



File: WID# 2025
1 March 2005

Protected B

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

Dear Mr. Block:

Approval to Drill a Well for Para et al Cameron 2F-73

The application for an Authority to Drill a Well, pursuant to section 83 of the *Canada Oil and Gas Drilling Regulations*, is approved for Para et al Cameron 2F-73. Paramount Resources Ltd. is granted waiver of section 126 of the *Canada Oil and Gas Drilling Regulations* while drilling the Wabamun horizon. Attached is the signed Authority to Drill a Well form which is to be posted in a conspicuous place on location during operations.

Any changes or deviation from the approved 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

cc: M. Fortier - DIAND

Attachment
Approval to Drill a Well for
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1. The Approval to Drill a Well form is to be displayed at a prominent place on the drill site as per section 103 of the *Canada Oil and Gas Drilling Regulations*. Also, copies 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 on 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).
2. A remote choke is required on the drilling unit as per the *Canada Oil and Gas Drilling Regulations*.
3. Drill Cuttings Sampling Requirements:
 - a. 1380 MD – to TD; 5 metre intervals: **Two sets** of washed samples in 11 ml vials. **One set** of unwashed samples, 500 grams (approximately the size of 2 fists) in moisture-proof bags. Plastic lined bags not allowed. Invert/oil muds must be removed/neutralized from samples. Sacks of samples must be labeled with the correct interval and number of bags (i.e. 1 of 3 etc.). All samples must be fully dried and crushed where applicable or they will be returned.
 - b. No geochem jar sets required.
 - c. All samples must be delivered to the Geological Survey in Calgary at 3303 33rd Street NW to the attention of the Head, Core and Sample Repository. A copy of the core and sample transmittal letter must be forwarded to the Chief Conservation Officer at the National Energy Board.
 - d. Other than geochemical jar samples intended for GSC analysis, NEB sample sets cannot be utilized for a company's private analysis as these sets form the public record. Your company should acquire additional sample set(s) at the time of drilling if private analysis is planned. Otherwise, you are referred to the NEB's *Studying and Sampling Well Materials from Frontier Wells* for authorizations.
4. Well suspension or abandonment operations are required to meet the requirements of the *Canada Oil and Gas Drilling Regulations*. Upon program termination a "Well Termination Record" is required to be submitted complete with a wellbore schematic.
5. Geological reports (including descriptions, strip logs and gas detection readings) and drilling reports are to be faxed daily 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) or Lori Ann Sharp (phone number (403) 299-1994) should there be any difficulty in delivery of the daily drilling reports.
6. Please submit 2 paper copies of final log prints and all digital log files in LASII format on compact disc. Please ensure compact discs are maximized and submitted with the final well report.
7. Additional information to be filed with the Chief Conservation Officer includes a description of drill chip samples, core, fluid samples and DST results. Analyses performed on any core and any pressure and temperature data must be submitted.

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8. Paramount Resources Ltd. 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.
9. Please include a final well survey signed by a Canada Land Surveyor in the final well report.
10. 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. 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. Paramount Resources Ltd. shall meet the Guideline for Ambient Air Quality Standards in the Northwest Territories when conducting any flaring associated with the drilling program.
12. Please submit, with the Well Termination Record, a final site plan in digital format compatible with ARC GIS software for the footprint used, and a report of its summer site inspection.

FEB 25 2005

National Energy
BoardOffice national
de l'énergieExploratory ☐
Development ☐

Other (N/A)

Delineation ☒
Service ☐

APPROVAL TO DRILL A WELL

This application is submitted under Section 82.(1) of the *Canada Oil and Gas Drilling Regulations* (SOR/79-82). When approved under Section 83 of the Regulations it is the requisite approval for the commencement of drilling operations.

Well Name: Para et al Cameron 2F-73

Operator: Paramount Resources Ltd.

Operating License No.: 1089 Drilling Program No.: _____

Contractor: Precision Drilling Ltd. Interest Identifier: Production Licence 004

Drilling Rig or Unit: 247 Estimated Well Cost: \$1200000.00

Land Use Permit No.: MV2000A0041 Water Licence No.: MV2000L1-0009

Location: Unit: F Section: 73 Grid: 60-10-117-15

Coordinates: Surface: Lat.: 60°2'24.2" Long.: 117°29'29.1"
(NAD 27) Bottom Hole: Lat.: 60°2'14.7" Long.: 117°29'50.0"

Region: Nwt Field / Pool: Cameron Hills

Elevation KB/RT: 780.3m GL / Seafloor: 776.0m

Approximate Spud Date: 05/Mar/2005 Est. Days on Location: 13

Anticipated Total Depth: 1558.0m Target Formation: Sulphur Point

EVALUATION PROGRAM

	Interval (m KB)	Comments
Ten-metre samples:
Five-metre samples:	1380.0 - 1558.0
Canned sample intervals:	1380.0 - 1558.0
Conventional cores at:	1517.0 - 1530.0	Sulphur Point
Logs and Tests:	425.0 - 1558.0	STI-SP-GR, SPED-CNT-GR-DAC, BCS-GR-SAC, MOICRLOG

CASING AND CEMENTING PROGRAM

O.D. (mm)	Weight (kg/m)	Grade	Setting Depth (m KB)	Cementing (m³)
219.0	35.7	J-55	425.0	24.5
139.0	23.0	J-55	1558.0	33.6
.....
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B.O.P. Equipment: Sour service 279 mm X 21 MPa with double rams and annular

Other Information: _____

Signed: Dave Block Title: Drilling Consultant
Responsible OfficerName: Dave Block Operator: Paramount Resources Ltd.
Date: Feb 23 / 05 Phone: (403)206-3834

NEB USE ONLY

An approved copy of this notice is to be posted at each drillsite. This operation is authorized under Section 5.(1)(b) of the *Canada Oil and Gas Operations Act* (O-7) and is subject to the terms and conditions attached to this authorization.

Date: Mar 1 / 05
File: 9211-P033-22-6
WID: 2025
UWI: 302F736010117150Signed: [Signature]
Chief Conservation Officer

Canada