



File: WID# 2002, 2003, 2004 & 2005
13 January 2004

Mr. D. Block
Paramount Resources Ltd.
4700 Bankers Hall West
888 - 3rd Street SW
Calgary, AB T2P 5C5
Facsimile (403) 266-6032

Dear Mr. Block:

**Application for Approval to Drill a Well for Para et al Cameron B-38, Para et al Cameron F-19,
Para et al Cameron K-19 and Para et al Cameron O-19**

Paramount Resources Ltd. is given approval to drill the wells Para et al Cameron B-38, Para et al Cameron F-19, Para et al Cameron K-19 and Para et al Cameron O-19 as per section 83 of the *Canada Oil and Gas Drilling Regulations*. Attached is an approved ADW form for each well. Please be reminded that all oil and gas activities are, at minimum, to meet the requirements of the *Canada Oil and Gas Drilling Regulations*, the *Oil and Gas Occupational Safety and Health Regulations* and the *Canada Labour Code, Part II*. Any flaring, testing or completion operations will require a separate, specific approval from the Chief Conservation Officer.

Please note conditions and items on the Attachment. If you have any questions please do not hesitate to contact Chris Knoechel at 299-3866.

Yours sincerely,


for / T. M. Baker
Chief Conservation Officer

Attachment

c.c. M. Fortier (DIAND)

APPROVAL TO DRILL A WELL

Para et al Cameron B-38, Para et al Cameron F-19, Para et al Cameron K-19 &
Para et al Cameron O-19

1. Please note that the wells O-19, K-19, F-19 and B-38 have been designated as "development" wells.
2. Please be advised that the sampling requirements for NEB retention have been amended on the ADW forms.
3. Information to be submitted to the Chief Conservation Officer includes all logs run, drill chips samples, core and fluid samples collected, descriptions and analyses performed on any core, DST results and any pressure and temperature data collected. Actual samples collected are to be submitted to the Core and Sample Repository at the Geological Survey of Canada - Calgary.
4. A copy of the core and sample transmittal letter should be forwarded to the Chief Conservation Officer.
5. Note that all oil and gas activities are, at minimum, to meet the requirements of the *Canada Oil and Gas Drilling Regulations*, the *Oil and Gas Occupational Safety and Health Regulations* and the *Canada Labour Code, Part II*.
6. Well suspension operations are required to meet the requirements of the *Canada Oil and Gas Drilling Regulations*. Upon program termination and well suspension a "Well Termination Record" is required to be submitted complete with a wellbore schematic.
7. Geological reports are to be submitted daily which include sample descriptions, strip logs and gas detection readings.
8. Daily drilling reports are to be faxed by 8:30 am to the attention of the Chief Conservation Officer (fax number (403) 292-5876). Please contact Ms. Trena Barnes should there be any difficulty in delivery of the daily drilling reports.
9. Please provide immediate copies of any log run as well as 2 copies of all final prints and digital files in LASII format of all logs run.
10. Paramount Resources Ltd. shall implement or cause to be implemented all the policies, practices, recommendation and procedures for the protection of the environment included in or referred to in Paramount Resources Ltd.'s applications.
11. Paramount Resources Ltd. shall conduct any well testing and flaring operations when weather conditions are predicted to be optimal for minimal air emissions impacts on local vegetation.
12. Paramount Resources Ltd. shall within 30 days of the completion of the drilling program file with the Chief Conservation Officer a confirmation, by an officer of the company, that the approved Project was completed in compliance with all applicable conditions in the Approval to Drill a Well (ADW). If compliance with any of these conditions cannot be confirmed, the officer of the company shall file with the Chief Conservation Officer details as to why compliance cannot be confirmed.

APPROVAL TO DRILL A WELL

Para et al Cameron B-38, Para et al Cameron F-19, Para et al Cameron K-19 &
Para et al Cameron O-19

13. Please note the following provisions taken from the *Canada Oil and Gas Operations Act* regarding the powers of a Conservation Officer. Conservation Officers are normally trained in various industry oil and gas safety courses. Please note that while neither the Act nor regulations require a Conservation Officer to possess any industry safety courses to enter and inspect a drilling site, however, we do ensure that our inspectors are fully trained and have all the prerequisite training to enter any site. Conservation Officers appointed by the Board are only required to provide the person in charge of a drill site proof of their certificate of designation.