

N.E.B. COPY

FINAL WELL REPORT

PARAMOUNT RESOURCES LTD.

PARA ET AL CAMERON F-73

Grid: $60^{\circ} 10'$, $117^{\circ} 15'$

DATE: July 22, 2003

COMPANY REPRESENTATIVE:
Dave Block

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A. INTRODUCTION

Paramount Resources Ltd. (Paramount) drilled a 1459 meter exploratory well spudded on March 7, 2003 and finishing on March 15, 2003 to evaluate hydrocarbon potential. The primary target was the Sulphur Point formation at a depth of 1419 mKB. The secondary target was the Slave Point formation at 1350 mKB

The drilling contractor was Precision Drilling based out of Calgary, Alberta. Precision rig # 249 was used and is a land rig rated for 2200 m. The rig had a mud system capacity of 63 m³ and was equipped with a boiler.

The well was drilled on Production License No PL-004 in which Paramount has an 88% working interest. Operating License No 1992 was issued to Paramount on March 3, 2003.

The exact co-ordinates of the well are as follows:

Latitude: 60° 02' 23.831"
Longitude: 117° 29' 29.114"

Shadow Rathole Drilling Ltd. drilled a 610 mm conductor hole to 12.2 meters. The soils encountered were not included on the operations report but large rocks and muskeg were mentioned. A 406 mm conductor pipe was set and cemented at 12.2 meters.

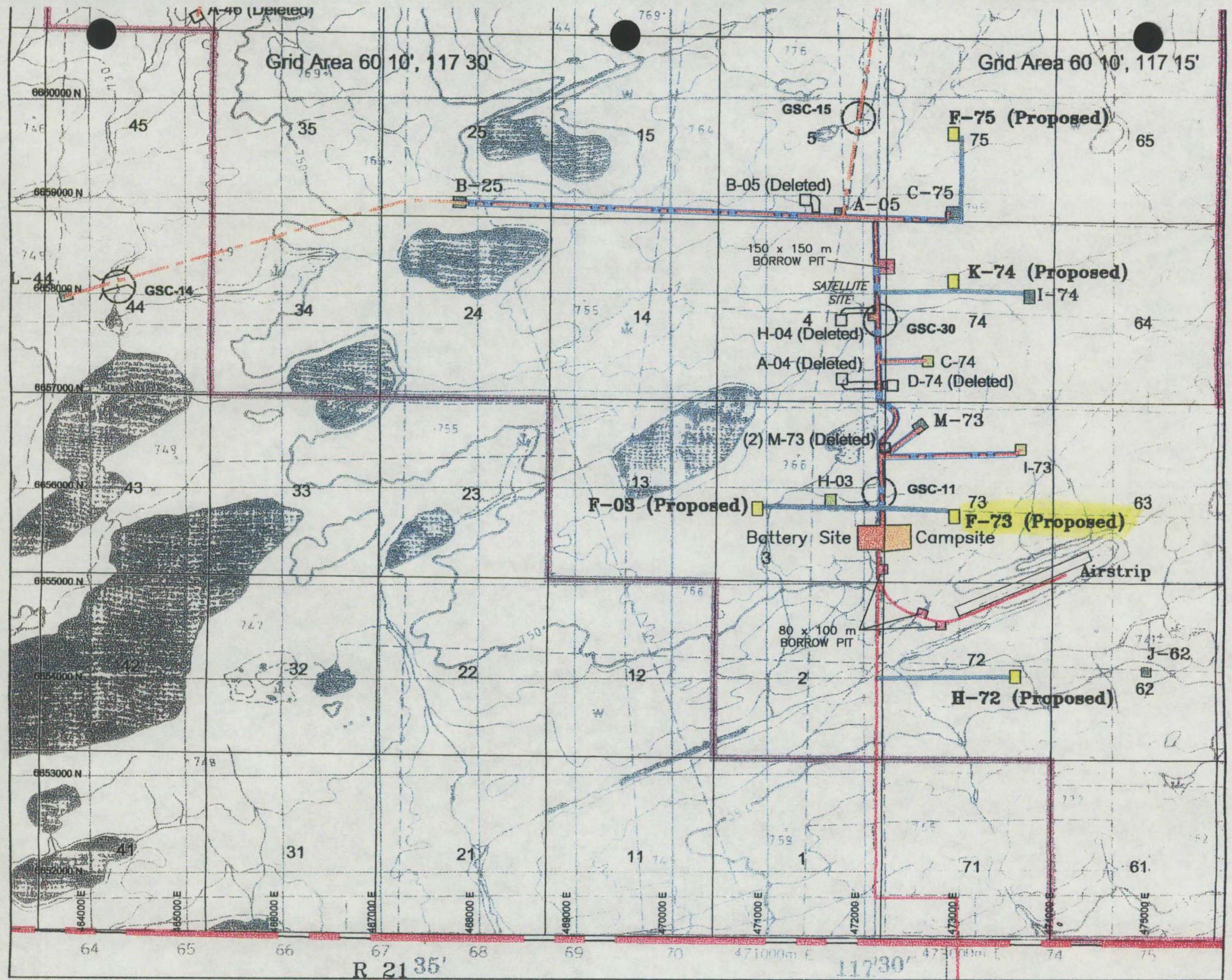
Precision #249 was moved onto the location and rigged up on February 28, 2003. The rig was rigged up and the diverter was nippled up on February 28 and March 1, 2003. A skeleton crew was left to rig watch while the crew took days off. The diverter was pressure tested on March 6, 2003 and the well was spudded on March 7, 2003 at 01:00 hours. A 311 mm surface hole was drilled to 429 mKB. There were no major lost circulation or mud ring problems encountered while drilling the surface hole. A string of 219.1 mm, 35.7 kg/m, J-55, ST&C surface casing was run to 429 mKB. The casing was cemented with 33 t class 'G' cement plus 2% CaCl₂. There were 8 m³ of cement returned to surface while cementing. The plug was bumped and the float held OK. The plug was down at 10:00 hours on March 9, 2003.

The casing and conductor were trimmed and the casing bowl was welded on. The BOP's were installed and function tested. The BOP's and manifold were pressure tested to 1400 kPa low pressure and 14000 kPa high pressure.

The float collar and shoe were drilled out to 434 mKB on March 9, 2003. A leak off test was performed with the leak off gradient found to be 29.3 kPa/m. A 200 mm hole was drilled with a flocculated water system to approximately 530 mKB when circulation losses were encountered. LCM's were pumped but losses continued. The hole was drilled with losses to 838 mKB. The losses were cemented off and drilling continued with the flocculated water system to approximately 1250 m. A gel/chem mud system was then used to drill to a total depth of 1459 mKB. Computalog ran induction, density, and sonic logs from bottom to surface casing and a micro resistivity log from bottom to 1300 mKB.

139.7 mm, 20.83 kg/m, J-55, ST&C production casing was run and set at 1459 mKB. It was cemented with 27.0 t Fill-Lite 2-125 + 3% A-9 + 0.6% R-3 and 8 t 'G' cement + 0.1% R-3 + 0.4% FL-77. There were 15 m³ cement returns and the plug was bumped with 3.5 MPa.

Precision #249 was rigged out and released at 23:30 hours on March 15, 2003.



B. GENERAL DATA

1. Well Name: Para et al Cameron F-73

Authority to Drill a Well No: 1992

Exploration Agreement Number: PL-004

Location Unit: F

Section: 73

Grid Area: 60⁰ 10' N, 117⁰ 15' W

Classification: Development

2. Coordinates:

Latitude: 60⁰ 02' 23.831"

Longitude: 117⁰ 29' 29.114"

3. Unique Well Identifier: 300F736010117150

4. Operator: Paramount Resources Ltd.

5. Contractor: Precision Drilling

6. Drilling Unit: Precision Rig # 249, Land Rig

7. Position Keeping: N/A

8. Support Craft (Helicopter): N/A

9. Drilling Unit Performance: Good

10. Difficulties and Delays: Lost circulation that was cemented off

11. Total Well Cost: \$887,400

12. Bottom Hole Co-ordinates: Same as surface

C. SUMMARY OF DRILLING OPERATIONS

1. Elevations:

Ground: 777.00 m above sea level
KB: 781.70 m above sea level
KB to Casing Flange: 4.70 m

2. Total Depth:

FTD: 1459 mKB
PBTD: 1448 mKB
TVD: 1459 mKB

3. Date and Hour Spudded: March 7, 2003 at 01:00 hours

4. Date Drilling Completed: March 13, 2003

5. Date of Rig Release: March 15, 2003

6. Well status: Cased and Suspended

7. Hole Sizes and Depths:

Conductor Hole: 610 mm to 12.2 m
Surface Hole: 311 mm to 429 mKB
Main Hole: 200 mm to 1459 mKB

8. Casing and Cementing Record:

Conductor Hole:

Casing Size: 406 mm
Wall Thickness: 7 mm
Depth Set: 12.2 m
Cut Height: At Surface
Date Set: February 26, 2003
Cement Volume: 80 sacks
Cement Type: Portland Normal

Surface Hole:

Casing Make: Ipsco
Casing Size: 219.1 mm
Casing Weight: 35.7 kg/m
Casing Grade: J-55
Thread: ST&C
Number of Joints: 34
Depth Set: 429 mKB
Cut Height: At surface
Date Set: March 9, 2003
Cement Volume: 33 Tonnes

Float Shoe Depth: 429 mKB
 Float Collar Depth: 415 mKB
 Cement Type: Class 'G'
 Additives: 2% CaCl₂
 Cement Top: Surface
 Casing Bowl Size: 279 mm x 21 Mpa
 Casing Bowl Make: ABB Vetco

Main Hole:

Casing Size:	139 mm		
Casing Weight:	20.83 kg/m	23.07 kg/m	23.07 kg/m
Casing Grade:	J-55	K-55	J-55
Casing Make:	Ipsco	Ipsco	Ipsco
Number of Joints:	35	67	11
Thread:	ST&C	LT&C	LT&C
Depth Set:	466 mKB	1325 mKB	1459 mKB
Cut Height:	Surface		
Date Set:	March 15, 2003		
Float Shoe Depth:	1459 mKB		
Float Collar Depth:	1448 mKB		
Cement Volume 1:	27.0 Tonnes		
Cement Type 1:	Fill-Lite 2-125		
Additives 1:	3% A-9 & 0.6% R-3		
Cement Volume 2:	8 Tonnes		
Cement Type 2:	Class 'G'		
Additives 2:	0.1% R-3 & 0.4% FL-77		
Cement Top:	To be determined by cement bond log.		

