Daily Geological Report

Paramount Resources Ltd.

Date: 31st October 2000

Country: Canada

Well: Paramount et al Mount Coty I-02

To	Attention	Fax Number
Paramount Resources Ltd.	Paul Price	(403) 266-6032

Report No: DGR 15	**Rig:** Akita Rig #51	**Province:** N.W.T.	**LSD:** I-02-60-20-123-30
Spud Date: 16-Oct-00	**Days from Spud:** 15	**K.B.** 372.95m aMSL	**G.L.** 367.90m aMSL

Hole Size: 222mm	**Casing:** 244.5mm @514m	**Bit Type:** ATJ-S55RG	**Hours Drilling:** 13.0
Mud Type: Gel-chem	**Drill Mode:** mud-motor	**M.W.:** 1110	**Average ROP:** 3.3m/hr
Vis: 42	**pH:** 10.0	**F.L.:** 7.5	**Cl:** --

24 Hour Operations Summary (00.00-24.00 hours)

Drill from 1007-1052m, POOH for bit, handle dierectional tools, change out bit, test MWD.		
Midnight Depth: 30-10-00	1052m MD; -679.1m TVDSS	**Progress:** 45m

Status at 0600 hours (31st Oct.)

Depth m MD KB	(TVD SS)	Formation
1066m	-693.1.1.1m	Mattson
Present Operation: Conditioning mud (building density) – well shut in.		

Stratigraphy

Formation Tops	Sample (mKB)		Prognosed (mKB)		Log (mKB)		Hi/Lo (-)
	MD	TVDSS	MD	TVDSS	MD	TVDSS	
Chinkeh Siltstone	705.5	-332.6	706.0	-333.1			0.5
Chinkeh Sand	**708.5**	**-335.6**	**709.5**	**-336.6**			**1.0**
Triassic	719.0	-346.1	720.5	-347.6			1.5
Belloy	791.0	-418.1	np	np			-7.5
Fantasque	**839.0**	**-466.1**	**783.5**	**-410.6**			**-55.5**
Kindle	923.5	-550.1	np	np			-9.4
Mattson	**962.8**	**-589.9**	**914.1**	**-541.2**			**-48.7**

