

FINAL WELL REPORT
PARAMOUNT RESOURCES LTD.

PARA ET AL CAMERON L-40

Grid: 60⁰ 10', 117⁰ 30'

DATE: May 29, 2007

COMPANY REPRESENTATIVE:
Dave Block

TABLE OF CONTENTS

| A. | INTRODUCTION | Page |
|----|---|------|
| | Summary..... | 1 |
| | Locality Map | 3 |
| B. | GENERAL DATA | |
| | Well Name..... | 4 |
| | Well Location | 4 |
| | Unique Well Identifier..... | 4 |
| | Operator | 4 |
| | Contractor | 4 |
| | Drilling Unit | 4 |
| | Position Keeping | 4 |
| | Support Craft | 4 |
| | Drilling Unit Performance..... | 4 |
| | Difficulties and Delays | 4 |
| | Total Well Cost..... | 4 |
| | Bottom Hole Co-ordinates..... | 4 |
| C. | SUMMARY OF DRILLING OPERATIONS | |
| | Elevations | 5 |
| | Total Depth..... | 5 |
| | Date and Hour Spudded..... | 5 |
| | Date Drilling Completed | 5 |
| | Date of Rig Release | 5 |
| | Well Status | 5 |
| | Hole Sizes and Depths..... | 5 |
| | Casing and Cementing Record | 5 |
| | Sidetracked Hole | 6 |
| | Drilling Fluid..... | 6 |
| | Fishing Operations..... | 7 |
| | Well Kicks and Well Control Operations..... | 7 |
| | Formation Leak Off Tests..... | 7 |
| | Time Distribution | 8 |
| | Deviation Survey | 11 |
| | Abandonment Plugs..... | 11 |
| | Composite Well Record | 11 |
| | Completion Record..... | 11 |

| | | |
|----|--|------|
| D. | GEOLOGY | Page |
| | Geological Summary | 12 |
| | Tops..... | 12 |
| | Sample Descriptions | 12 |
| | Coring Record..... | 12 |
| | Gas Detection Report..... | 12 |
| | Drill Stem Tests | 12 |
| | Well Evaluation | 13 |
| | Analyses..... | 13 |
| | Mud Salinity Record | 13 |
| | Gas, Oil & Water | 13 |
| | Formation Stimulation | 13 |
| | Formation and Test Results | 13 |
| | Detailed Test Pressure Data Readings | 13 |
| E. | ENVIRONMENTAL WELL ANALYSIS | 14 |
| F. | ATTACHMENTS TO WELL HISTORY REPORT | 15 |
| | 1. Geological report | |
| | 2. Geological composite log | |
| | 3. Directional survey report | |
| | 4. Survey plan | |

A. INTRODUCTION

Paramount Resources Ltd. (Paramount) drilled Para et al Cameron L-40 as a 1453 meter delineation well. The well was spudded on January 15, 2007 and finished drilling on January 23, 2007. The purpose of the well was to evaluate hydrocarbon potential. The primary target was the Sulphur Point Dolomite formation which was encountered at a depth of 1342 mKB. The secondary target was the Slave Point formation which was encountered at a depth of 1284 mKB. The Keg River formation was also a secondary target but the zone was not penetrated by the drilling rig. The Keg River was left to be drilled out and evaluated by the service rig during the completion operation.

The drilling contractor was Precision Drilling Ltd based out of Calgary, Alberta. Precision's Rig # 220 was used and is a land rig rated for 2400 m. The rig had a mud system capacity of 65 m³ and was equipped with a boiler.

The well was drilled on Production License No PL-015 in which Paramount has an 88% working interest under Paramount's Operating License No 1159.

The exact co-ordinates of the well are as follows:

| | |
|-------------|-----------------------------|
| Surface: | Latitude: 60° 09' 35.532" |
| | Longitude: 117° 37' 15.972" |
| Bottomhole: | Latitude: 60° 09' 41.129" |
| | Longitude: 117° 37' 16.964" |

Cancor Rathole Inc. drilled a 610 mm conductor hole to 12.5 meters. From surface to 0.9 meters was snow pad, from 0.9 to 1.8 meters was hard permafrost, and from 1.8 to 12.5 meters was hard clay. A heavy walled 406 mm conductor pipe was cemented at 12.5 meters.

