



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.C. 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.