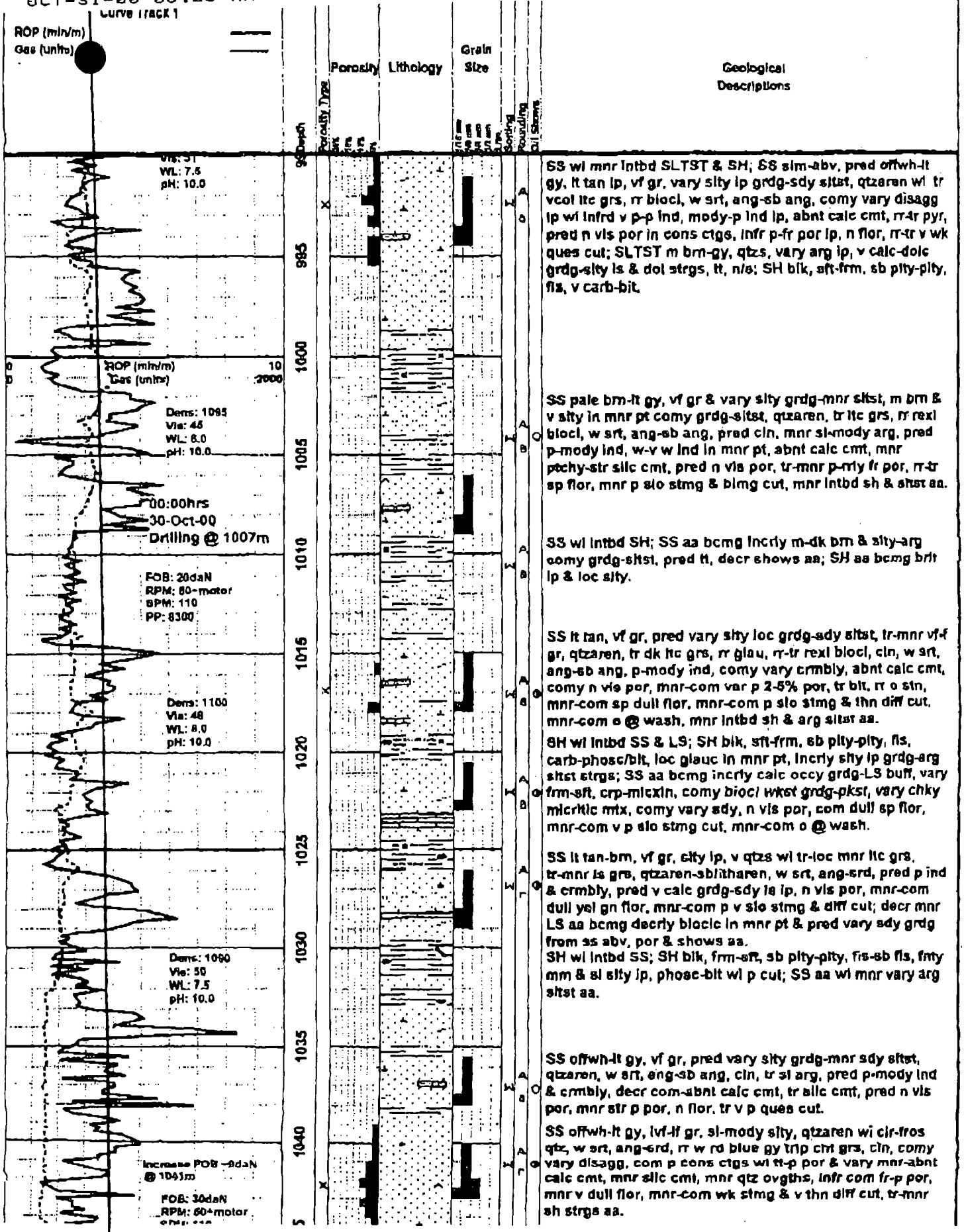
Next Operation (06:00 hours onwards): Condition mud (build density), drill ahead.

Remarks:

Good morning, Paul. There have been encouraging developments this morning. We are currently shut in & building weight after the well started flowing on us. We tripped for a bit yesterday afternoon and got back drilling at ~0200hrs this morning. There was about 8900 units of trip gas. After drilling about 11m we took a gas kick at 1061m. This appears to be the top of the M1 Zone. I have only seen the uppermost part of the zone in samples as the 1063-1066m interval has not been circulated up. The sand is a predominantly fine-grained quartzarenite that is commonly disaggregated in sample. Porosity in the common consolidated fraction is generally fair to poor; however, common fair to good porosity is inferred. The lower 3m not yet seen appears to have better porosity, judging from the increased ROP. The M1 zone came in considerably higher than expected (i.e., ~59m) and very close to the original revised prognosis of 1060.1m MD. Either there is considerable stratigraphic thinning in the upper Mattson at this locality or a revision of the Mattson top to include dolomitic siltstone of apparent Kindle affinity is required. The former option appears more likely based on purely lithological criteria.

Regards

G. Johannson Wellsite Geologist



SS wi mnr intbd SLTST & SH; SS sim-abv, pred offwh-lt gy, lt tan lp, vf gr, vary slty lp grdg-sdy sltst, qtzaren wi tr vcol ltc grs, rr biocl, w srt, ang-sb ang, comy vary disagg lp wi infrd v p-p ind, mody-p ind lp, abnt calc cmt, rr-r pyr, pred n vis por in cons ctgs, infr p-fr por lp, n flor, rr-tr v wk ques cut; SLTST m brn-gy, qtzs, vary arg lp, v calc-dolc grdg-slty ls & dol strgs, lt, n/s; SH blk, sft-frm, sb plty-plty, fis, v carb-blt.

