

2020 Annual Safety Report

For

The Fort Liard and Central Mackenzie Valley (Sahtu) Areas
Within
The Northwest Territories

Prepared By
HSE Department



D. Erdely
Director, HSE Department

Approved By
Operations Executive Vice President



Mr. Blake Reid, Operations
Executive Vice President

March 29th, 2021



Suite 2800, 421 7 Avenue S.W.
Calgary, Alberta T2P 4K9
Calgary, AB T2P 5C5
Ph: (403) 290-3600
Fax: (403) 290-3614

Table of Contents

1. Introduction
2. Overview of Drilling/Service and Construction Activities for Fort Liard and Central Mackenzie Valley (Sahtu) areas
 - 2.1. Road Construction
 - 2.2. Drilling Activities
 - 2.3. Service Rig Activities
 - 2.4. Construction Activities
3. Overview of Production Operations Activities for Fort Liard and Central Mackenzie Valley (Sahtu) areas
 - 3.1. Suspended Well Inspections
 - 3.2. OROGO Inspections
4. Summary
 - 4.1. Summary of Lost or Restricted Workday Injuries
 - 4.2. Minor Injuries and Safety Related Incidents
 - 4.3. Total Person-Hours

1. INTRODUCTION

The 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.*

This report represents both Paramount Resources and MGM properties.

Liard West Operating Area

This area is not producing, and the production operations have been suspended. Community consultations, suspended well inspections and environmental monitoring was conducted in 2020.

Liard South Operating Area

This area is not producing, and the production operations have been suspended. Community consultations, winter road construction for the well abandonments and site reclamation at Bovie J-76 and Celibeta H-78 wellsites, suspended well inspections and environmental monitoring was conducted in 2020.

Central Mackenzie Valley (Sahtu) Operating Area

This area is not producing. Community consultations, and environmental monitoring was conducted in 2020.

2. OVERVIEW OF DRILLING/SERVICING AND CONSTRUCTION ACTIVITIES FOR THE LIARD AND CENTRAL MACKENZIE VALLEY (SAHTU) AREAS

2.1. ROAD CONSTRUCTION

Constructed Winter Road from Highway 7 to Paramount Anadarko Bovie J-76 and then on to Home Signal CSP Celibeta NO. 2 (H-78).

2.2. DRILLING ACTIVITIES

There were no drilling activities in this area during the 2020 reporting period.

2.3. SERVICE RIG ACTIVITIES

Conducted Abandonment operations at Paramount Anadarko Bovie J-76 from Feb 7, 2020 to Feb 24, 2020.

Conducted Abandonment operations at Home Signal CSP Celibeta NO. 2 (H-78) from Feb 23, 2020 to Mar 10, 2020.

2.4. CONSTRUCTION ACTIVITIES

There were no construction activities in this area during the 2020 reporting period.

3. OVERVIEW OF PRODUCTION OPERATIONS ACTIVITIES FOR THE LIARD AND CENTRAL MACKENZIE VALLEY (SAHTU) AREAS

3.1. SUSPENDED WELL INSPECTIONS

Liard Area:

Suspended well inspections were completed in Liard South, Liard East and Liard West in 2020.

Central Mackenzie Valley (Sahtu):

Due to Covid-19 restrictions no suspended well inspections were completed.

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

There were no formal/documented OROGO inspections completed in 2020 at Paramount Resources or MGM sites.

4. SUMMARY

Employer's Annual Hazardous Occurrence Report submitted to Human Resources and Skills Canada on March 25th, 2021 and the annual safety statistics summary has been submitted to GNWT WSCC on March 31st, 2021.

4.1. SUMMARY OF LOST OR RESTRICTED WORKDAY INJURIES

EVT104835 – February 12th, 2020 Bovie J-76-60-20-122-45 – Property Damage – Lost Time Injury Incident – Reported to and investigated by Paramount and independently by the Office of the Regulator of Oil and Gas (OROGO) – File Reference – INC-2020-003-PAR-OA-2018-004, NM-2020-002-PAR-OA-2018-004 and INC-2020-002-PAR-OA-2018-004.

4.2. MINOR INJURIES AND SAFETY RELATED INCIDENTS

EVT104296 – January 16th, 2020 - NWT Celibeta H-78 road access – Grader engine oil leak – est. 250ml cleaned up.

EVT104676 – February 26th, 2020 – NWT – Region One – Bovie Road KM 23 – Paramount Camp – First aid injury – Camp cook tripped over a box of potatoes that were resting on the floor. The worker fell bumping her head on the dolly and her elbow on the floor. Worker was assessed by the on-site medic, some minor abrasion and tenderness.

4.3. TOTAL PERSON-HOURS

Total person-hours worked, both employee and contractor, in 2020 – 16, 894 person-hours:

Liard Area: 16,862 person-hrs

Central Mackenzie Valley (Sahtu): 32 person-hours