

Mr. Lloyd Doyle
Corporate Operating Officer
Paramount Resources Ltd.
4700 Bankers Hall West
888 3 STREET SW
CALGARY AB 42P 5C5

January 9, 2017

Dear Mr. Doyle:

Approval to Alter the Condition of a Well: Fort Liard A-01 (ACW-2016-007)

The Office of the Regulator of Oil and Gas Operations (OROGO) has received the Paramount Resources Ltd (Paramount) application dated December 19, 2017 for an Approval to Alter the Condition of a Well (ACW) for the abandonment of the Fort Liard A-01 well.

I have issued the requested ACW under Paramount's existing Production Operations Authorization (POA), pursuant to subsection 10(4) of the *Oil and Gas Operations Act*. The ACW remains subject to the terms and conditions of that POA.

Please find attached the signed ACW form with terms and conditions. It has an expiry date of March 31, 2017.

If you have any questions, please do not hesitate to contact me at 867-767-9097 or by email at James_Fulford@gov.nt.ca.

Sincerely,



James Fulford
Chief Conservation Officer

Encl.

ATTACHMENT FOR ACW-2016-007

TERMS AND CONDITIONS

For the Approval to Alter the Condition of a Well for the Abandonment of the Fort Liard A-01 Well

1. This approval expires on March 31, 2017.
2. Paramount shall cause the approved work and activities to be conducted in accordance with all applicable legislation including *the Oil and Gas Drilling and Production Regulations* and the *Oil and Gas Occupation Safety and Health Regulations*.
3. Paramount 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 shall request approval from the Chief Conservation Officer 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. Unless otherwise directed by the Chief Conservation Officer, Paramount shall implement or cause to be implemented all of the policies, practices, mitigative measures, recommendations and procedures for the protection of the environment included in or referred to in the company's application and subsequent submissions and committed to by the company in the land and water board report for land use permit MV2016A0010.
6. Paramount shall provide OROGO with an updated, detailed schedule for this program at least 30 days prior to any work or activity by email at orogo@gov.nt.ca.
7. Paramount shall notify OROGO at least 10 days prior to the start of well abandonment operations by email at orogo@gov.nt.ca.
8. Paramount shall provide all staff and contractors for this program with the OROGO 24 hour Incident Reporting phone number (867-445-8551) prior to commencing any work or activity.
9. Paramount shall submit to OROGO an updated operator contact list for this program prior to any work or activity by email at orogo@gov.nt.ca.

10. Paramount shall submit to OROGO certificates and inspection documents for any service rig, well control and associated equipment (including boilers) at least 10 days prior to the rig commencing work by email at orogo@gov.nt.ca.
11. Paramount shall submit all reports required under the *Oil and Gas Drilling and Production Regulations* in a timely manner to OROGO by email at orogo@gov.nt.ca.
12. Paramount shall submit to OROGO a completed Change of Well Status form 30 days after the service rig release date or when the abandonment operation has finished.
13. Paramount shall circulate a minimum of 15 linear meters of cement on top of the permanent bridge plug during step 4(d) of the proposed A-01 abandonment program.
14. Prior to removing the well head and capping the well bore, Paramount shall fill the wellbore with non-saline water.



APPROVAL TO ALTER CONDITION OF A WELL

APPLICATION

This application is submitted under Section 10 of the *Oil and Gas Drilling and Production Regulations*. When granted under Section 13 of the Regulations, this form is the requisite approval for the commencement of well operations. An approved copy of this notice is to be posted at each drill site.

Well Name	Para et al Fort Liard A-01		
Well Identifier	300A016010123151	Operations Authorization No.	
Operator	Paramount Resources Ltd	Current Depth	2046m KB
Operating Licence No.	NWT-OL-2014-014	Licence No.	Select
Contractor	TBD	Drilling Rig or Unit	TBD
Station Keeping	Not Applicable	Land Structure	Conventional Land
Current Well Status	Suspended Jan 2005	Anticipated Well Status Change	Abandoned
Land Use Permit No.	MV2016A0010	Issued by:	Mackenzie Valley Land and Water Board 20161005
Water Licence No.	MV2016L1-0002	Issued by:	Mackenzie Valley Land and Water Board 20161005
Location Unit	A	Section	01
		Grid	60-10-123-15
Coordinates (NAD 27)	Surface	Lat	60° 00' 05"
		Long	123° 15' 05"
	Bottom Hole	Lat	60° 00' 05"
		Long	123° 15' 05"
Ground Level / Seafloor	517.1 m	Elevation KB/RT	522.6 m
Approximate Date of Commencement	January 2017	Est. Days on Location	5 days

WELL OPERATION PROGRAM

Activity Type	Top to Bottom Interval (m KB)	Comments
Abandonment	1786-1882	Remove tubing & packer, set & test bridge
Select	-	plug, dump bail cement, cut & cap
Select	-	
Select	-	
Select	-	

Additional Information

No surface casing vent flow or gas migration per 2015 & 2016 inspections
All zones outside casing are isolated by the primary cement job - see attached diagram

"I certify that the information provided on this form is true and correct"

Name	Lloyd Doyle	Telephone	(403) 290-3673 Ext
Job Designation	Corporate Operating Officer	E-Mail	lloyd.doyle@paramountres.com
Operator	Paramount Resources		
Signature		Date	Dec 19/16
	<small>Responsible Officer of Company</small>		

OROGO USE ONLY

This well approval is granted under section 13 of the *Oil and Gas Drilling and Production Regulations* and is subject to the terms and conditions attached to this approval and Operations Authorization No. Paramount Liard POA

Job Designation	Chief Conservation Officer	Well Identifier	1858	Unique Well Identifier	ACW-2016-007
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