9. Sidetracked Hole: N/A

10. Drilling Fluid:

Conductor Hole:	Water
Properties:	N/A

Surface Hole:	Gel - Chemical
Properties:	Viscosity: 30 - 46 sec/L Weight: 1060 - 1110 kg/m ³ PH: 9.0 - 10.0

Main (436 - 1250 m):	Floc water
Properties:	Viscosity: 29 - 44 sec/L Weight: 1000 kg/m ³ PH: 10.0 - 11.0

Main (1250 m - TD): Gel-chem

Properties:	Viscosity:	42 - 74 sec/L
	Weight:	1110 - 1130 kg/m ³
	PH:	9.5 – 10.5
	Water loss:	9.0 - 14.0cc
	Solids:	Not reported
	Gels:	Not reported
	Filtrate:	Not reported
	PV / YP:	Not reported

11. Fishing Operations: N/A

12. Well Kicks and Well Control Operations: N/A

13. Formation Leak Off Tests:

Depth:	434 m
Fluid Density:	1000 kg/m ³
Applied Pressure:	8400 kPa
Hydrostatic Pressure:	4208 kPa
Mud Weight Equivalent:	2996 kg/m ³
Casing setting depth:	429 mKB

The surface casing leak-off test was taken to a gradient of 29.3 kPa/m before leak off was detected.

14. Time Distribution

Date	Hours	Activity
03/02/28	0.25	Safety meeting
	15.75	Move in / rig up
03/03/01	8.0	Move in / rig up
03/03/06	0.5	Safety meeting
	0.25	Rig service
	8.75	Rig up
	0.25	Test diverter
	0.25	Diverter drill
03/03/07	0.25	Safety meeting
	0.75	Rig service
	0.25	Rig repair
	15.25	Drill
	3.0	Circulate and condition mud
	2.0	Trip
	2.5	Survey
03/03/08	0.25	Safety meeting
	0.5	Rig service
	7.75	Drill
	7.5	Trip
	1.0	Survey
	3.75	Run casing
	0.5	Cement casing
	2.75	Circulate and condition mud
03/03/09	0.25	Safety meeting
	0.25	Rig service
	1.0	Cement casing
	4.0	Wait on cement
	4.5	Nipple up BOP's
	5.5	Pressure test BOP's
	2.5	Trip
	1.25	Drill out casing shoe
	0.5	Leak off test
	4.0	Drill
	0.25	Survey
03/03/10	0.25	Safety meeting

	0.5	Rig service
	6.25	Trip
	0.5	Survey
	9.25	Drill
	1.25	Circulate and condition mud
	6.0	Wait on cementers
03/03/11	0.75	Rig service
	0.25	Safety meeting
	0.75	Drill
	0.25	Survey
	1.25	Cement off losses
	5.75	Trip
	2.5	Wait on cement
	10.75	Drill out cement
	0.75	Circulate and condition mud
	1.0	Slip & cut drill line
03/03/12	0.5	Rig service
	0.5	Safety meeting
	21.0	Drill
	0.5	Circulate and condition mud
	1.5	Survey
03/03/13	0.75	Rig service
	0.5	Safety meeting
	1.0	Survey
	9.25	Drill
	10.0	Trip
	0.5	Reaming
	1.5	Circulate and condition mud
	0.5	Work tight hole
03/03/14	0.25	Rig service
	7.75	Trip
	2.0	Circulate and condition mud
	1.0	Slip & cut drill line
	13.0	Logging
03/03/15	0.5	Safety meeting
	0.5	Rig service
	1.25	Trip

	3.75	Nipple down BOP's
	6.0	Run casing
	3.0	Cement casing
	1.25	Circulate and condition mud
	7.75	Rig out
03/03/16	0.25	Rig service
	15.75	Rig out

Time Break Down by Activity:

<u>Activity</u>	<u>Hours</u>
Move in / rig up:	32.5
Drilling:	67.25
Drill out casing shoe:	1.25
Surveying:	7.0
Circulate and condition mud:	13.0
Cement off losses:	1.25
Drill out cement plugs:	10.75
Running casing:	9.75
Cementing casing:	4.5
Wait on cement	6.5
Rig service:	5.25
Rig repair:	0.25
Tripping:	43.0
Safety meetings:	3.5
Pressure test diverter:	0.25
Diverter drill:	0.25
Nipple up BOP's:	4.5
Pressure test BOP's	5.5
Nipple down BOP's:	3.75
Leak off tests:	0.5
Slip & cut drill line:	2.0
Logging:	13.0
Reaming:	0.5
Work tight hole:	0.5
Wait on cementers:	6.0
Rig out:	23.5

15. Deviation Survey: See page 7 of the Geological Report in the Attachment Section
16. Abandonment Plugs: N/A
17. Composite Well Record: See the copy of the strip log in the Geological Report in the Attachment Section.
18. Completion Record: Reported in a separate report.

D: GEOLOGY

GEOLOGICAL SUMMARY

Tops: See page 10 of the Geological Report in the Attachment Section.

Sample Descriptions: See page 11 - 14 of the Geological Report in the Attachment Section.

Total Depth: 1459 mKB

Coring Record: No coring done

GAS DETECTION REPORT

A gas detector was utilized from the drill out of the conductor pipe to total depth. The gas detector readings are included on the composite geological log at the end of the Geological Report in the Appendix Section.

DRILL STEM TESTS

There were no drill stem tests run on the well.

WELL EVALUATION

The following logs were run:

Simultaneous Triple Induction Shallow Focused Log:	427.1 – 1456.9 mKB
Spectral Density Compensated Neutron Log:	427.1 – 1449.4 mKB
Borehole Compensated Sonic Log:	427.1 – 1455.8 mKB
Micro Resistivity Log:	1300.0 – 1439.5 mKB

GAS, OIL, & WATER ANALYSES: N/A

FORMATION STIMULATION: N/A

FORMATION AND TEST RESULTS: N/A

DETAILED TEST PRESSURE DATA READINGS: N/A

E. ENVIRONMENTAL CONSIDERATIONS

There are no known outstanding environmental considerations on this well. The well was drilled sumpless with all drilling fluids being held in tanks on the lease. At the end of the job the water was stripped from the mud system and hauled to the Newalta in Alberta for disposal. The solids were hauled to a remote site where they were disposed of using the mix/bury/cover technique.

ATTACHMENTS

RUNNING HORSE RESOURCES INC.



CALGARY ALBERTA CANADA
Telephone 403.660.9883 Facsimile 403.262.5211
wellsitegeologists@telusplanet.net
www.wellsitegeologists.com

Geological Report

on

Para et al Cameron F-73 Unit F Section 73

Well Reached Total Depth of 1459m MD

on

March 13, 2003 @ 20:30 hours

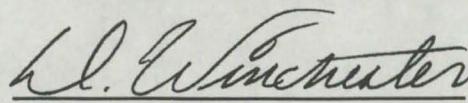
for



Prepared for: **Mr. Llew Williams**
Paramount Resources Ltd.

Wellsite Geologist: **Brad Powell, B.Sc.**
Running Horse Resources Inc.

Approved by:


Dennis Winchester, P.Geol.
Running Horse Resources Inc.

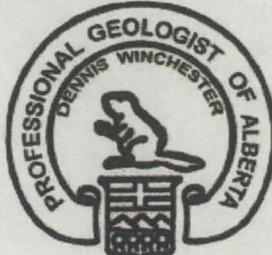


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Geological Striplog 1:240 scale	Back Sleeve
Picture CD with Digital Data	



Geological Summary

Para et al Cameron F-73 is a vertical well spudded by Precision Drilling Rig #249 on March 7, 2003 @ 01:00hr. Surface hole is 311mm drilled to 429.0m with 219.1mm casing landed at 429.0m. The 200mm main hole terminated in the **Muskeg** formation at 1459.0m (-677.3m) on March 13, 2003 @ 10:00hr.

This well was drilled primarily to produce gas from the **Sulphur Point Dolomite** and secondarily to evaluate the **Slave Point** for possible gas. Samples were taken from 1300m to total and a gas detector was run over the same interval. Triple Induction, SP, Neutron Density, Compensated Sonic were run from TD to surface casing. Microlog was run from TD to 1300m.

The **Sulphur Point Dolomite** formation that was entered at a log depth of 1415.5m md, (-633.8m) and consisted of microcrystalline to finely crystalline dolomite. It was 11.0m in thickness and was conformably underlain by Muskeg anhydrite. There were common subhedral and occasional euhedral dolomite crystals and rhombs (possible fracture druses) and the intercrystalline and vug porosity was fair to good. There was patchy light to medium brown oil staining which yielded a bright yellow gold fluorescence and a slow streaming milky yellowish white cut. Gas detector readings reached a maximum of 162 units (8x BG) from 1422m-1427m. Well log over this interval indicated an average porosity of 12% with deep Induction readings of 10-30ohms. **The Sulphur Point Dolomite appears to have good potential for gas production.**

The **Slave Point** formation was entered at a log depth of 1345.0m (-563.8m) and consisted of light brown, mudstone grading to wackestone that was pelletoidal and argillaceous in part. Porosity was generally earthy with traces of moldic and intercrystalline and gas detector reading reached 100 units (5x BG). Density logs show an average of 3-6% with deep induction reading 100-150ohms **The Slave Point does not appear to have production potential at this location.**

The well was completed as a potential Sulpher Point gaswell.

Well Data Summary

OPERATOR	Paramount Resources Ltd.
WELL NAME	Para et al Cameron F-73
LOCATION	Unit F Section 73
	Grid Area: Lat 60° 10' N Long 117° 15' W
UWI	300F736010117150
POOL	Undefined
FIELD	Cameron Hills
PROVINCE	North West Territories
LICENCE NUMBER	1992
CLASSIFICATION	Production
A.F.E. NUMBER	03N310160
SURFACE COORDINATES	Latitude: 60° 02' 23.831" North Longitude: 117° 29' 29.114" West
ELEVATIONS	KB: 781.7m GL: 777.0m
TOTAL DEPTH	Driller: 1459.0m (-677.3m) Logger: 1459.0m (-677.3m)
DRILLING CONTRACTOR	Precision Drilling Rig #249
ENGINEER	Warren Andrews 403-997-7933
GEOLOGIST	Brad Powell, B.Sc. 403-861-0838
SPUD DATE	March 7, 2003 @ 01:00
COMPLETED DRILLING	March 13, 2003 @ 20:30
RIG RELEASE	March

Well Data Summary

HOLE SIZE Surface hole: 311mm
Main hole: 200mm

LOGGING STI / MRT/ SpeD / CNS / GR / XY CAL / BCS from TD to surface casing.
Microlog from TD to top of Slave Point.

DST's none

CORE none

SAMPLES Operator: 1 set vials (@ 5m) over interval: 1300m - TD
NEB: 2 sets vials (@ 5m) over interval: 1300m - TD
1 set bags (@ 5m) over interval: 1300m - TD
1 set geochem jars (@ 5m) 1300m - TD

DIRECTIONS From High Level, Alberta, go north on Highway 35. 1.3km south of Indian Cabins, turn west onto main road and go 32.5km, staying right at all Y forks. Turn right up big hill, drive 6km, following rig signs. Turn right to location.

PROBLEMS

On Surface Hole: None.

On Main Hole: Due to lost circulation in the Wabamun formation, it was necessary to plug the well back over this interval, and then re-drill through the cement.

