information submissions satisfy the application requirements of OGOA and the *Oil and Gas Drilling and Production Regulations* in relation to the proposed activities. I am persuaded that Paramount intends to conduct the proposed activities in a manner consistent with the purposes set out in OGOA.
2. Preliminary Screening – The activities proposed under OA-2020-001-PAR were previously subject to preliminary screening by the Mackenzie Valley Land and Water Board under Land Use Permit MV2013A0013 and Water Licence MV2013L1-0003. The proposed activities have not since been modified. Therefore, I determined that Paramount's OA application (OA-2020-001-PAR) is exempt from preliminary screening as per Schedule 1, Paragraph 2.1 of the Exemption List Regulations. OROGO has advised the MVEIRB of this determination.
3. Land Use Plan Conformity – The proposed activities take place near the community of 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 Hamlet of Fort Liard and the Acho Dene Koe First Nation. The proposed activities are intended to reduce impact on existing or asserted Aboriginal rights by abandoning the Arrowhead B-41, Arrowhead C-02/1, Arrowhead N-65 and Arrowhead O-15 wells. Taking into account the nature and scale of the activity and the concerns raised, consultation undertaken by Paramount on the activities proposed under OA-2020-001-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,



Pauline de Jong
Regulator

Encl. Operations Authorization OA-2020-001-PAR

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	

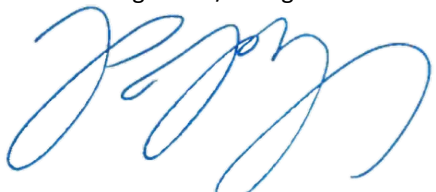
to proceed with the works and activities described in its November 13, 2020 application for

Scope of Work	Settlement Area or Region
Maintenance, monitoring, inspection and abandonment of the Arrowhead River B-41 (WID 1733), Arrowhead River N-65 (WID 1833), West Arrowhead C-02 (WID 1857) and SW Arrowhead River O-15 (WID 1834) wells in the East Fort Liard Region.	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 November 30, 2024.

Dated at Yellowknife, Northwest Territories on December 9, 2020.

Name of Regulator / Delegate	Signature of Regulator / Delegate 
Ms. Pauline de Jong	
Title	
Regulator	

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 and subsequent submissions.
4. Paramount Resources Ltd. shall request approval from the Regulator 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 submit to OROGO an updated operator contact list for this program prior to any work or activity.
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. Pursuant to section 67 of the *Oil and Gas Drilling and Production Regulations*, Paramount Resources Ltd is approved to conduct controlled venting and flaring as part of well kill operations. Venting is approved utilizing separator packages and/or flare stacks to a maximum daily flow rate of 1 m³/day for a maximum daily duration of 4.0 hours per day and flaring is approved utilizing separator packages and/or flare stacks to a maximum daily flow rate of 0.040 E3m³/day and maximum daily duration of 4.0 hours per day. Paramount Resources Ltd. shall include the volume and composition of any amount of flared and/or vented gas in its daily report to OROGO. Flaring and/or venting of any volume, daily volume rate and/or duration greater than the approved maximum daily flow shall be reported to OROGO as an incident under section 75 of the *Oil and Gas Drilling and Production Regulations*.

8. Paramount shall submit to OROGO an updated Safety and Emergency Response Plan at least sixty (60) days prior to the start of any 24 hour operations schedule that describes potential hazards, risk evaluations and safety measures to avoid, prevent, reduce and manage safety risks associated with a 24 hour operations work schedule.

9. Paramount shall submit to OROGO by noon (MDT) on January 8, 2021, completed applications to Alter the Condition of a Well (ACW) and supporting documentation for the abandonment of the following four (4) wells, with the abandonments to be completed by January 2023:
 - I. Arrowhead River B-41 (WID 1733)
 - II. Arrowhead River N-65 (WID 1833)
 - III. West Arrowhead C-02 (WID 1857)
 - IV. SW Arrowhead River O-15 (WID 1834)