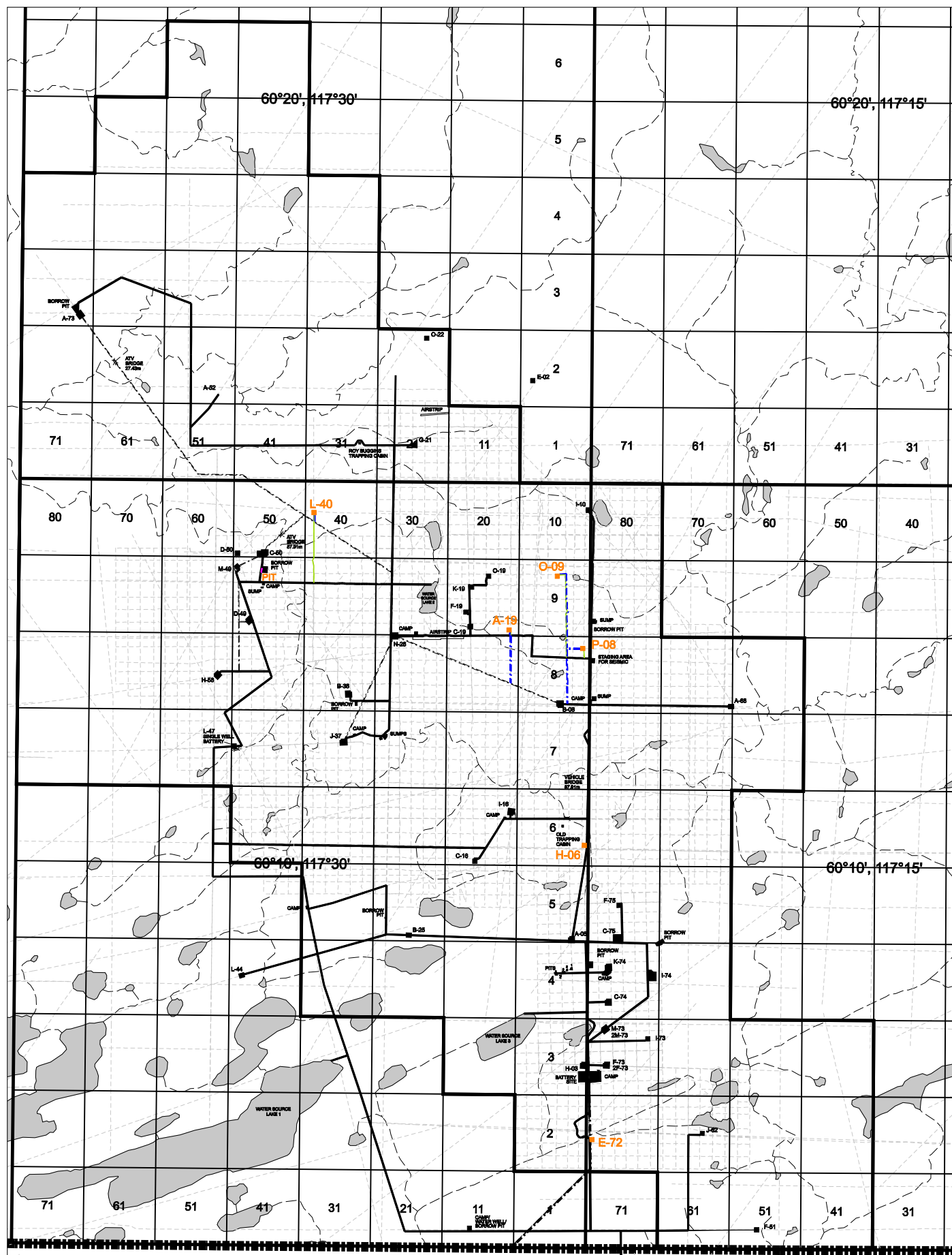
Precision #220 was moved onto the location starting January 9, 2007. The rig was rigged up, a diverter was nipped up and drilling commenced January 15, 2007 at 16:30 hours. A 311 mm surface hole was drilled to 425 mKB. There was sand encountered to 110 m and some minor mud ring problems. There were no major lost circulation problems encountered in drilling the surface hole. A string of 219.1 mm, 35.7 kg/m, J-55, ST&C surface casing was run to 425 mKB. The casing was cemented with 32 t class 'G' cement plus 1.5% CaCl₂. There were 7.0 m³ of cement returned to surface while cementing. The plug was bumped and the float held OK. The plug was down at 05:36 hours on January 18, 2007.