Logging Summary

Date: March 14, 2003

Logging Company: Computalog **Engineer:** G. Wynnyk

Mud Properties: WT: 1130 kg/m³ Visc: 62 s/L WL: 12.0 pH: 10.0

Hole Size: 200mm

Surface Casing: 219.1mm, 35.7kg/m, set @ 429.0m

Depths: Driller: 1459.0m Strap: 1461.0m Logger: 1459.0m

Logging Times: First Alerted: 12:00 March 12, 2003
Time Required: 21:00 March 13, 2003 (10.0hr final notice)
Arrived: 00:20 March 14, 2003

Hole Condition: Good

Circulations: 1.0hr after TD then 2.0hrs after wiper trip

Wiper Trips: to casing

LOGGING SEQUENCE Run #1: STI / MRT / SpeD / CNS / Pe / GR / XY CAL
Interval: TD to surface casing (with MRT from TD to top of Slave Point)

Run #2: BCS / XY CAL / GR
Interval: TD to surface casing

REMARKS: No problems getting logging tools to bottom for Run #1. On bottom with Run #1 @ 03:30 March 14, 2003. On Run #2, we lost communication with the sonic tool due to a faulty wireline bridle. Computalog changed the bridle and finished the job with no problems.

Bit Record & Casing Summary

Bit Record

Bit #	Make	Type	Size (mm)	In (m)	Out (m)	Meters (m)	Hours	ROP (m/hr)	IADC T - B - G
1A	Hughes	GT-1	311	0	194	194	11.75	16.51	5 - 5 - IN
2A	Hughes	GT - C1	311	194	429	235	11.25	20.89	4 - 4 - IN
1	Varel	MKS55	200	429	1459	1030	44.25	23.27	good

Casing Summary

Type	Csg. Size (mm)	Hole Size (mm)	Landed (m)	Total Jts	Remarks
Surf	219.1	311	429.0	32	32 joints of 219.1mm 35.72kg/m, K-55, new Ipsco casing ran. Cemented with BJ 33t of 0:1:0 Class G + 2% CaCl2. Approximately 8.0m3 of good returns, float OK, plug down @ 01:00 March 9, 2003.
Prod	139.7	200	1459	117	117 joints of 139.7mm 23.07kg/m, J-55, 8RD ST&C new casing ran. Cemented with BJ with 27t Fill-lite 2-125 with 0.6% R-3 and 3% A-9 for lead. Tail cement 8t 0:1:0 Class G with 0.4% FL-77 and 0.1% R-3. 15m3 good returns. Plug down 11:11 on March 15, 2003.

Deviation Surveys

<u>DEPTH</u> (m)	<u>DEVIATION</u> (degrees)
28	0.25
56	0.25
90	0.75
117	0.25
144	0.00
174	0.50
200	0.75
228	1.00
256	0.00
286	0.75
314	1.00
343	0.75
372	0.25
400	0.75
497	1.00
622	1.00
776	0.75
919	1.00
1015	0.00
1309	0.50
1446	1.00

Daily Drilling Summary

<u>Date</u>	<u>Depth</u>	<u>Progress</u>	<u>Operations (as of 23:59hr on date shown)</u>
March 6	0	0	Rig watch until 14:00. Crews arrived, rig up steam, and start up rig.
March 7	270	270	Rig service. Nipple up diverter, function test. Test accumulator and related BOP equipment. Spud well March 7, 2003 @ 01:00. Drill 311mm surface hole with Bit #1A with surveys and required rig service to 194m. Circulate hole clean. POOH for bit trip. RIH with Bit #2A. Drill ahead to 270m.
March 8	429	159	Drill 311mm surface hole with required surveys and rig service from 270m to 413m. Wiper trip and circulate hole clean twice. Drill ahead to casing point at 429m, circulate. POOH to run casing. Rig for and run 32 joints 219.1mm surface casing. Cement with BJ.
March 9	578	149	Finish cementing. WOC. Weld on bowl, nipple up BOPs. Pressure test related equipment. Make up BHA with Bit #1 and RIH. Drill out shoe, leak off test, rig service and safety meeting. Drill ahead 200mm main hole with required rig service and surveys from 429m to 578m.
March 10	828	250	Drill ahead 200mm main hole with required rig service and surveys from 578m to 828m. Losing fluid slowly from 578m. Circulate and POOH to run plugs. RIH slick and circulate and wait on cementers.
March 11	855	27	Run 2 plugs with BJ. POOH. Make up BHA with Bit #1. RIH, tag cement at 540m, drill out plug to 828m. Drill ahead open hole to 855m
March 12	1334	479	Drill ahead 200mm main hole with Bit #1 with surveys and required rig service from 855m to 1334m.

Daily Drilling Summary

<u>Date</u>	<u>Depth</u>	<u>Progress</u>	<u>Operations (as of 23:59hr on date shown)</u>
Mar.13	1459	125	Drill ahead 200mm main hole with Bit #1 with surveys and required rig service from 1334m to Total Depth March 13, 2003 @ 10:00hr. Circulate up sample, strap out of hole, strap in hole, circulate 2 hours to condition hole to log. POOH to log.
Mar.14	1459	0	Rig up Computalog. Log Run #1. Rig out tools, rig for Log Run #2. Log Run #2. Rig out loggers. RIH to condition hole for casing. Circulate. POOH sideways.
Mar.15	1459	0	POOH, Run 117 joints 139.7mm production casing. Circulate casing. Rig for cementers. Cement hole with BJ. WOC. Nipple down, strip mud, tear out for rig move. Rig release 23:59 March 15, 2003.

Formation Tops

Kelly Bushing Elevation: 781.7m

Formation	Sample (m)	Logger (m)	Elevation (m)
Wabamun	558.5	558.5	+223.2
Fort Simpson	724.0	720.0	- 61.7
Beaverhill Lake	1322.0	1319.2	-537.5
Slave Point *	1345.0	1345.0	-563.3
F4	1387.0	1386.0	-604.3
Watt Mountain	1394.0	1393.5	-611.8
Sulphur Point LS	1400.0	1400.0	-618.3
Sulphur Point DOL **	1418.0	1415.5	-633.8
Muskeg	1428.0	1426.5	-644.8
Total Depth	1459.0	1459.0	-677.3

***Primary Zones of Interest*

** Secondary Zones of Interest*

Sample Descriptions

1295m-1305m

SHALE 80%, 1. gray brown to medium brown, micromicaceous in part, blocky, firm, dolomitic in part, silty in part, trace calcite veining, 2. light greenish gray to light green, dull to slightly micromicaceous, platy, fissile to firm, smooth and waxy in part, calcareous, locally pyritized and pyrite nodules, LIMESTONE 20%, off white to light gray, micritic, mudstone, lumpy to blocky, dense, tight, locally pyritized, no shows

1305m-1315m

SHALE 90%, 1. gray brown to medium brown, micromicaceous in part, blocky, firm, dolomitic in part, silty in part, trace calcite veining, 2. light greenish gray to light green, dull to slightly micromicaceous, platy, fissile to firm, smooth and waxy in part, calcareous, locally pyritized and pyrite nodules, LIMESTONE 10%, off white to light gray, micritic, mudstone, lumpy to blocky, dense, tight, locally pyritized, no shows

1315m-1325m

SHALE 60%, light green gray to light green, dull to slightly micromicaceous, platy, smooth and waxy, calcareous, in part pyritized, pyrite nodules, SHALE 30%, dark brown to black, bituminous appearance, lumpy to blocky, firm, common calcareous veining, LIMESTONE 10%, off white to light gray, occasional light brown, micritic to occasional very fine crystalline, mudstone, lumpy to blocky, dense, tight, locally pyritized and coarse pyrite nodules, trace bioclastic debris, no shows

BEAVERHILL LAKE @ 1322.0m

1325m-1340m

SHALE 40%, light green gray to light green, dull to slightly micromicaceous, platy, smooth and waxy, calcareous, in part pyritized, pyrite nodules, SHALE 20%, dark brown to black, bituminous appearance, lumpy to blocky, firm, common calcareous veining, LIMESTONE 40%, off white to light gray, occasional light brown, micritic to occasional very fine crystalline, mudstone, lumpy to blocky, dense, tight, locally pyritized and coarse pyrite nodules, no shows

1340m-1345m

SHALE 40%, light green gray to light green, dull to slightly micromicaceous, platy, smooth and waxy, calcareous, in part pyritized, pyrite nodules, SHALE 20%, dark brown to black, bituminous appearance, lumpy to blocky, firm, common calcareous veining, LIMESTONE 40%, off white to light gray, occasional light brown, micritic to occasional very fine crystalline, mudstone, lumpy to blocky, dense, tight, locally pyritized and coarse pyrite nodules, trace bioclastic debris, no shows

SLAVE POINT @1345.0m

1345m-1350m

LIMESTONE 100%, cream to light brown, gray to brown, predominantly cryptocrystalline to microcrystalline, occasionally very fine crystalline, mudstone to

Sample Descriptions

wackestone, in part chalky, argillaceous in part, lumpy to blocky, scattered pyrite nodules and locally disseminated pyrite crystals, dense with trace poor intercrystalline porosity, inferred minor earthy porosity, tight, questionable show

1350m-1355m

LIMESTONE 100%, cream to light brown, gray to brown, predominantly cryptocrystalline to microcrystalline, occasionally very fine crystalline, mudstone to wackestone, in part chalky, argillaceous in part, lumpy to blocky, scattered pyrite nodules and locally disseminated pyrite crystals, trace bioclastic debris inclusion Brachiopod, dense with trace poor intercrystalline porosity, inferred minor earthy porosity, tight, questionable show

1355m-1360m

LIMESTONE 100%, cream to light brown to brown, mottled in part, predominantly microcrystalline to very fine crystalline, mudstone to predominantly wackestone, in part chalky, argillaceous in part, lumpy to blocky, scattered pyrite nodules and locally disseminated pyrite crystals, in part pelletal, dense with trace poor intercrystalline and moldic porosity, inferred minor earthy porosity, slight gassy odor, even bright yellow fluorescence, watery greenish cut

1360m-1375m

LIMESTONE 100%, cream to light brown to brown, mottled in part, predominantly microcrystalline to very fine crystalline, mudstone to predominantly wackestone, in part chalky, argillaceous in part, lumpy to blocky, scattered pyrite nodules and locally disseminated pyrite crystals, in part pelletal, common bitumen partings, dense with trace poor intercrystalline and moldic porosity, inferred minor earthy porosity, slight gassy odor, even bright yellow fluorescence, watery greenish cut

1375m-1380m

LIMESTONE 100%, cream to brown, becoming quite dark brown, cryptocrystalline to microcrystalline, to very fine crystalline, mudstone to wackestone, in part chalky, argillaceous in part, lumpy to blocky, scattered pyrite nodules and locally disseminated pyrite crystals, occasional bitumen partings, dense, tight, faint gold fluorescence, questionable cut

1380m-1385m

LIMESTONE 100%, cream to brown, becoming quite dark brown, cryptocrystalline to microcrystalline, to very fine crystalline, mudstone to wackestone, in part chalky, argillaceous in part, lumpy to blocky, scattered pyrite nodules and locally disseminated pyrite crystals, pelletal in part, dense, tight, faint gold fluorescence, questionable cut, minor DOLOMITE, brown to gray brown, very fine grained, sandy, tight, minor ANHYDRITE

Sample Descriptions

F4 MARKER @ 1387.0m

1385m-1390m

LIMESTONE 50%, essentially as above, DOLOMITE 50%, brown to gray brown, very fine grained, sandy, tight, minor ANHYDRITE

1390m-1394m

LIMESTONE 50%, cream to brown, gray, very mottled, mudstone to wackestone, microcrystalline to very fine crystalline, argillaceous, lumpy to blocky, dolomitic in part, tight, yellow fluorescence, weak faint green cut, DOLOMITE 40%, gray brown to medium brown, microcrystalline to very fine crystalline, blocky to lumpy, sandy, firm, tight, questionable show, ANHYDRITE 10%, off white to tan, cryptocrystalline to microcrystalline, pearly to watery lustre in part, calcareous in part, soft

WATT MOUNTAIN @ 1394.0m

1394m-1400m

SHALE 100%, pale greenish gray to mint green, occasionally bright green, waxy, soft, calcareous, common disseminated pyrite, occasional dark gray to black.