SS pale brn-lt gy, vf gr & vary slty grdg-mnr sltst, m brn & v slty in mnr pt comy grdg-sltst, qtzaren, tr ltc grs, rr rexl biocl, w srt, ang-sb ang, pred cln, mnr sl-mody arg, pred p-mody ind, w-v w ind in mnr pt, abnt calc cmt, mnr ptchy-str silc cmt, pred n vis por, tr-mnr p-rrly fr por, rr-tr sp flor, mnr p slo stmg & blmg cut, mnr intbd sh & sltst aa.

SS wi intbd SH; SS aa bcmg incrly m-dk brn & slty-arg comy grdg-sltst, pred lt, decr shows aa; SH aa bcmg brit lp & loc slty.

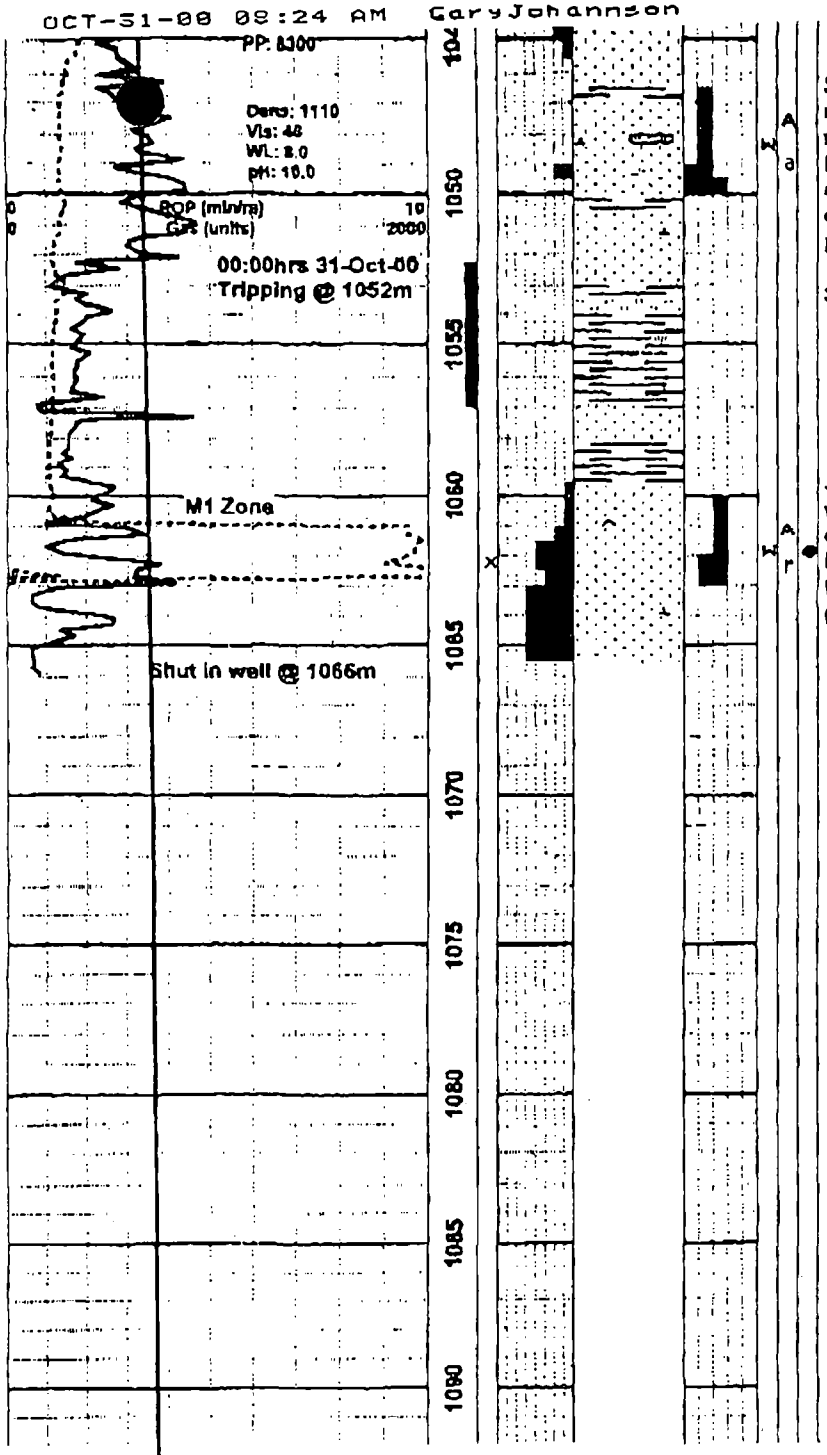
SS lt tan, vf gr, pred vary slty loc grdg-sdy sltst, tr-mnr vf-f gr, qtzaren, tr dk ltc grs, rr glau, rr-tr rexl biocl, cln, w srt, ang-sb ang, p-mody ind, comy vary crmbly, abnt calc cmt, comy n vis por, mnr-com var p 2-5% por, tr blt, rr o stn, mnr-com sp dull flor, mnr-com p slo stmg & thn diff cut, mnr-com o @ wash, mnr intbd sh & arg sltst aa.

