



ONSHORE DRILLING RIG INSPECTION REPORT

Well Name: Paramount et al. Mount Cory 102 ADW: 1884
 Operator: Paramount Resources Spud/Reentry Date: Oct 16, 2000
 Contractor: A.K.A. Drilling Date of Inspection: Nov 15, 2000
 Rig: 51 Time of Inspection: 12:00 pm

S	U	NA	Satisfactory(S) Unsatisfactory(U) Not Applicable(NA)
			RIG SAFETY - GENERAL*
✓			1. Recording of all required information in tour reports. 174, 175
✓			2. Posting of Authority to Drill a Well (ADW) and Drilling Program Approval (DPA). 103(a)
✓			3. Well control procedures posted. 103(b)
✓			4. Production testing: ESD on wellhead is properly maintained and inspected. Production & Conservation Regulations 46[(1),(2)&(3)]
✓			5. Proper electrical wiring and equipment installed and maintained. 38, 133(1)
✓			6. Accumulator at required distance from well and in satisfactory condition. 13(1)(a), 60(7)(e), 131(1)(a)
✓			7. Boiler(s) inspected at the required interval and by qualified personnel. OSH 6.4, 6.5, 6.8(1)
✓			8. Relief valves on pressure vessels tested every 12 months. Production & Conservation Regulations 62(1)(b)
✓			9. Engine shut off controls installed and function tested. Installations Regulations 13[(1),(4),(5)&(6)]
✓			10. Engine exhausts properly connected with required safety features. Installations Regulations 13[(1),(3),(4)&(5)]
✓			11. Pipe racks in good condition. 30(1)
✓			12. Lease construction (egress). Production & Conservation Regulations. 44
✓			13. Each work area has a minimum two exits, with doors hinged to open outwards. OGOSHR** 3.1 and Installations Regulations 19(1)(a)
✓			14. Any defective machinery should be repaired. 13(1)(a)
✓			15. Alter any procedure that is unsafe. 13(1)(b)
✓			16. Minimum volume of active mud system is 65 cubic meters. 125
✓			17. Geograph functional and deviation surveys every 150m. 124(1)(a), 128(1)
✓			18. WHMIS labels in use and MSDS's available. OGOSHR** 11.29, 11.30
✓			19. Adequate lighting provided in all working areas. OGOSHR** 7.1 to 7.4, 7.6
✓			20. If greater than 1% by volume of H2S gas is produced does flare stack meet requirements. 112(4)(d)
✓			21. Sour service equipment meets requirements. Production & Conservation Regulations 48(4)
✓			22. Pump lines properly installed, securely tied down and pressure tested. 111(c), 114(2), 115(a)
✓			23. Driller's and BOP controls marked. 60(7)(a) and OGOSHR** 15.11
✓			24. Wind indicators. 21
✓			25. General housekeeping. 21, 149 <i>Excellent</i>
			PERSONNEL SAFETY*
✓			26. Personnel has valid first aid, CPR, WHMIS, TDG, BOP tickets. 147(b), 150 and OGOSHR** 18.13
✓			27. Adequate first aid equipment and facilities. OGOSHR** 17.9 to 17.14
✓			28. Emergency procedures and evacuation plan in place. OGOSHR** 18.9 to 18.13
✓			29. Safety meetings documented in tour sheets. 175(4)(m)
✓			30. Respiratory protective system NIOSH certified and meets the related CSA requirements. OGOSHR** 13.7, 13.8
✓			31. Escape line located at the monkey board and properly installed. OGOSHR** 13.11
✓			32. Elimination of potential hazardous conditions. 13(1), 21, 30(1), 130[(1),(2)&(3)]
✓			33. Required personnel safety equipment is provided. OGOSHR** 5.2(3)(b)(ii), 8.4, 9.2(2)(a), 13.1 to 13.6, 13.7(2), 13.9, 13.10, 14.13(1)
✓			34. Smoking regulations observed. 158(1)
✓			35. Fire detection & protection systems adequate, properly maintained and tested. 131(1)(a), OGOSHR** 13.16, 13.17 and Installations Regulations 31.5
✓			36. Gas detection system adequate, properly maintained and tested (where applicable). 131(1)(a) and Installations Regulations 32[(4)(a)&(4)(b)]
✓			37. Adequate communication equipment in place. Production and Conservation Regulations 51
✓			38. Adequate signage. 21, 158(4) and OGOSHR** 11.15(1), 18.5
✓			39. Adequate contingency plans, equipment and supplies. 79, 135, 136
			DERRICK/RIG FLOOR/SUBSTRUCTURE SAFETY*
✓			40. Rig mast properly inspected and documented. 30(1) - CAODC RP3.0
✓			41. Substructure in satisfactory condition with no visible damage. 30(1)
✓			42. Derrick name plate attached. 30(1)
✓			43. Drilling line in good condition, regular slip and cut program in place. 30(1)
✓			44. Hoisting system adequate and in satisfactory condition. 30(1)
✓			45. Crown saver installed and working properly. 13(1)(a), 21
✓			46. Weight indicator installed and working. 30(1)
✓			47. Tongs and slips in good condition. 13(1)(a)
✓			48. Safety cables attached to tongs, weight indicator, kelly hose and mud pump lines. 131(3)(f)
✓			49. Braking system is in satisfactory condition. 13(1)(a), 21, 30(1)
			BLOWOUT PREVENTION EQUIPMENT - SAFETY*
✓			50. BOP stack shop serviced every three years. 30(1)
✓			51. Pressure rating of BOP is > 20 mPa and > 50% of maximum bottom hole pressure. 107(2)
✓			52. Pressure testing of BOP system adequate. 114(2), 115, 116(2)(b)
✓			53. Configuration of stack is complete. 60(9), 62(a), 107(4), 108(b)
✓			54. BOP controls and accumulator are adequate and in satisfactory condition. 13(1)(a), 60[(7)&(8)], 131(1)(a)
✓			55. BOP equipment function tested and results recorded. 131(3)[(a),(b)&(c)]