The casing and conductor were trimmed and the casing bowl was welded on. The BOP's were installed and function tested. The BOP's and manifold were pressure tested to 1500 kPa low pressure and 10,500 kPa high pressure. The Hydril was pressure tested to 1500 kPa and 12,000 kPa.

The float collar and shoe were drilled out to 435 mKB on January 18, 2007. A leak off test was performed with the leak off gradient found to be 31.6 kPa/m. A 200 mm hole was drilled with a flocculated water system to approximately 1200 m. Gel was added to the drilling fluid at that point and the gel/chem mud system was then used to drill to a total depth of 1453 mKB. There were no major fluid losses encountered in the drilling of the well. Precision Energy Services ran induction, density, and sonic logs from bottom to surface casing and a micro-resistivity log from bottom to 1280 mKB.

139.7 mm, 23.07 kg/m, J-55, LT&C production casing was run and set at 1453 mKB. It was cemented with 20.0 t Thixlite + 1% SMS and 14.0 t Expando LWL + 0.1% CFL-3 + 0.2% LTR + 0.2% SPC-II. There were 6.5 m³ cement returns to surface. The plug was bumped and held.

Precision #220 was rigged out and released at 12:00 hours on January 26, 2007.



Prepared by:



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LEGEND:

- WELL SITES
- PIPELINE ROW
- ROAD ACCESS
- PIT



REVISED:
MODEL: AsBuiltJuly2005_with6Sites
Date: 14-NOV-05
Job No.: 04-1150G
Filename: CH BASE NAD83.DGN

Compiled Map Showing
SIX SITES PROGRAM
with
AS-BUILT JULY 2005
Oil & Gas Activity

CAMERON HILLS AREA
Northwest Territories
NAD83 UTM Projection
SCALE 1:125 000

B. GENERAL DATA

1. Well Name: Para et al Cameron L-40

Authority to Drill a Well No: 2045

Exploration Agreement Number: PL-015

Location Unit: L

Section: 40

Grid Area: 60⁰ 10' N, 117⁰ 30' W

Classification: Delineation
2. Coordinates:
 Surface: Latitude: 60⁰ 09' 35.532"
 Longitude: 117⁰ 37' 15.972"
3. Unique Well Identifier: 300L406010117300
4. Operator: Paramount Resources Ltd.
5. Contractor: Precision Drilling
6. Drilling Unit: Precision Rig # 220, Land Rig
7. Position Keeping: N/A
8. Support Craft (Helicopter): N/A
9. Drilling Unit Performance: Good
10. Difficulties and Delays: None.
11. Total Well Cost: \$1,628,000
12. Bottom Hole Co-ordinates: Latitude: 60⁰ 09' 41.129"
 Longitude: 117⁰ 37' 16.964"