SH wi intbd SS & LS; SH blk, sft-frm, sb plty-plty, fis, carb-phosc/blt, loc glauc in mnr pt, incrly slty lp grdg-arg sltst strgs; SS aa bcmg incrly calc occy grdg-LS buff, vary frm-sft, crp-microln, comy biocl wkst grdg-pkst, vary chky microlc mtx, comy vary sdy, n vis por, com dull sp flor, mnr-com v p slo stmg cut, mnr-com o @ wash.

SS lt tan-brn, vf gr, slty lp, v qtzs wi tr-loc mnr ltc grs, tr-mnr ls grs, qtzaren-sblitharen, w srt, ang-srd, pred p ind & crmbly, pred v calc grdg-sdy ls lp, n vis por, mnr-com dull yel gn flor, mnr-com p v slo stmg & diff cut; decr mnr LS aa bcmg decrly biocic in mnr pt & pred vary sdy grdg from ss abv, por & shows aa.
SH wi intbd SS; SH blk, frm-sft, sb plty-plty, fis-sb fis, fnty mm & sl slty lp, phosc-blt wi p cut; SS aa wi mnr vary arg sltst aa.

SS offwh-lt gy, vf gr, pred vary slty grdg-mnr sdy sltst, qtzaren, w srt, ang-sb ang, cln, tr sl arg, pred p-mody ind & crmbly, decr com-abnt calc cmt, tr silc cmt, pred n vis por, mnr str p por, n flor, tr v p ques cut.

SS offwh-lt gy, lvf-lf gr, sl-mody slty, qtzaren wi clr-fros qtz, w srt, ang-srd, rr w rd blue gy trip cht grs, cln, comy vary disagg, com p cons ctgs wi lt-p por & vary mnr-abnt calc cmt, mnr silc cmt, mnr qtz ovgths, infr com fr-p por, mnr v dull flor, mnr-com wk stmg & v thn diff cut, tr-mnr sh strgs aa.



SS wl mnr intbd SH; SS v slm-abv, offwh-lt gy, pred vf gr, mnr f grs, incrly slty ip, qtzaren aa, cln, w srt, ang-sb ang, mnr srd grs, pred mody-p ind, vary crmbly ip, vary disagg in mnr pt, decr com calc cmt, mnr slic cmt, mnr qtz ovgths, pred n vis por, mnr str p por, n flor, tr v wk ques cut; SH blk, vary frm-loc sft, comy brit, plty, fis, carb-sl phos/blt.

SH wl mnr intbd SS & SLTST

-1059-1083 SS offwh-v lt gy, f-vf gr, qtzaren wl clr-fros qtz, w srt, ang-srd, occl rd grs, cln, comy disagg ip, com cons ctgs wl vary v p-mod ind, mnr sp-pitchy slic & calc cmt, tr intstl pyr, rr-tr sp lil, com qtz ovgths, cons ctgs wl var str fr-p por, occl g & lt strks, infr com fr-g por, com-abnt pale gn-yel gn flor, com fr milky stmg & diff cut.