SULPHUR POINT LIMESTONE @ 1400.0m

1400m-1418m

LIMESTONE 100%, predominantly off white to tan, light brown to brown, occasionally gray, cryptocrystalline to medium crystalline, mudstone to wackestone with argillaceous lime matrix, chalky, lumpy to blocky, tight with streaks of poor intercrystalline porosity, assumed earthy porosity, slight oily odor, trace bituminous partings, trace unspecified fossil debris, scattered dull gold fluorescence, no cut

SULPHUR POINT DOLOMITE @ 1418.0m

1418m-1425m

DOLOMITE 100%, light brown to brown, patchy dark brown oil stain, microcrystalline to fine crystalline packstone to grainstone, scattered fair vug porosity, scattered fair in part sucrosic intercrystalline porosity, in part subhedral crystalline growth, in part sandy appearance, trace pyrite, bright yellow fluorescence, slow streaming milky yellow white cut

1425m-1428m

DOLOMITE, essentially as above, slightly bituminous in part

Sample Descriptions

MUSKEG @ 1428.0m

1428m-1430m

ANHYDRITE 100%, pearly to watery lustre in part, white to off white, cryptocrystalline to microcrystalline, amorphous in part, dense, tight

1430m-1435m

ANHYDRITE 50%, pearly to watery lustre in part, white to off white, tan to brown, occasional gray, cryptocrystalline to microcrystalline, amorphous in part, soft to firm, slightly dolomitic in part, dense, tight, DOLOMITE 50%, light brown to dark brown, spotty scattered oil stain, microcrystalline to very fine crystalline wackestone to grainstone, in part subhedral crystalline growth, dark rock fragments with light argillaceous mud matrix, streaks of poor to fair intercrystalline porosity, with argillaceous infill in pores, slightly anhydritic in part, sandy appearance, lumpy to blocky, dull gold fluorescence, no cut

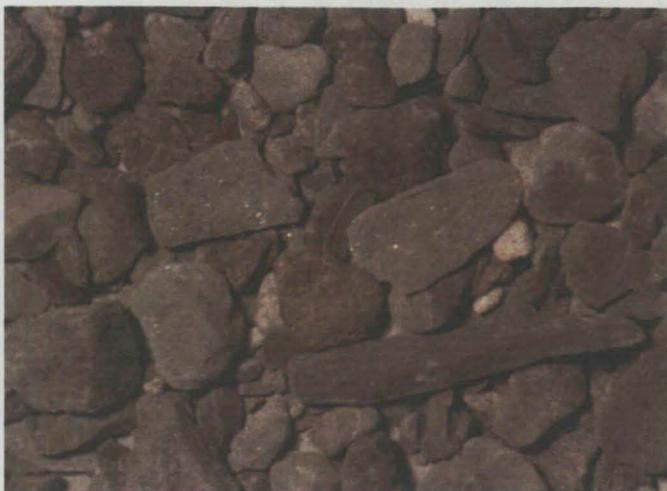
1435m-1450m

DOLOMITE 70% essentially as above, becoming lighter, sandy, ANHYDRITE 30% as above

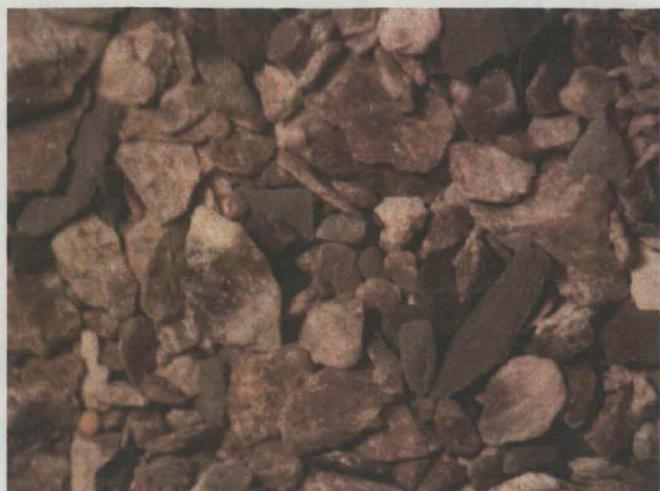
1450m-1459m

ANHYDRITE 50%, pearly to watery lustre in part, white to off white, tan to brown, occasional gray, cryptocrystalline to microcrystalline, amorphous in part, soft to firm, slightly dolomitic in part, dense, tight, DOLOMITE 50%, light brown to brown, scattered oil stain, microcrystalline to very fine crystalline wackestone to grainstone, streaks of poor to fair intercrystalline porosity, with argillaceous infill in pores, slightly anhydritic in part, sandy appearance, lumpy to blocky, dull gold fluorescence, no cut

TOTAL DEPTH @ 1459.0m



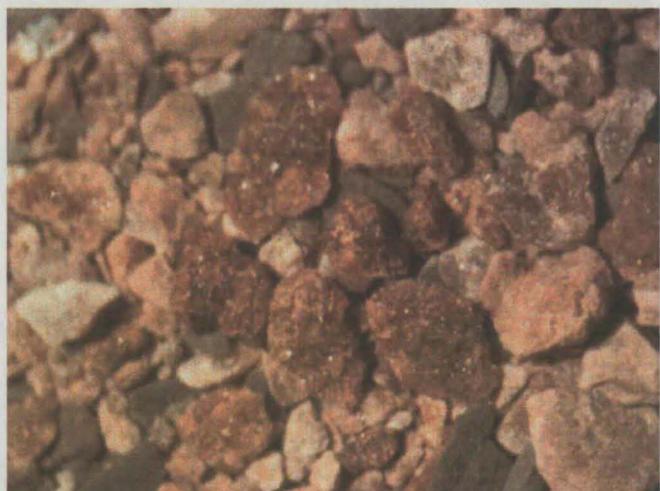
1310m, Fort Simpson Shale 30X



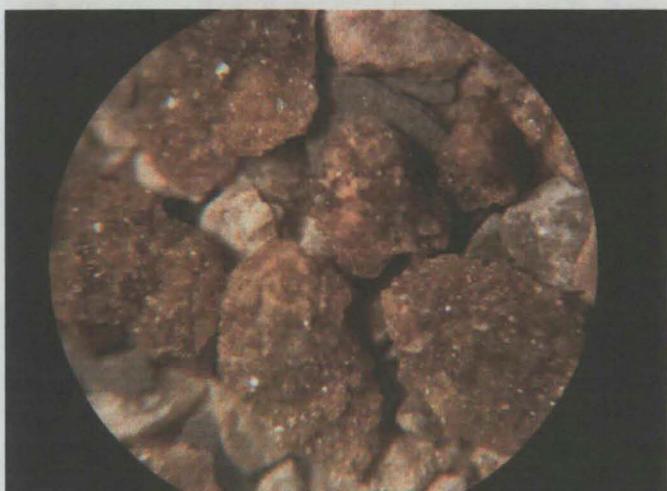
1370m, Slave Point Ls/Sh 10X



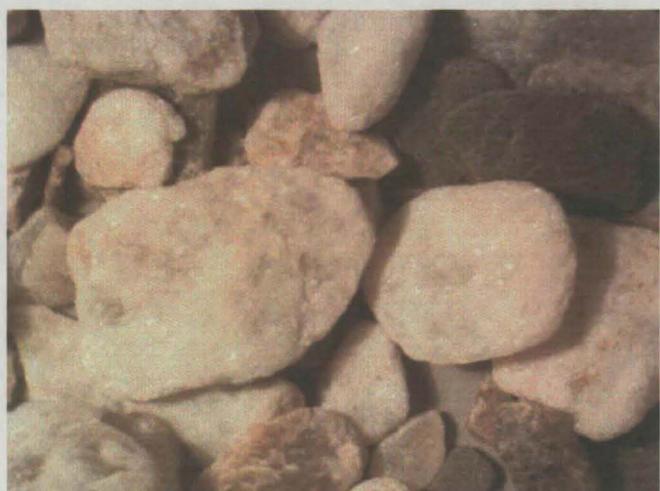
1370m, Slave Point 30x



1425m, Sulphur Point Dolomite 10X



1425m, Sulphur Point Dolomite 30X



1445m, Muskeg Anhydrite 30X



Scale 1:240 (5"=100') Metric

Well Name: Para et al Cameron F-73

Location: F-73 Grid Area: Lat 60° 10' N Long 117° 15' W

Licence Number: 1992

Spud Date: Mar 7/03 @ 01:00hr

Surface Coordinates: Latitude: 60° 02' 23.831" North
Longitude: 117° 29' 29.114" West

Region: Cameron Hills, NWT

Drilling Completed: Mar 13/03 @ 10:00hr

Bottom Hole Coordinates

Ground Elevation (m): 777.0

K.B. Elevation (m): 781.7

Logged Interval (m): 1300.0

To: 1459.0

Total Depth (m): 1459.0

Formation: Primary = Sulphur Point Dol, Secondary = Slave Point

Type of Drilling Fluid: Gel Chemical

Printed by STRIP.LOG from WellSight Systems 1-800-447-1534 www.WellSight.com

OPERATOR

Company: Paramount Resources Ltd.

Address: 4700 Bankers Hall West

888 3rd Street S.W.

Calgary, Alberta T2P 5C5

GEOLOGIST

Name: Brad Powell, B.Sc.

Company: Running Horse Resources Inc.

