



File: WID# 2030
18 January 2006

Dick Heenan
Drilling Consultant
Paramount Resources Ltd.
4700, 888 – 3rd Street SW
Calgary, AB T3P 5C5
Facsimile (403) 262-7994

Dear Mr. Heenan:

Application to Alter the Condition of a Well for Paramount et al Liard K-29A

Thank you for your application to repair annular segregation in the well Paramount et al Liard K-29A dated 9 January 2006. We have reviewed your proposal for re-establishing annular segregation and to reduce the amount of free water produced. Paramount Resources Ltd. is hereby given approval for the proposed remedial program and approval to flare for clean-up purposes for a period not to exceed one week in accordance with section 33 of the *Canada Oil and Gas Production and Conservation Regulations*,. Paramount Resources Ltd. is to provide a summary of the certified rig equipment, as required by section 30 of the *Canada Oil and Gas Drilling Regulations*, in accordance with CAODC recommended practices.

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 *Canada Oil and Gas Production and Conservation Regulations*, the *Oil and Gas Occupational Safety and Health Regulations* and the *Canada Labour Code, Part II*.

Should you have any questions please contact Richard Turner at (403) 299-3868.

Yours truly,

A handwritten signature in black ink, appearing to read 'B. Dixit'.

Bharat C. Dixit
Chief Conservation Officer

c.c.: G. Green – INAC

Attachment
Approval to Alter Condition of a Well for
Paramount et al Liard K-29A

1. Daily reports are to be emailed to dailyreports@neb-one.gc.ca with the well name and then the date of the report in the subject line by 8:30 am. Please contact Lori Ann Sharp (phone number (403) 299-1994) or Trena Barnes (phone number (403) 299-3192) should there be any difficulty in delivery of the daily reports.
2. 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. Please ensure compact discs are maximized.
3. 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. If the well is to be placed on production please provide a Change of Well Status form.
4. 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 well site and available on request by any person at the well site (section 102 of the *Canada Oil and Gas Drilling Regulations* and paragraph 125.(1)(e) of the *Canada Labour Code, Part II*, respectively).
5. Paramount 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.
6. Within 30 days of the completion the well Paramount 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 Alter Condition of 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.
7. Paramount shall meet the Guideline for Ambient Air Quality Standards in the Northwest Territories when conducting flaring associated with the program.

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Exploration and Production

JAN 12 2006

APPROVAL TO ALTER CONDITION OF A WELL

This application is to be submitted to the Chief Conservation Officer at least 45 days before commencement of operations.

Well Name:	Paramount Et Al Liard K-29a		
Operator:	Paramount Resources Ltd	Well ID:	2030
Operating License No.:	1125	Depth:	3620m
Contractor:	High Arctic Energy Services	Drilling Rig or Unit:	VIKING
Area:	Fort Liard, Nwt	Grid:	60-30-123-30
Coordinates:	Surface Lat.: 60°28'41.0"	Long.:	123°35'4.1"
(NAD 27)	Bottom Hole Lat: 60°29'14.4"	Long.:	123°35'49.6"
Date ADW issued:	04/Aug/2005	Date of last Operation:	21 Oct 2005
Elevation-KB/RT:	416.4m	GL / Seafloor:	409.6m
Approx. Spud Date:	15/Jan/2006	Est. Days on Location:	20

TYPE OF OPERATION

Repair tubing-annulus communication, isolate & test fractured zones in Nahanni

SUMMARY OF PROPOSED OPERATIONS

1. Pull/fish existing 114mm tubing
2. Mill & pull permanent packer at base of casing (+/- 2560mMD)
3. Run & set Packers Plus open hole packer system
4. Flow test lower set of Nahanni fractures
5. Flow test upper set of Nahanni fractures (tentative - depending on results of test on lower set)
6. Turn well over to K-29 production facility

Note minor corrections on KB elevations, TD & bottom hole location from previous AACW to reflect actuals

Signe D. Heenan Title: Drilling Consultant
Responsible Officer

Name: Dick Heenan Operator: Paramount Resources
Date: 2006/1/9 Phone: (403)290-6266

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.

Well Status Before Operation:

Suspended ☐

Completed ☒

Abandoned ☐

Date: 17 Jan 06

File: 9211-1

WID: 2030

UWI: 300K296030123305

Signed:

Chief Conservation Officer

Canada