

Daily Geological Report

Paramount Resources Ltd.

Date: 17th November 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 32 | Rig: Akita Rig #51 | Province: N.W.T. | LSD: I-02-60-20-123-30 |
| Spud Date: 16-Oct-00 | Days from Spud: 32 | K.B. 372.95m aMSL | G.L. 367.90m aMSL |

| | | | |
|--------------------|-----------------------|------------------|----------------------|
| Hole Size: 222mm | Casing: 244.5mm @514m | Bit Type: EP4603 | Hours Drilling: 8.5 |
| Mud Type: Gel-chem | Drill Mode: mud-motor | M.W.: 1280 | Average ROP: 2.4m/hr |
| Vis: 70 | pH: 10.0 | F.L.: 8.0 | Cl: - |

24 Hour Operations Summary (00.00-24.00 hours)

| | | |
|---|--------------------------|---------------|
| POOH for bit, change bit, RIH, ream 1479-1490m, drill from 1490-1510m, cond. mud & circ., POOH for bit. | | |
| Midnight Depth: 16-11-00 | 1510m MD; -1137.1m TVDSS | Progress: 20m |

Status at 0600 hours (17th Nov.)

| | | |
|-------------------------|----------|-------------------|
| Depth m MD KB | (TVD SS) | Formation |
| 1510m | -1137.1m | Mattson - M8 Zone |
| Present Operation: RIH. | | |

Stratigraphy

| Formation Tops | Sample (mKB) | | Prognosed (mKB) | | Isopach | | Hi/Lo (-) |
|----------------|--------------|---------|-----------------|---------|---------|-------|-----------|
| | MD | TVDSS | MD | TVDSS | Sample | Prog | |
| Mattson | 962.8 | -589.9 | 962.8 | -589.9 | 117.2 | 125.0 | - |
| M1 Zone | 1080.0 | -707.1 | 1087.8 | -714.9 | 24 | 24.0 | 7.8 |
| M2 Zone | 1104.0 | -731.1 | 1111.8 | -738.9 | 122 | 126.0 | 7.8 |
| M3 Zone | 1226.0 | -853.1 | 1237.8 | -864.9 | 26.5 | 23.0 | 11.8 |
| M4 Zone | 1252.5 | -879.6 | 1260.8 | -887.9 | 20.3 | 30.0 | -8.3 |
| M5 Zone | 1272.8 | -899.9 | 1290.8 | -917.9 | 73 | 70.0 | 18 |
| M6 Zone | 1345.8 | -972.9 | 1360.8 | -987.9 | 83.2 | 81.0 | 15 |
| M7 Zone | 1429.0 | -1056.1 | 1426.0 | -1053.1 | 19.3 | 22.0 | -3.0 |
| M8 Zone | 1448.3 | -1075.4 | 1448.0 | -1075.1 | | 67.0 | -0.3 |
| M9 Zone | | | 1515.3 | -1142.4 | | | |

Next Operation (06:00 hours onwards): RIH, drill ahead.

Remarks:

Good morning, Paul. We commenced tripping for a bit at ~2230hrs last night and are currently running in the hole as of 0700hrs. We should be back drilling about ~1000hrs. I estimate that we are only a few metres from the M9 Zone top.

There is not much geology to report this morning as we only drilled 20m since yesterday's report. The section drilled yesterday consists almost entirely of sandstone with trace to minor carbonaceous to bituminous shale stringers. The sandstone appears to be mainly eolian and variably reworked eolian deposits. Cements are predominantly siliceous. There are common subhedral quartz overgrowths in the eolian-type sands which have extensively modified grain surfaces. There is some poor to fair porosity (i.e., ~4-7%) development in these intervals. There was one minor gas show at 1496m.

One lithological feature of note is found in the last ~5m drilled where the sand becomes somewhat finer and displays minor to common stylolitic surfaces with pyrobituminous residues. This stylolite development is very similar to that seen in the 2250-2255m interval on the b23-K/94-O-14 well. If there is further and more extensive stylolite networks downsection, there is an enhanced potential for fracture development in these rocks.

Regards

G. Johansson Wellsite Geologist

End of Report