Address: Email: wellsitegeologists@telus.net

<http://www.wellsitegeologists.com>

(403) 660-9883

Components

This well was drilled by Precision Drilling Rig #249.
Paramount AFE #03N310160
A MiniPac gas detector was run.
Logging Program: Computalog
Run #1: STI-SP-MRT-SPED-CNT-GR-CAL
Run #2: BHS-GR-CAL
139.7mm production casing was run

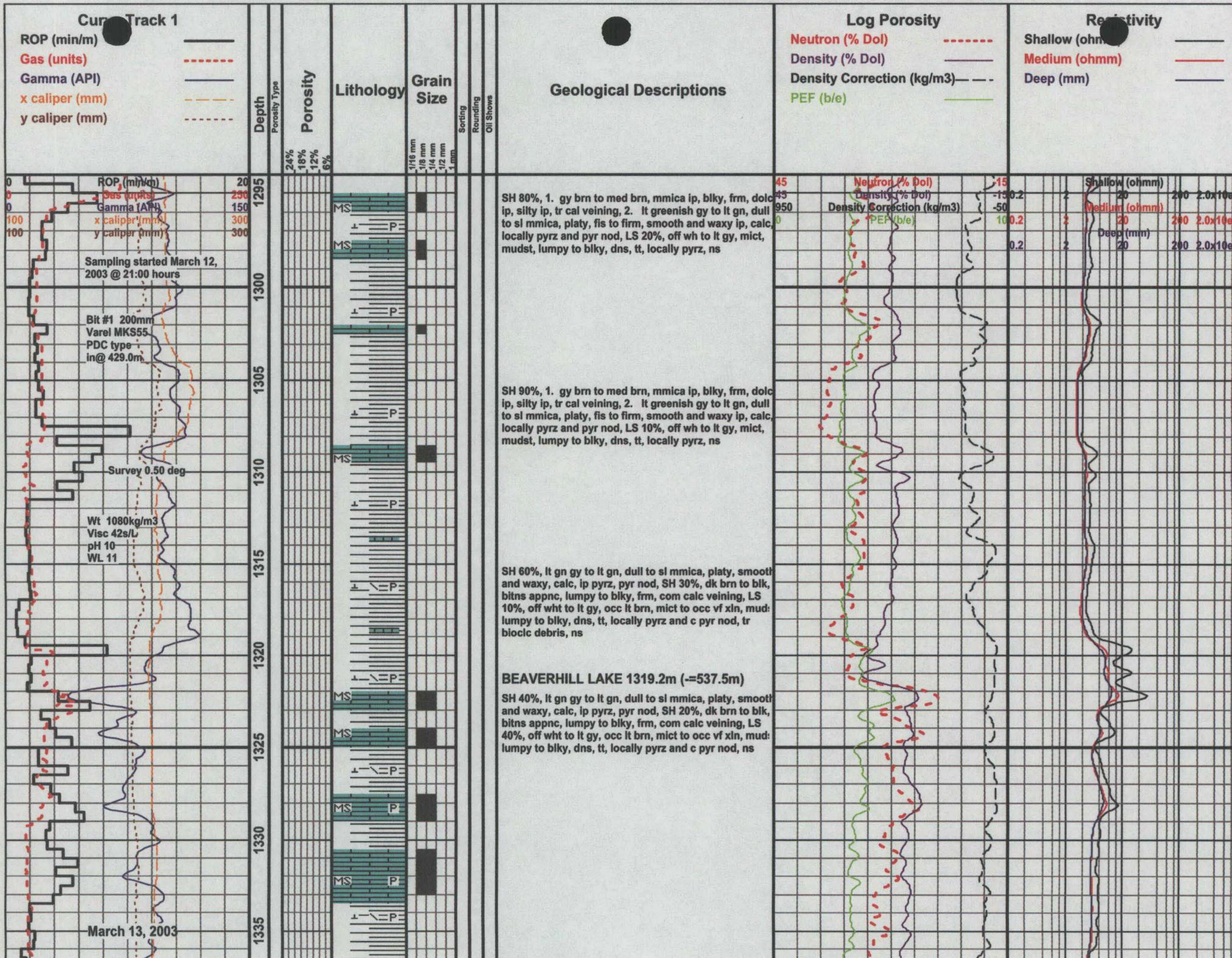
ROCK TYPES

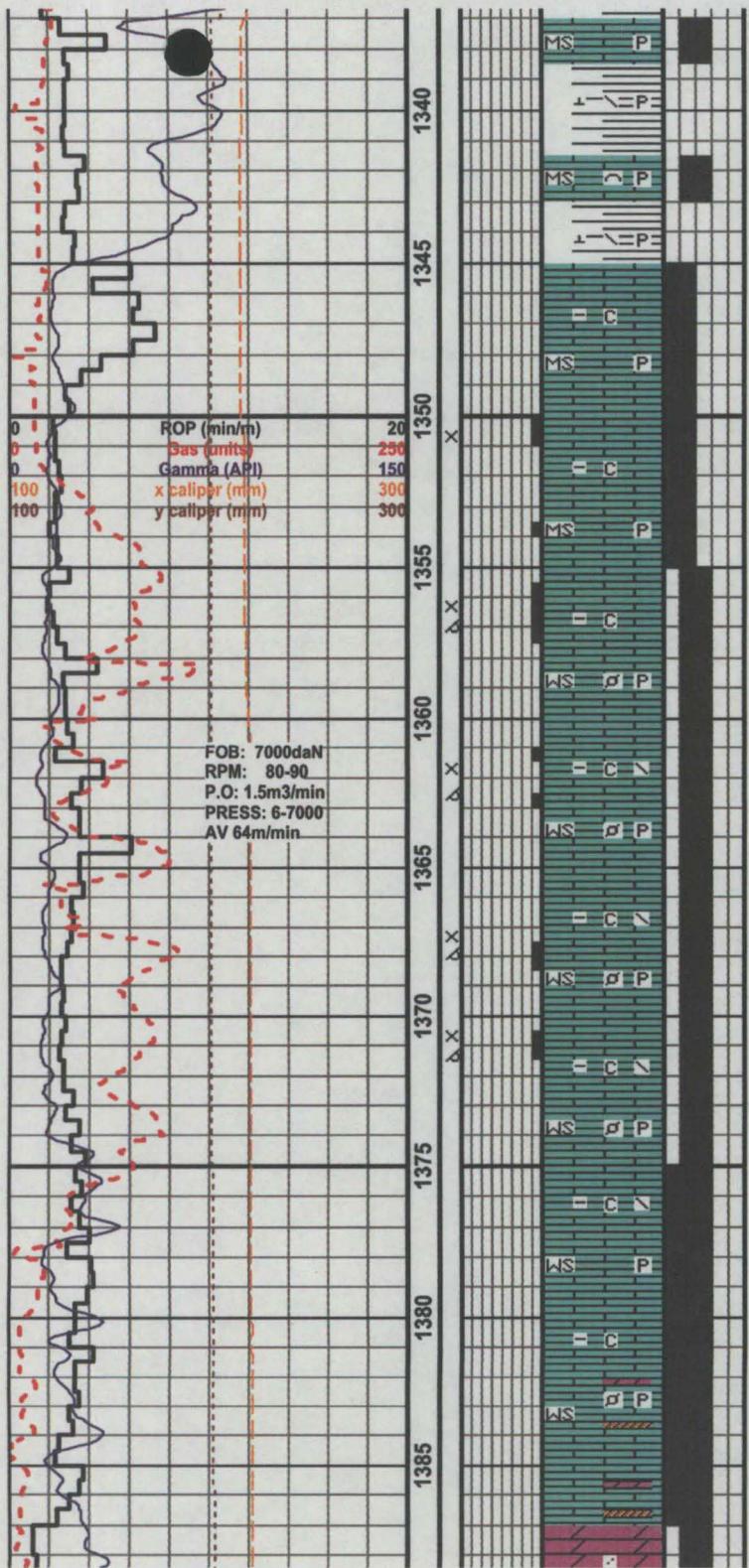
ACCESSORIES

MINERAL	Ferrpel	Silt	Coral	Strom	TEXTURE
Anhy	Ferr	Sil	Crin	STRINGER	BS Boundst
Arggrn	Glau	Sulphur	Echin	Anhy	C Chalky
Arg	Gyp	Tuff	Fish	Arg	CX CryxIn
Bent	Hvymin		Foram	Bent	E Earthy
Bit	Kaol	FOSSIL	Fossil	Coal	FX FinexIn
Brecfrag	Marl	Algae	Gastro	Dol	GS Grainst
Calc	Minxl	Amph	Oolite	Gyp	L Lithogr
Carb	Nodule	Belm	Ostra	Ls	MX Microxin
Chtdk	Phos	Bioclst	Pelec	Mrst	MS Mudst
Chtlit	Pyr	Brach	Pellet	Sltstrg	PS Packst
Dol	Salt	Bryozoa	Pisolite	Ssstrg	WS Wackest
Feldspar	Sandy	Cephal	Plant		

OTHER SYMBOLS

POROSITY TYPE	<input type="checkbox"/> Organic	<input type="checkbox"/> Moderate	<input type="checkbox"/> Subang	<input type="checkbox"/> Ques	EVENTS
<input type="checkbox"/> Earthy	<input type="checkbox"/> Pinpoint	<input type="checkbox"/> Poor	<input type="checkbox"/> Angular	<input type="checkbox"/> Dead	<input type="checkbox"/> Rft
<input type="checkbox"/> Fenest	<input checked="" type="checkbox"/> Vuggy				<input type="checkbox"/> Sidewall
<input type="checkbox"/> Fracture					
<input checked="" type="checkbox"/> Inter					
<input type="checkbox"/> Moldic					
SORTING	ROUNDING	OIL SHOWS	INTERVALS		
<input type="checkbox"/> Well	<input type="checkbox"/> Rounded	<input type="checkbox"/> Even	<input type="checkbox"/> Core		
	<input type="checkbox"/> Subrnd	<input type="checkbox"/> Spotted	<input type="checkbox"/> Dst		





SH 40%, It gy to It, dull to sm, platy, smooth and waxy, calc, ip pyrz or nod, SH 20%, dk brn to blk, bits appnc, lumpy to blky, frm, com calc veining, LS 40%, off wht to It gy, occ It brn, mict to occ vf xln, mud: lumpy to blky, dns, lt, locally pyrz and c pyr nod, tr blocky debris, ns

SLAVE POINT 1345m (-563.3m)

LS 100%, cream to lt brn, gy to brn, predy crptxl to
mcxln, occly vf xln, mudst to wkst, ip chalky, arg ip,
lumpy to blky, scat pyr nod and locally desm pyr xls,
dns with tr p intxl por, inferred mnrr earthy por, tt,
questionable show

LS 100%, cream to lt brn, gy to brn, predy crptxl to
mcxln, occly vf xln, mudst to wkst, ip chalky, arg ip,
lumpy to blky, scat pyr nod and locally desm pyr xls, tr
bloci debris incl Brac, dns with tr p intxl por, inferred
mntr earthy por, tt, questionable show

LS 100%, cream to lt brn to brn, mot ip, predy mxln to vf xln, mudst to predy wkst, ip chalky, arg ip, lumpy to blky, scat pyr nod and locally desm pyr xls, ip pelletal, dns with tr p intx1 and moldic por, inferred mnrr earthy por, slight gassy odor, even bright yel flor, watery greenish cut