C. SUMMARY OF DRILLING OPERATIONS

1. Elevations:
 - Ground: 683.21 m above sea level
 - KB: 690.1 m above sea level
 - KB to Casing Flange: 5.4 m
2. Total Depth:
 - FTD: 1453 mKB MD (1437 mKB TVD)
 - PBTD: 1439 mKB MD (1423 mKB TVD)
3. Date and Hour Spudded: January 15, 2007 at 16:35
4. Date Drilling Completed: January 23, 2007
5. Date of Rig Release: January 26, 2007
6. Well status: Cased and Suspended
7. Hole Sizes and Depths:
 - Conductor Hole: 610 mm to 12.5 m
 - Surface Hole: 311 mm to 425 mKB
 - Main Hole: 200 mm to 1453 mKB
8. Casing and Cementing Record:
 - Conductor Hole:
 - Casing Size: 406 mm
 - Wall Thickness: 9.5 mm
 - Depth Set: 12.5 m
 - Cut Height: At Surface
 - Date Set: January 8, 2007
 - Cement Volume: 1.7 tonnes
 - Cement Type: class 'G'
 - Surface Hole:
 - Casing Make: Ipsco
 - Casing Size: 219.1 mm
 - Casing Weight: 35.7 kg/m
 - Casing Grade: J-55
 - Thread: ST&C
 - Number of Joints: 32
 - Depth Set: 425 mKB
 - Cut Height: At surface
 - Date Set: January 18, 2007
 - Cement Volume: 32 Tonnes
 - Float Shoe Depth: 425 mKB
 - Float Collar Depth: 411 mKB
 - Cement Type: Class 'G'

| | |
|-------------------|--------------------------|
| Additives: | 1.5% CaCl ₂ |
| Cement Top: | Surface |
| Casing Bowl Size: | 228 mm x 219 mm x 21 MPa |
| Casing Bowl Make: | ABB Vetco |

Main Hole:

| | |
|---------------------|-------------------------------------|
| Casing Size: | 139 mm |
| Casing Weight: | 23.07 kg/m |
| Casing Grade: | J-55 |
| Casing Make: | IPSCO |
| Number of Joints: | 107 |
| Thread: | LT&C |
| Depth Set: | 1453 mKB |
| Cut Height: | Surface |
| Date Set: | January 25, 2007 |
| Float Shoe Depth: | 1453 mKB |
| Float Collar Depth: | 1439 mKB |
| Cement Volume 1: | 20.0 Tonnes |
| Cement Type 1: | Thixlite |
| Additives 1: | 1% SMS |
| Cement Volume 2: | 14.0 Tonnes |
| Cement Type 2: | Expando LWL |
| Additives 2: | 0.1% CFL-3 & 0.2% LTR & 0.2% SPC-II |
| Cement Top: | Surface |

9. Sidetracked Hole: N/A

10. Drilling Fluid:

| | |
|-----------------|-------|
| Conductor Hole: | Water |
| Properties: | N/A |

| | |
|---------------|---------------------------------------|
| Surface Hole: | Gel - Chemical |
| Properties: | Viscosity: 40 - 48 sec/L |
| | Weight: 1110 - 1150 kg/m ³ |
| | PH: 9.0 - 10.0 |

| | |
|----------------------|---------------------------------------|
| Main (425 – 1200 m): | Floc water |
| Properties: | Viscosity: 40 - 45 sec/L |
| | Weight: 1110 - 1400 kg/m ³ |
| | PH: 9.0 |

| | |
|---------------------|-------------------------|
| Main (1200 m – TD): | Gel-chem |
| Properties: | Viscosity: 4 - 75 sec/L |

| | |
|-------------|-------------------------------|
| Weight: | 1110 - 1130 kg/m ³ |
| PH: | 9.0 – 10.5 |
| Water loss: | 7.0 – 20.0 cc |
| Solids: | Not reported |
| Gels: | Not reported |
| Filtrate: | Not reported |
| PV / YP: | Not reported |

11. Fishing Operations: **N/A**

12. Well Kicks and Well Control Operations: **N/A**

13. Formation Leak Off Tests:

| | |
|------------------------|------------------------|
| Depth: | 435 m |
| Fluid Density: | 1000 kg/m ³ |
| Applied Pressure: | 9240 kPa |
| Hydrostatic Pressure: | 4169 kPa |
| Mud Weight Equivalent: | 3216 kg/m ³ |
| Casing setting depth: | 425 mKB |

The surface casing leak-off test was taken to a gradient of 31.6 kPa/m before leak off was detected.

