

## GEOLOGICAL REPORT

|                                                                                                                           |                                   |                             |                        |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------|------------------------|
| <b>WELL NAME AND LOCATION</b><br>PARA ET AL CAMERON J-74<br>Latitude: 60°03'38.894" North; Longitude: 117°28'55.779" West | <b>GEOLOGIST</b><br>Silviu Gridan | <b>DATE</b><br>Mar 06, 2006 | <b>REPORT NO.</b><br>7 |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------|------------------------|

### CURRENT INFORMATION

| TIME           | DEPTH (MD)   | DEPTH (TVD) | PROGRESS | FORMATION    | STATUS           |            |           |
|----------------|--------------|-------------|----------|--------------|------------------|------------|-----------|
| 07:00          | 826m         | 545m        | 281m     | Fort Simpson | Drill 200mm hole |            |           |
| RIG            | SPUD DATE    | DFS         | GRD.EL.  | KB.EL.       | AFE NO.          | DAILY COST | CUM. COST |
| Precision #129 | Feb 28, 2006 | 5.6         | 771.10m  | 775.30m      | 05N610061        | \$41,850   | \$687,166 |

### SUMMARY OF PREVIOUS 24 HOURS

Drill 200mm hole from 545m to m 564m. Rig service. Deviation survey accumulated. Loss circulation at 564m – mix LCM. Safety meeting. Drill 200mm hole from 564m to 584m. Loss circulation at 584m – mix LCM. Drill 200mm hole from 584m to 723m. Loss circulation at 723m – mix LCM. Drill blind from 723m to 726m. Rig service. Drill 200mm hole from 726m to 826m.

### OPERATIONS FORECAST

Drill ahead 200mm hole. Deviation survey accumulated. Rig service. Safety meeting.

### DRILLING FLUID PROPERTIES

|                                       |                                         |                           |                |           |
|---------------------------------------|-----------------------------------------|---------------------------|----------------|-----------|
| <b>FLUID TYPE</b><br>Floc Water - LCM | <b>DENSITY</b><br>1020kg/m <sup>3</sup> | <b>VISCOSITY</b><br>32s/L | <b>pH</b><br>9 | <b>WL</b> |
|---------------------------------------|-----------------------------------------|---------------------------|----------------|-----------|

### BIT AND CASING DATA

|                     |                      |                      |                         |                          |                       |                                                                                |
|---------------------|----------------------|----------------------|-------------------------|--------------------------|-----------------------|--------------------------------------------------------------------------------|
| <b>BIT NO.</b><br>1 | <b>SIZE</b><br>200mm | <b>TYPE</b><br>MKS55 | <b>DEPTH IN</b><br>435m | <b>M DRILLED</b><br>391m | <b>HOURS</b><br>20.25 | <b>LAST / NEXT CASING (SIZE @ DEPTH)</b><br>219.1mm @ 435.0m / 139.7mm @ 1465m |
|---------------------|----------------------|----------------------|-------------------------|--------------------------|-----------------------|--------------------------------------------------------------------------------|

### SURVEYS

| Depth (m) | Deviation (deg) | Depth (m) | Deviation (deg) | Depth (m) | Deviation (deg) | Depth (m) | Deviation (deg) | Depth (m) | Deviation (deg) | Depth (m) | Deviation (deg) |
|-----------|-----------------|-----------|-----------------|-----------|-----------------|-----------|-----------------|-----------|-----------------|-----------|-----------------|
| 32.99     | 0.50            | 235.71    | 0.50            | 710.18    | 0.50            |           |                 |           |                 |           |                 |
| 59.71     | 0.75            | 263.66    | 0.25            | 794.00    | 0.25            |           |                 |           |                 |           |                 |
| 86.91     | 0.75            | 292.06    | 0.75            |           |                 |           |                 |           |                 |           |                 |
| 95.73     | 0.25            | 320.60    | 0.75            |           |                 |           |                 |           |                 |           |                 |
| 123.91    | 0.75            | 359.77    | 1.00            |           |                 |           |                 |           |                 |           |                 |
| 152.23    | 0.75            | 388.97    | 1.00            |           |                 |           |                 |           |                 |           |                 |
| 180.05    | 0.25            | 435.00    | 0.75            |           |                 |           |                 |           |                 |           |                 |
| 208.08    | 0.25            | 545.08    | 1.00            |           |                 |           |                 |           |                 |           |                 |

### HYDROCARBON SHOWS

| INTERVAL | TG (units)<br>(max/bkgrd) | ROP (min/m)<br>(min/max) | COMMENTS |
|----------|---------------------------|--------------------------|----------|
|          |                           |                          |          |

### FORMATION TOPS

| Formation           | PROGNOSED (m) |        |        | SAMPLES (m) |       |       | LOGS (m) |     |     |
|---------------------|---------------|--------|--------|-------------|-------|-------|----------|-----|-----|
|                     | MD            | TVD    | SSL    | MD          | TVD   | SSL   | MD       | TVD | SSL |
| Wabamun             | 549.1         | 549.1  | 226.2  | 553.0       | 553.0 | 222.3 |          |     |     |
| Fort Simpson        | 713.3         | 713.3  | 62.1   | 718.5       | 718.5 | 56.8  |          |     |     |
| Beaverhill Lake     | 1318.2        | 1318.2 | -542.9 |             |       |       |          |     |     |
| Slave Point**       | 1343.1        | 1343.1 | -567.8 |             |       |       |          |     |     |
| F4 Marker           | 1385.2        | 1385.2 | -609.9 |             |       |       |          |     |     |
| Watt Mountain       | 1392.6        | 1392.6 | -617.3 |             |       |       |          |     |     |
| Sulphur Point Lst.  | 1402.2        | 1402.2 | -626.9 |             |       |       |          |     |     |
| Sulphur Point Dol.* | 1409.9        | 1409.9 | -634.6 |             |       |       |          |     |     |
| Muskeg              | 1430.1        | 1430.1 | -654.8 |             |       |       |          |     |     |
| TD                  | 1460.3        | 1460.3 | -685.0 |             |       |       |          |     |     |

\* Primary Target      \*\* Secondary Target

### REMARKS

Cell phone (messages will be checked on a daily basis): (403) 969-4600  
Drilling consultant's (Neil Rundell) satellite phone (backup for urgent calls): (403) 927-2335