ONSHORE DRILLING RIG INSPECTION REPORT

Well Name: Pen

ADW:

1884

S	U	NA	Satisfactory(S) Unsatisfactory(U) Not Applicable(NA)
BLOWOUT PREVENTION EQUIPMENT - SAFETY* (continued)			
/			56. BOP drills conducted and recorded in tour sheets. 151{(f)&(g)}, 175(4)(n)
/			57. Up to date kill sheet posted in the dog house or manifold building. 103(b)
/			58. BOP stack, choke and kill lines and manifold properly winterized. 62(b)
/			59. Hydraulic control lines to the BOP stack are fire resistant. 60(3)
/			60. Upper and lower kelly cocks installed, key available. 109(a)
/			61. Air drilling - rotating head in use, adequate mud in tanks and source of ignition on blooey line. 76
/			62. Stabbing valves, cross overs, available. 109(b)
/			63. All flow lines, choke and kill lines properly installed and secured. 111
/			64. No valves downstream of the manifold. 112(2)
/			65. Flare pit and flare line adequate and at required distance from well. 112(3)(a)&(4)(d)
/			66. Trip sheets fully filled out. Flow checks conducted when required. 123(d)
/			67. Hole fill volumes available to driller, hole is filled every fifth stand. 124(3)
/			68. PVT system works properly. 123(a)(i)
/			69. Any threaded outlets on the BOP stack? 30(1) - API RP53.2.c.7
/			70. Pump pop off valves have proper shear pins and pressure setting, pump bleed off lines are secure, should vent to the suction tank. 13(1)(a)
/			71. Degasser meets requirements. 13(1)(a), 30(1), 75(1)(d)
/			72. Mud volume, flow, and combustible gas alarm systems functional. 42, 75(3), 131(1)(a)
/			73. Crew properly trained and capable of operating BOP equipment. 147(b), 150(1)(a)
CAMP SAFETY*			
/			74. At least four approved breathing devices are readily available in employee sleeping quarters, check condition and % full. OGOSHR 13.7(5)
/			75. Fire and gas detectors installed and operable. 131(1)(a), OGOSHR 10.26(1) and Installations Regulations 31(5), 32[(4)(a)&(4)(b)], 33(2)(a)(ii)
/			76. Fire extinguishers installed and checked every month. 131(1)(a), OGOSHR 13.16, 13.17
/			77. Fire alarm system operable. 131(a), OGOSHR 18.6 and Installations Regulations 31(6)
/			78. Fire drills conducted. 151(a)
/			79. Egress (shutters should be open). OGOSHR 18.3(1)
/			80. General cleanliness. OGOSHR 10.2(1)
/			81. Potable water available. OGOSHR 10.19
/			82. Accommodations meet requirements. OGOSHR 10.25, 10.26, 10.27

FRENCH TRANSLATION VERSION AVAILABLE UPON REQUEST ONLY - LA TRADUCTION FRANÇAISE DISPONIBLE SUR DEMANDE SEULEMENT

*Unless otherwise stated, all quoted regulations refer to the Canada Oil & Gas Drilling Regulations (OGDR)

Other Legislations: OGOSHR, Oil & Gas Occupational Safety and Health Regulations CLC, Canada Labour Code - Part II

NOTICE OF PROBABLE NON-COMPLIANCE

Action Required:

*No Action Required Very Professional Run.
Excellent Job*

I, the undersigned company representative or employee, hereby:

1. Declare that I have read pages 1 and 2 of this document and understand what action is required;
2. Agree to take such action and to have it completed on or before the completion date(s) indicated above; and
3. Agree to inform, by facsimile, the Safety/Conservation Officer of the National Energy Board named below, within fourteen (14) days from the above completion date, that remedial action has been taken.

For the above company:

AL IRONSIDE
(please print)

Al Ironside
(signature)

Received by: Safety/Conservation Officer

Address: 444-7th Avenue S.W. Calgary, AB T2P 0X8	Signature: <u>Ernest Lusk</u>
Telephone: (403) 299-4800 Facsimile: (403) 292-5876	Title: <u>Inspector</u> Date: <u>Nov 15, 2000</u>