14. Time Distribution

| Date | Hours | Activity |
|----------|-------|-------------------------------------|
| 07/01/09 | 16.0 | Move rental equipment to camp site. |
| 07/01/10 | 24.0 | Move rig to campsite. |
| 07/01/11 | 24.0 | Move rig to campsite |
| 07/01/12 | 24.0 | Wait on lease preparation. |
| 07/01/13 | 8.0 | Wait on lease preparation. |
| | 0.25 | Safety meeting. |
| | 15.75 | Move on rig, rig up. |
| 07/01/14 | 10.0 | Move on rig, rig up. |
| | 6.0 | Nipple up diverter |
| | 8.0 | Re-drill mousehole. |
| 07/01/15 | 0.25 | Safety meeting. |
| | 0.5 | Rig service. |
| | 13.75 | Re-drill mousehole. |
| | 2.25 | Handle tools. |
| | 7.0 | Drill. |
| | 0.25 | Survey. |
| 07/01/16 | 16.5 | Drill. |
| | 0.5 | Rig service. |
| | 2.5 | Survey. |
| | 3.5 | Trip. |
| | 1.0 | Circulate and condition mud. |
| 07/01/17 | 0.25 | Safety meeting. |
| | 0.5 | Rig service. |
| | 0.75 | Survey. |
| | 4.5 | Drill. |
| | 2.5 | Circulate and condition mud. |
| | 0.25 | Reaming. |
| | 14.5 | Trip. |
| | 0.75 | Run casing. |
| 07/01/18 | 0.25 | Safety meeting |
| | 3.0 | Run casing. |
| | 1.0 | Cement casing. |
| | 1.5 | Circulate and condition mud. |
| | 4.0 | Wait on cement. |
| | 1.0 | Nipple down diverter. |

| | | |
|----------|-------|------------------------------|
| | 2.25 | Weld casing bowl. |
| | 9.0 | Nipple up BOP's. |
| | 2.0 | Test BOP's. |
| 07/01/19 | 0.75 | Safety meeting. |
| | 0.5 | BOP drill. |
| | 0.25 | Rig service. |
| | 8.25 | Test BOP's. |
| | 3.75 | Handle tools. |
| | 0.75 | Slip and cut drill line. |
| | 1.0 | Drill out casing shoe. |
| | 3.75 | Drill. |
| | 0.25 | Leak off test. |
| | 4.0 | Trip. |
| | 0.75 | Survey. |
| 07/01/20 | 0.75 | Rig service. |
| | 3.25 | Survey. |
| | 20.0 | Drill. |
| 07/01/21 | 0.75 | Rig service. |
| | 3.25 | Survey. |
| | 20.0 | Drill. |
| 07/01/22 | 0.75 | Rig service. |
| | 1.0 | Survey. |
| | 22.25 | Drill. |
| 07/01/23 | 0.25 | Safety meeting. |
| | 0.75 | Rig service. |
| | 0.5 | Survey. |
| | 8.0 | Drill. |
| | 1.5 | Circulate and condition mud. |
| | 1.5 | Lay down directional tools. |
| | 11.5 | Trip. |
| 07/01/24 | 0.5 | Safety meeting. |
| | 0.75 | Rig service. |
| | 11.0 | Trip. |
| | 8.5 | Logging. |
| | 2.5 | Circulate and condition mud. |
| | 0.75 | Slip and cut drill line. |
| 07/01/25 | 0.5 | Safety meeting. |
| | 0.5 | Rig service. |

| | | |
|----------|------|------------------------------|
| | 3.0 | Circulate and condition mud. |
| | 2.5 | Trip. |
| | 7.5 | Lay down drill pipe. |
| | 6.5 | Run casing. |
| | 2.0 | Cement casing. |
| | 1.5 | Nipple down BOP's. |
| 07/01/26 | 2.0 | Nipple down BOP's. |
| | 18.0 | Rig out rig. |
| | 4.0 | Wait on daylight to move. |