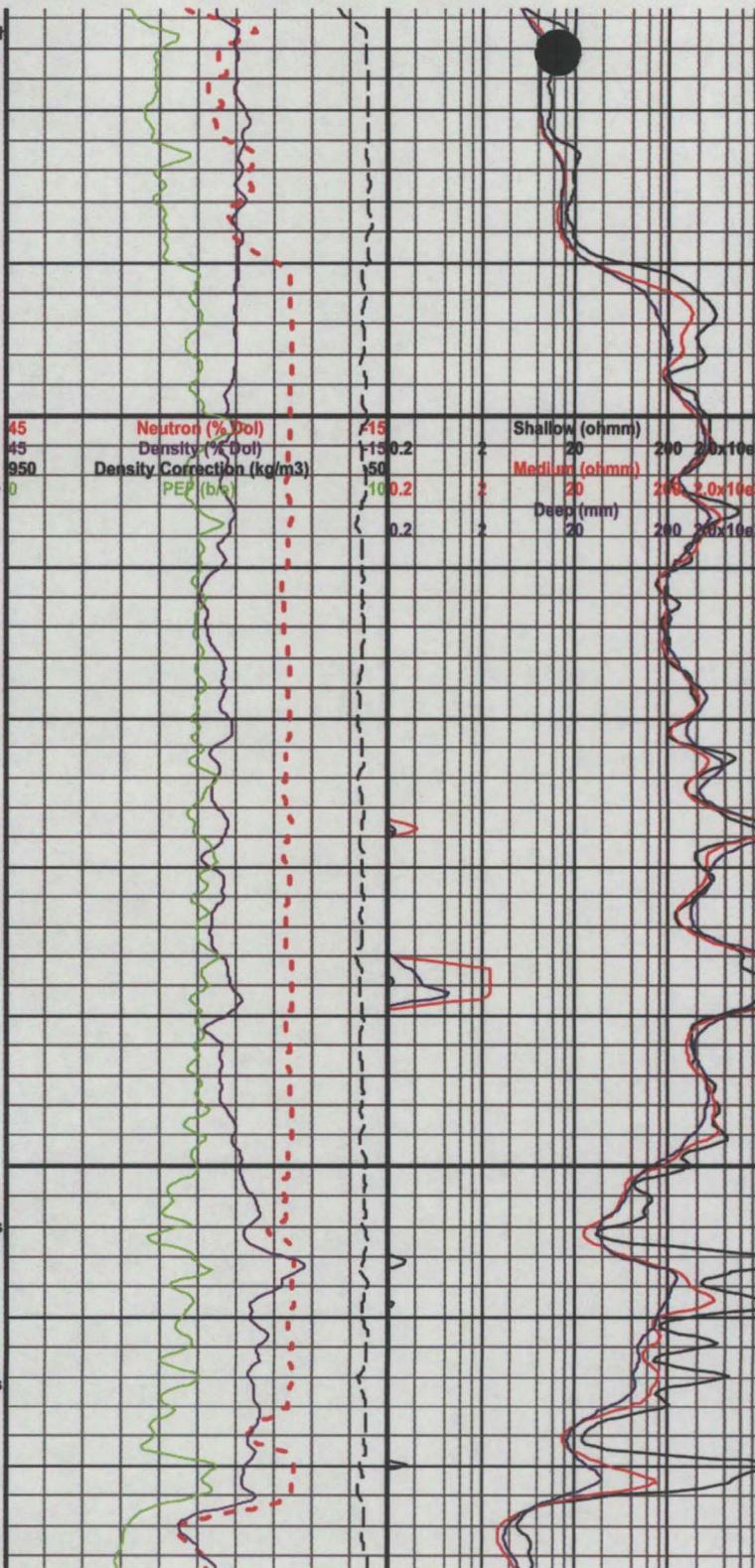
LS 100%, cream to lt brn to brn, mot ip, predy mcxln to vf xln, mudst to predy wkst, ip chalky, arg ip, lumpy to blky, scat pyr nod and locally desm pyr xls, ip pelletel, com bit partings, dns with tr p intxl and moldic por, inferred mnrr earthy por, slight gassy odor, even bright yel flor, watery greenish cut

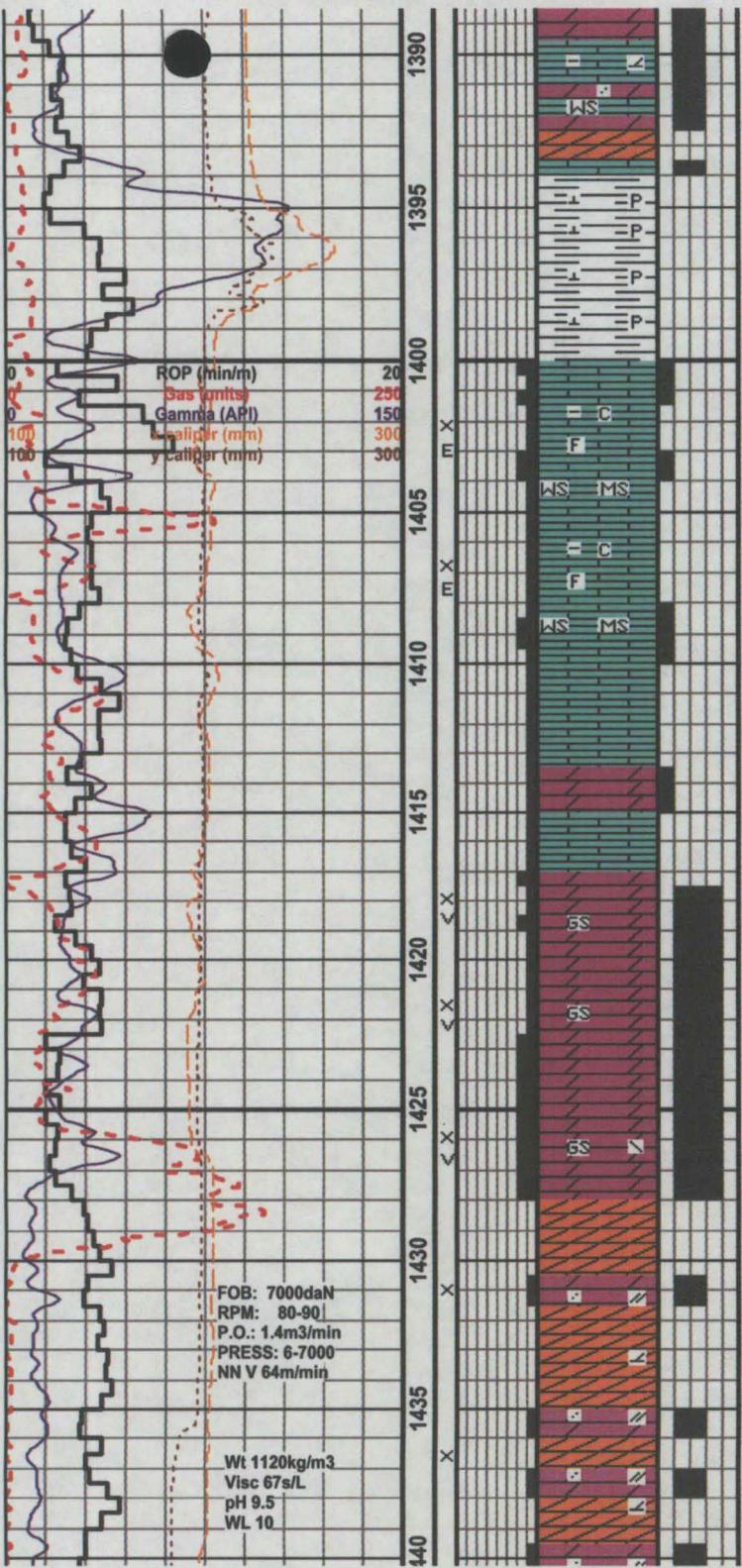
LS 100%, cream to brn, becoming quite dark brown, crptxl to mxin, to vf xin, mudst to wkst, ip chalky, arg ip, lumpy to blky, scat pyr nod and locally desm pyr xis occ bit partings, dense, tt, faint gold flor, questionable cut

LS 100%, cream to brn, becoming quite dark brown, crptxl to mxcln, to vf xln, mudst to wkst, ip chalky, arg ip, lumpy to blky, scat pyr nod and locally desm pyr xls pelletal ip, dense, tt, faint gold flor, questionable cut, mnr DOL, brn to gy brn, vf gr, sandy, tt, mnr ANHY

F4 MARKER 1386.0m (-604.3m)

LS 50%, cream to brn, gy, v mot, mudst to wkst, mcxln to vf xln, arg, lumpy to blkv, dolc ip. tt. vel flor. wk fai





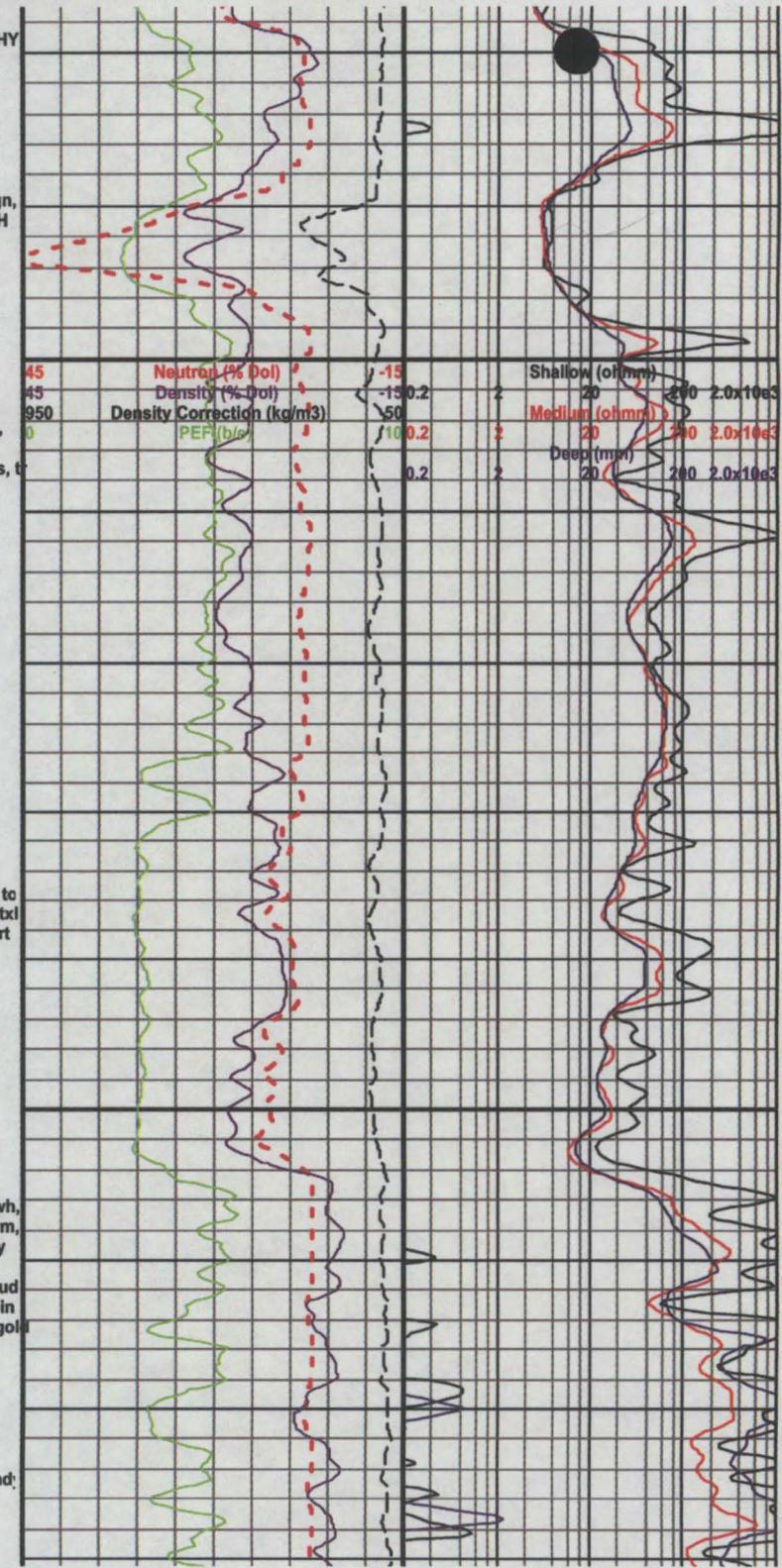
gn cut, DOL 40%, gy brn to med brn, mcxln to vf xln, blky to lumpy, sandy, tt, questionable show, ANHY 10%, off wh to tan, chal to mcxln, pearly to watery lustre ip, calc ip, soft

