



File WID# 2006, 2007
14 January 2004

Mr Greg Hladun
Senior Staff Drilling Engineer
Apache Canada Ltd
1000, 700 - 9th Avenue SW
Calgary, AB T2P 3V4

Dear Mr. Hladun

**Approval to Drill a Well (ADW) for:
Apache Paramount Tunago Lake E-44 (2007) & Apache Paramount West Nogha K-14 (2006)**

Please be advised that your application for an "Approval to Drill a Well", pursuant to section 83 of the *Canada Oil and Gas Drilling Regulations* is approved for the wells "Apache Paramount Tunago Lake E-44" and "Apache Paramount West Nogha K-14". Please note well name change for E-44. Attached is a signed "Approval to Drill a Well" form for both E-44 and K-14, of which one copy is to be posted in a conspicuous place at the drill site as per the *Canada Oil and Gas Drilling Regulations*.

Any changes or deviation from the program will require the additional specific approval of the Chief Conservation Officer. 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*. Conditions of approval are attached.

If you have any questions, please do not hesitate to contact Chris Knoechel at 299-3866

Yours truly,


T M Baker
Chief Conservation Officer

Attachment

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444 Seventh Avenue SW
Calgary, Alberta T2P 0X8

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Calgary (Alberta) T2P 0X8

Canada

Telephone/Téléphone (403) 292-4800
Facsimile/Télécopieur (403) 292-5503
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Approval to Drill a Well for:
Apache Paramount Tunago Lake E-44
Apache Paramount West Nogha K-14

- 1 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 Trena Barnes (phone number (403) 299-3192) should there be any difficulty in delivery of the daily drilling reports
- 2 Geological reports are to be submitted daily which include sample descriptions, strip logs and gas detection readings
- 3 Please provide immediate copies of any log run as well as two copies of all final prints and digital files in LASII format of all logs run
- 4 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 The "unwashed" samples must have any oil emulsion fluid removed prior to delivery Additionally, a copy of the core and sample transmittal letter should be forwarded to the Chief Conservation Officer
- 5 As per section 122 of the *Canada Oil and Gas Drilling Regulations* formation leak-off tests are to be conducted after the drilling out of surface casing The leak-off test data and plot are to be faxed in with the accompanying daily drilling report
- 6 Well suspension operations are required to meet the requirements of the *Canada Oil and Gas Drilling Regulations* Upon program termination and well suspension/abandonment a "Well Termination Record" is required to be submitted and a wellbore schematic is to be included
- 7 A copy of the *Canada Oil and Gas Drilling Regulations* as well as the *Oil and Gas Occupational Safety and Health Regulations* are to be kept at the drill site and available on request by any person at the drill site (section 102 of the *Canada Oil and Gas Drilling Regulations* and paragraph 125 (1)(e) of the *Canada Labour Code, Part II*, respectively)
- 8 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
- 9 Apache shall implement or cause to be implemented all of the policies, practices, mitigative measures, recommendations and procedures for the protection of the environment referred to in its application

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Apache Paramount Tunago Lake E-44
Apache Paramount West Nogha K-14**

- 10 Within 30 days of the completion the well Apache shall 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. 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
- 11 Apache shall meet the Guideline for Ambient Air Quality Standards in the Northwest Territories when conducting any flaring associated with the Coville Lake Drilling Program