



NWT OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS

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 15, 2021

Dear John Hawkins:

**Decision:**

**Amendment to Operations Authorization OA-2020-001-PAR (variation #1)**

On January 6, 2021, the Office of the Regulator of Oil and Gas Operations (OROGO) received a request from Paramount Resources Ltd. (Paramount) to vary the scope of work of Operations Authorization (OA) OA-2020-001-PAR to include the abandonment of the Mount Coty I-02 well (WID1884), in addition to the four well abandonments in the Fort Liard area already approved

On August 2, 2020, I was designated as Regulator under section 121 of the *Oil and Gas Operations Act* (OGOA). The Regulator may issue an (OA) under section 10(1)(b) of OGOA and may vary an existing OA under section 10(6) of OGOA.

Varying the scope of OA-2020-001-PAR requires the same level of review as the original OA application. 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.

I make the following findings with respect to Paramount's application to add the abandonment of the Mount Coty I-02 well to the scope of OA-2020-001-PAR:

1. Activities Consistent with OGOA - Based on Paramount's original application for OA-2020-001-PAR, its application to include the Mount Coty I-02 well and the information submitted in its December 17, 2020 application to alter the condition of a well for the abandonment of the Mount Coty I-02 well, I am persuaded that Paramount intends to conduct the proposed activities in a manner consistent with the purposes set out in OGOA.

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2. Preliminary Screening – The abandonment of the Mount Coty I-02 well was previously subject to preliminary screening by the Mackenzie Valley Land and Water Board under Land Use Permit MV2002A0038. The proposed activity has not since been modified. Therefore, I determined that Paramount’s application to add the abandonment of the Mount Coty I-02 well to the scope of 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 Mackenzie Valley Environmental Impact Review Board of this determination.
3. Land Use Plan Conformity – The Mount Coty I-02 well is near the community of Fort Liard in the Dehcho region of the NWT. It does 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 with respect to the overall well abandonment program under OA-2020-001-PAR. However, it is not clear whether the abandonment of the Mount Coty I-02 well was specifically addressed during these consultation and engagement activities. Given that the abandonment of the Mount Coty I-02 well is intended to reduce impact on existing or asserted Aboriginal rights and that this abandonment is not scheduled to occur until the winter 2022 work season, I have addressed this lack of clarity by adding a term to the OA requiring Paramount to submit an updated Engagement Plan that includes consultation and engagement on the abandonment of the Mount Coty I-02 well.
5. Proof of Financial Responsibility – The proof of financial responsibility provided by Paramount in relation to OA-2020-001-PAR remains satisfactory.
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 request to vary OA-2020-001-PAR to include the abandonment of the Mount Coty I-02 well is approved, subject to the terms contained in the attached Operations Authorization. Since the well abandonments approved under OA-2020-001-PAR are now delayed to the winter 2022 work season, the term requiring early submission of applications to alter the condition of a well has been removed.

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'Pauline de Jong', is written in a cursive style.

Pauline de Jong  
Regulator

Encl. Operations Authorization OA-2020-001-PAR variation #1

## 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 and January 7, 2021 request for amendment 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), SW Arrowhead River O-15 (WID 1834) and Mount Coty I-02 (WID 1884) wells in the East Fort Liard Region.	Dehcho

This authorization, originally issued on December 9, 2020, has been varied by the Regulator or its delegate under Section 10 of the *Oil and Gas Operations Act* and may be further so varied.

This authorization expires on November 30, 2024.

Dated at Yellowknife, Northwest Territories on January 15, 2021.

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 m<sup>3</sup>/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 an updated Engagement Plan to OROGO by February 15, 2021, demonstrating that Paramount has engaged with First Nations, Indigenous Governments and communities on the amended abandonment program, including the abandonment of the Mount Coty I-02 well.