WATT MOUNTAIN 1393.5m (-611.8m)

SH 100%, pale greenish gy to mint gn, occly bright gn, waxy, soft, calc, com desm pyr, occ dk gy to black SH

SULPHUR PT LIME 1400m (-618.3m)

LS 100%, predy off wh to tan, lt brn to brn, occly gy, crpxl to med xln, mudst to wkst with arg lime matrix, chalky, lumpy to blky, tt with streaks of p intxl por, assumed earthy por, slight oily odor, tr bitns partings, unspec fossil debris, scat dull gold flor, no cut



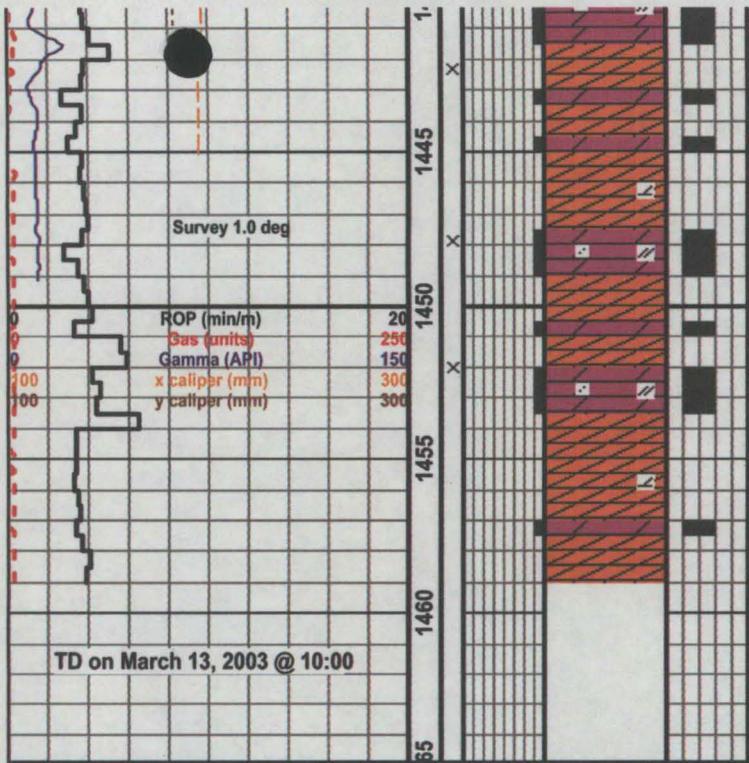
SULPHUR PT DOLO 1415.5m (-633.8m)

DOL 100%, lt brn to brn, patchy dk brn oil stn, mcxln to xln pckst to grnst, scat fair vug por, scat fair ip suc intxl por, ip subhedral xl growth, ip sandy appnc, tr pyr, brt yel flor, slow strm milky yel wh cut

MUSKEG 1426.5m (-644.8m)

ANHY 50%, pearly to watery luster in part, wh to off wh, tan to brn, occ gy, crpxl to mcxln, amor ip, soft to firm, sl dolc ip, dense, tt, DOL 50%, lt brn to dk brn, spotty scattered oil stain, mcxln to vf xln wkst to grnst, ip subhedral xl growth, dark rock frags with light arg mud matrix, streaks of poor to fair intxl por, with arg infill in pores, sl anhydc ip, sandy appnc, lumpy to blky, dull gold flor, no cut

DOL 70% essentially as above, becoming lighter, sandy, ANHY 30% as above



ANHY 50%, pearly to watery luster in part, wh to off wh, tan to brn, occ gy, crpxl to mcxln, amor ip, soft to firm, sl dolc ip, dense, tt, DOL 50%, lt brn to brn, scattered oil stain, mcxln to vf xln wkst to grnst, streaks of poor to fair intxl por, with arg infill in pores, sl anhyd ip, sandy appnc, lumpy to blky, dull gold flor, no cut

TOTAL DEPTH 1459.0m (-677.3m)



National Energy Board
5th Floor, 444 – 7 Avenue SW
Calgary, Alberta
T2P 0X8

July 22, 2003

Attention: Mr. Terry Baker, Chief Conservation Officer

Dear Sir,

Re: Para et al Cameron F-73

WID: 1992

File: 9211-P033-20-6

UWI: 300F736010117150

Final Well Report

Paramount Resources Ltd. submits two copies of the attached **Final Well Report** for the **Para et al Cameron F-73** well.

This record reflects the drilling of the well by Precision #249 in March 2003. The completion of the well is reported in a separate report which is also enclosed.

Also enclosed are certified copies of the drilling tour sheets and original copies of the daily drilling and completion reports to replace the faxed copies that were sent previously.

Please contact Dave Block at 206-3834 if you require additional information.

Yours truly,

PARAMOUNT RESOURCES LTD.

Dave Block, P. Eng.
Engineering Consultant

National Energy Board
5th Floor, 444 – 7 Avenue SW
Calgary, Alberta
T2P 0X8

July 22, 2003

Attention: Mr. Terry Baker, Chief Conservation Officer

Dear Sir,

Re: Para et al Cameron F-73 Drilling Tour Sheets

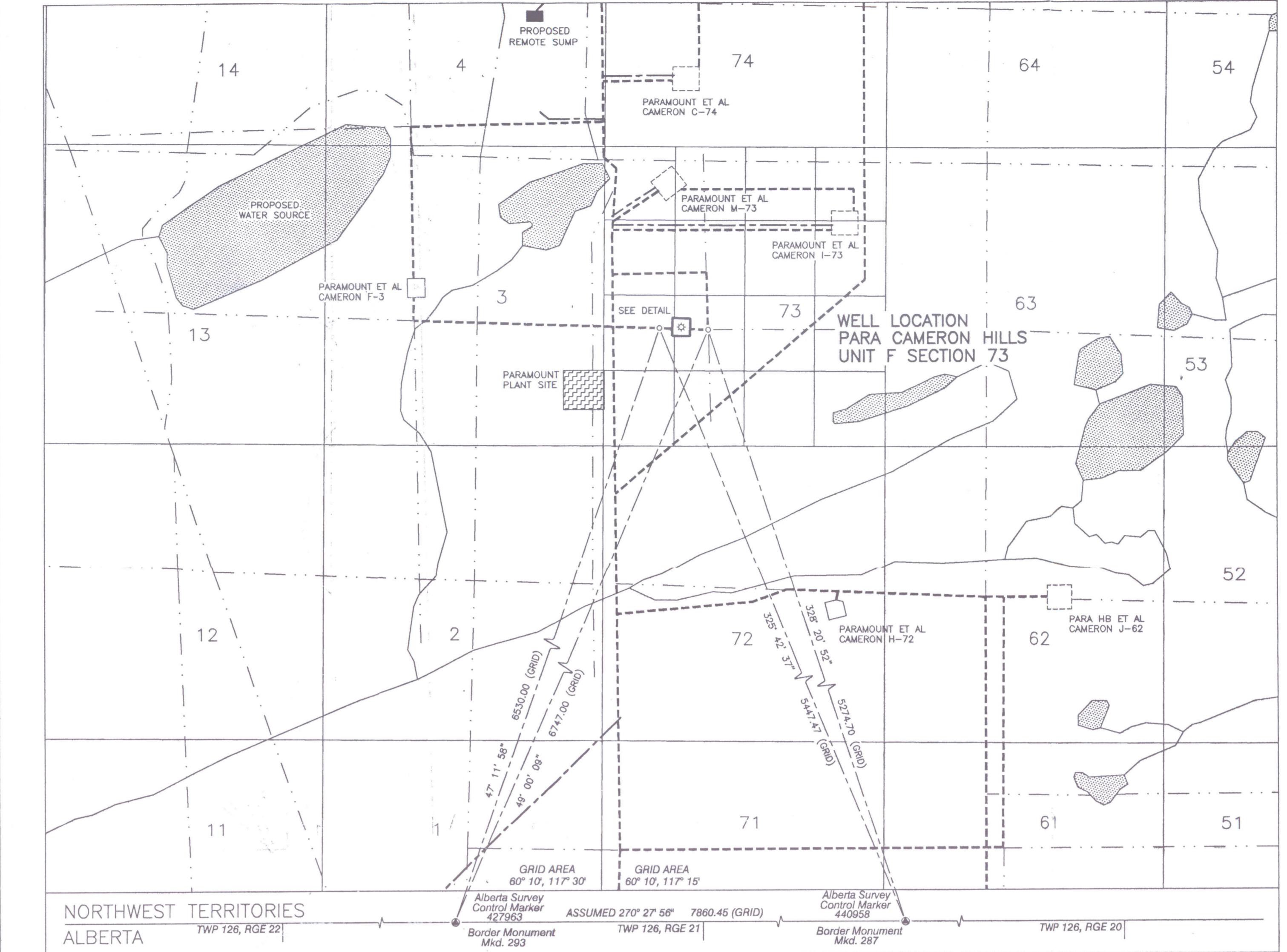
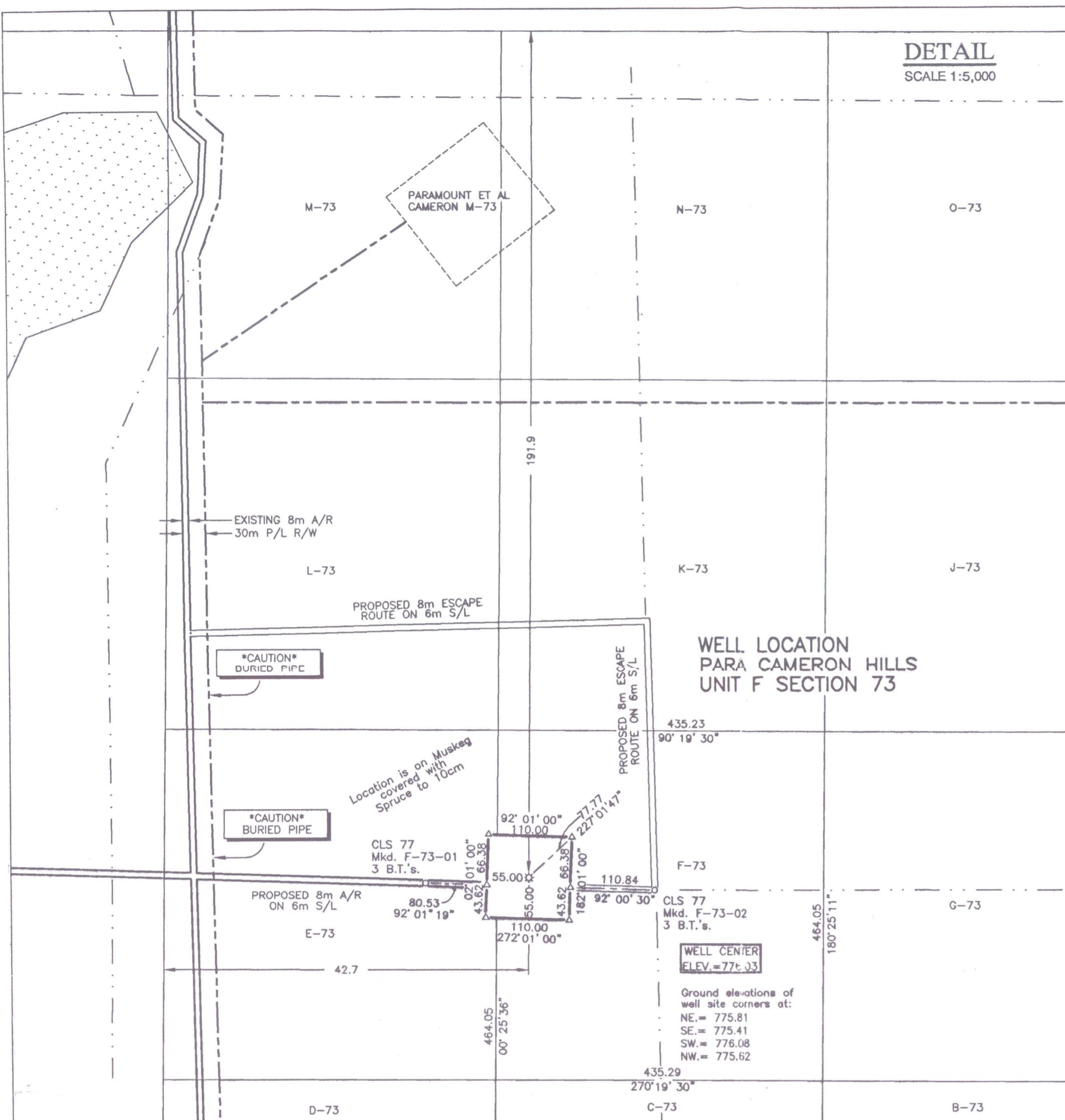
Please accept the enclosed copies of Precision Drilling's Daily Tour Sheets for Para et al Cameron F-73 as a true and correct representation of the drilling activities that were carried out at the location.

