



National Energy Board

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|-------------|---|-------------|---|
| Exploratory | X | Delineation | □ |
| Development | □ | Service | □ |

APPROVAL TO DRILL A WELL

This application is submitted under Section 82 of the *Canada Oil and Gas Drilling Regulations*. When approved under Section 83 of the Regulations, it is the requisite approval for the commencement of drilling operations.

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|--------------------------|--------------------------|------------------------|------------------------|
| Well Name: | PARA ET AL CAMERON B-38 | Drilling Program No.: | |
| Operator: | PARAMOUNT RESOURCES LTD. | Interest identifier: | PL-14 |
| Contractor: | PRECISION DRILLING LTD. | Estimated Well Cost: | \$1,200,000 |
| Drilling Rig or Unit: | P247 | Grid Area: | 60° 10' N, 117° 30' W |
| Location-Unit: | B | Section: | 38 |
| Coordinates: | Lat.: 60° 07' 13.387 | Long.: | 117° 36' 19.184 |
| Area: | CAMERON HILLS NWT | Field / Pool: | N/A |
| Elevation-KB/RT: | 729.0 (est) | (ASL) | GL / Sealevel: 724.54 |
| Approx. Spud Date: | Feb 12. 2003 | Est. Days on Location: | 14 |
| Anticipated Total Depth: | 1701 mKB (1556 mTVD) | Target Horizons: | SULPHUR POINT DOLOMITE |

EVALUATION PROGRAM

Ten-metre sample intervals

Five-metre sample intervals 1300 m - TD

Canned sample intervals 1300 m - TD

Conventional cores at NONE PLANNED

Logs and Tests STI-SP-GR, SPED-CNT-GR-DAC, BCS-GR-SAC, MOICRLOG, ONE POSSIBLE DST

CASING AND CEMENTING PROGRAM

| O.D. (mm) | Weight (kg/m) | Grade | Setting Depth (m KB) | Cementing Program (m³) |
|-----------|---------------|-------|----------------------|--|
| 219.1 | 35.71 | J-55 | 425 | 32 t 0-1-0 'G' + 2% CaCl₂ |
| 139.7 | 23.07 | J-55 | 1723 | 16 t Fill Lite 2-125 + 0.6% R-3 + 3% A-9 and 5 t 0-1-0 'G' + 0.1% R-3 + 0.4% FL-77 |

B.O.P. Equipment: 21 MPa stack and manifold with one flow diverter, one annular preventer, two single gate RAM's, and one double choke manifold

Other Information: This will be a directional well drilled from a surface location in B-38 to a bottom hole location in C-38.

Signed: *Dave Block*

Title: Engineering Consultant

Responsible Officer

Name: Dave Block, PEng.

Company: Paramount Resources Ltd.

Date: January 7, 2004

Phone: (403) 206-3834

APPROVAL

An approved copy of this notice is to be posted at each wellsite.

Date:

Signed:

File:

Chief Conservation Officer

WID:

UWI: