

2021 Annual Production and Safety Report

For

The Liard West (Dehcho) Area
Within
The Northwest Territories

Production Authorization PL 007

March 30th, 2022



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 Liard West (Dehcho) 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 Liard West (Dehcho) area
 - 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 Paramount Resources Ltd. properties.

Liard West Operating (Dehcho) Area

This area is not producing, and the production operations have been suspended. Affected parties' consultations, suspended well inspections and environmental monitoring was conducted in 2021.

2. OVERVIEW OF DRILLING/SERVICING AND CONSTRUCTION ACTIVITIES FOR THE LIARD WEST (DEHCHO) AREA

2.1. ROAD CONSTRUCTION

There were no road construction activities conducted during the 2021 reporting period.

2.2. DRILLING ACTIVITIES

There were no drilling activities in this area during the 2021 reporting period.

2.3. SERVICE RIG ACTIVITIES

There were no drilling activities in this area during the 2021 reporting period.

2.4. CONSTRUCTION ACTIVITIES

There were no construction activities in this area during the 2021 reporting period.

3. OVERVIEW OF PRODUCTION OPERATIONS ACTIVITIES FOR THE LIARD (DEHCHO) AREA

3.1. SUSPENDED WELL INSPECTIONS

Suspended well inspections were completed in Liard West area during the 2021 reporting period.

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

There were no OROGO inspections in this area during the 2021 reporting period.

4. SUMMARY

Employer's Annual Hazardous Occurrence Report for Human Resources and Skills Canada and the annual safety statistics summary for GNWT WSCC will be submitted.

4.1. SUMMARY OF LOST OR RESTRICTED WORKDAY INJURIES

There were no lost or restricted workday injuries in this area during the 2021 reporting period.

4.2. MINOR INJURIES AND SAFETY RELATED INCIDENTS

There were no minor injuries or safety related incidents in this area during the 2021 reporting period.

4.3. TOTAL PERSON-HOURS

Total person-hours worked, both employee and contractor, in 2021 – 32 person-hours.