Please contact Dave Block at 206-3834 if there are any questions regarding these reports.

Yours truly,

PARAMOUNT RESOURCES LTD.

Dave Block, P. Eng.
Engineering Consultant



PLAN AND FIELD NOTES
OF SURVEY OF
PROPOSED EXPLORATORY WELL
PARA CAMERON HILLS
IN UNIT F, SECTION 73
GRID AREA 60° 10', 117° 15'

NORTHWEST TERRITORIES

CANADA OIL AND GAS LAND REGULATIONS

EXPLORATORY WELL.

SCALE 1:20,000

SURVEYED FOR
PARAMOUNT RESOURCES LTD.

BY : JOHN E. LANDRY, C.L.S.
July & August, 2002.

THIS SURVEY WAS EXECUTED DURING THE PERIOD OF
July 21st to August 2nd., 2002.

Certified, Correct and completed on the 19th day of August 2002.

PARAMOUNT RESOURCES LTD

LEGEND

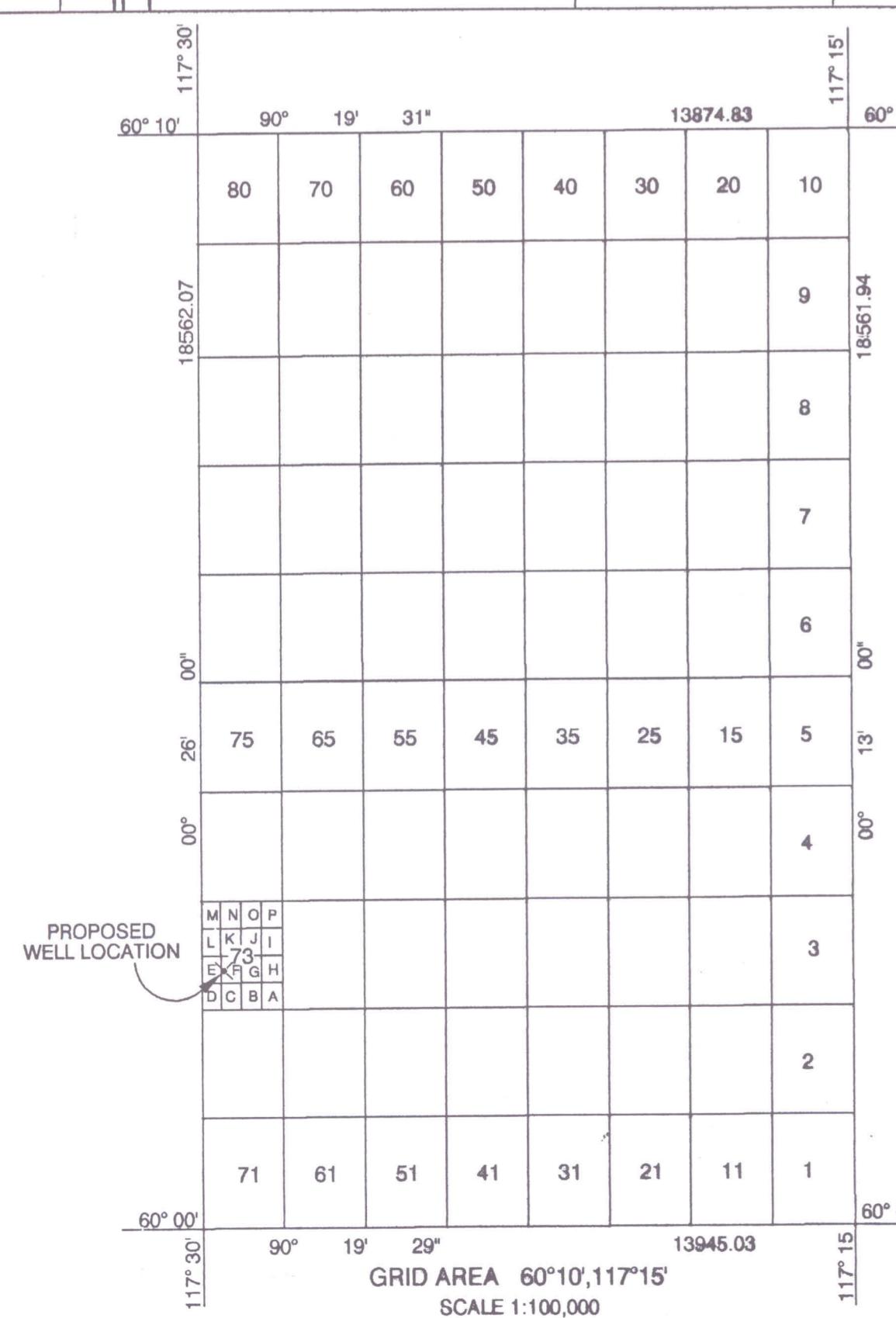
UTM coordinates are computed for Zone 11, Central Meridian 117°W. Bearings were derived from differentially corrected GPS Observations, and are referred to meridian 117° W.

Distances are expressed in metres and decimals thereof.
Distances shown in traverse are measured distances reduced to the horizontal at general ground level.
For the computation of coordinates measured distances have been reduced to the UTM plane by multiplying them by an average combined scale factor of 0.9994918.

Distances shown on grid area subdivisions are UTM plane, NAD27 Datum.
All other dimensions are based on NAD83 datum.

Alberta Survey Control Monument	●
Areas Deal With are shown thus	—
Traverse Lines are shown thus	—
Spikes Placed are shown thus.....	▲
Monuments Found are shown thus...	●
Monuments Placed are shown thus.....	○
Bearing Trees	B.T.'s.
Access Road	A/R
Seismic Line	S/L
Seismic Lines are shown thus	—
Pipeline are shown thus	—
Mkr. denotes metal marker post 2.0m long placed 0.30m away from Post	—

Survey was completed prior to drilling; therefore well as drilled may not necessarily agree with proposed location.



BEARING TREES				
STATION	BEARING	DISTANCE	TREE	THICKNESS
F-73-01	129° 51' 03"	20.43	9cm Spruce	
	223° 29' 13"	16.36	7cm Spruce	
	22° 27' 07"	16.29	6cm Spruce	
F-73-02	54° 45' 34"	12.41	11cm Spruce	
	145° 10' 00"	10.88	10cm Poplar	
	212° 06' 00"	11.81	13cm Spruce	

GEOGRAPHIC AND UTM COORDINATES, (1983 NAD)					
Station	Latitude(N)	Longitude(W)	Northings	Eastings	Elev.
CONTROL MONUMENTS					
ASCM 440958 PUB/FIX	59° 59' 59.174"	117° 26' 22.717"	6651467.12	475477.65	713.96
F - 73 - 01 (Adj.)	60° 02' 23.954"	117° 29' 42.960"	6655967.81	472408.68	776.31
F - 73 - 02 (Adj.)	60° 02' 23.684	117° 29' 23.504"	6655957.20	472709.70	774.88
ASCM 427963 (Adj.)	59° 59' 59.280"	117° 34' 50.034"	6651531.00	467617.52	726.45
ASCM 427963 (Pub.)	59° 59' 59.280"	117° 34' 50.034"	6651531.00	467617.52	726.52
PROPOSED WELL					
F - 73	60° 02' 24.200"	117° 29' 34.19"	6655974.40	472544.47	776.03

GRID AREA 60° 10', 117° 15' - GEOGRAPHIC AND UTM COORDINATES, (1927 NAD)				
NE	60° 10' 00"	117° 15' 00"	6669792.78	486125.26
NW	60° 10' 00"	117° 30' 00"	6669871.56	472250.65
SW	60° 00' 00"	117° 30' 00"	6651310.02	472110.25
SE	60° 00' 00"	117° 15' 00"	6651230.97	486055.06
F - 73, N.E.	60° 02' 30.051"	117° 29' 03.749"	6655945.47	473015.81
F - 73, N.W.	60° 02' 30.027"	117° 29' 31.874"	6655947.93	472580.58
F - 73, S.W.	60° 02' 15.027"	117° 29' 31.874"	6655483.89	472577.12
F - 73, S.E.	60° 02' 15.051"	117° 29' 03.749"	6655481.43	473012.41
PROPOSED WELL				
F - 73	60° 02' 23.831"	117° 29' 29.114"	665755.93	472621.87

REV. NO.	DESCRIPTION	BY	DATE
	JOHN E. LANDRY CANADA LANDS SURVEYOR	Date: Aug. 19, 2002	Scale: As Shown
 McELHANNEY LAND SURVEYS LTD. PROFESSIONAL LAND SURVEYORS 138, 14315-118 Avenue Edmonton, Alberta PH: (780) 451-3420 FAX: (780) 452-7033	Plan No.: 1 of 1	File No.: 321113187	13187WS