Time Break Down by Activity:

| <u>Activity</u> | <u>Hours</u> |
|------------------------------|--------------|
| Move rentals to campsite: | 16.0 |
| Move rig to campsite: | 48.0 |
| Move on, rig up: | 25.75 |
| Wait on lease preparation: | 32.0 |
| Wait on daylight | 4.0 |
| Re-drill mousehole: | 21.75 |
| Handle tools: | 7.5 |
| Drilling: | 102.0 |
| Surveying: | 12.25 |
| Reaming: | 0.25 |
| Tripping: | 47.0 |
| Circulate and condition mud: | 12.0 |
| Running casing: | 10.25 |
| Cementing casing: | 3.0 |
| Wait on cement | 4.0 |
| Drill out casing shoe: | 1.0 |
| Rig service: | 6.0 |
| Safety meetings: | 3.0 |
| BOP Drill: | 0.5 |
| Nipple up diverter: | 6.0 |
| Nipple down diverter: | 1.0 |
| Weld casing bowl: | 2.25 |
| Nipple up BOP's: | 9.0 |
| Pressure test BOP's: | 10.25 |
| Leak off tests: | 0.25 |
| Logging: | 8.5 |
| Slip & cut drill line: | 1.5 |
| Lay down drill string: | 7.5 |
| Nipple down BOP's: | 3.5 |
| Rig out: | 18.0 |

15. Deviation Survey: See directional plan in the Attachments section
16. Abandonment Plugs: N/A
17. Composite Well Record: See the copy of the strip log in the Geological Report in the Attachments Section.
18. Completion Record: Reported in a separate report.

D: GEOLOGY

GEOLOGICAL SUMMARY

Tops: See page 12 of the Geological Report in the Attachments Section.

Sample Descriptions: See page 13 - 16 of the Geological Report in the Attachments Section.

Total Depth: 1453 mKB MD

GAS DETECTION REPORT

A gas detector was utilized from the drill out of the conductor pipe to total depth. The gas detector readings are included on the composite geological log at the end of the Geological Report in the Attachments Section.

DRILL STEM TESTS: None.

WELL EVALUATION

The following logs were run:

| | |
|--|-----------------|
| Array Induction Log: | 425 - 1452 mKB |
| Photo Density Dual Spaced Neutron Log: | 425 - 1445 mKB |
| Compensated Sonic Log: | 425 - 1449 mKB |
| Micro Log: | 1280 - 1441 mKB |

GAS, OIL, & WATER ANALYSES: N/A

FORMATION STIMULATION: N/A

FORMATION AND TEST RESULTS: N/A

DETAILED TEST PRESSURE DATA READINGS: N/A

E. ENVIRONMENTAL CONSIDERATIONS

There are no known outstanding environmental considerations on this well. The well was drilled sumpless with all drilling fluids being held in tanks on the lease. At the end of the job the water was stripped from the mud system and hauled to L-29 for re-use. The solids were hauled to a remote site at J-04 60° 10' N, 117° 30' W where they were disposed of using the mix/bury/cover technique.

Geological Report

for

Para et al Cameron L- 40 DIR



Prepared for: Llew Williams, P. Geol
Geological Manager, Northern Unit
Paramount Resources Ltd.

Wellsite Geologist:



DEESCo
consulting
Brad Powell, B.Sc.
Geologist

Table of Contents

| | |
|--|--------------------|
| Executive Summary | 2 |
| Well Data Summary | 3 |
| Logging Summary | 5 |
| Bit Record & Casing Summary | 6 |
| Deviation Surveys | 7 |
| Daily Drilling Summary | 9 |
| Formation Tops | 12 |
| Sample Descriptions | 13 |
| Geological Striplog 1:240 scale | Back Sleeve |

Executive Summary

Para et al Cameron L- 40 DIR is a directional development well spudded by Precision Drilling Rig #220 on January 15, 2007 @ 16:30. Surface hole 311mm was drilled to 425.0m with 219.1 mm casing landed at 425.0m. The 200mm main hole terminated in the **Muskeg** formation at 1453.0m MD on January 23, 2007 @ 08:22. This well may be possibly further deepened into the Keg River using a service rig, drilling with air.

L-40 was drilled primarily to produce gas from the **Sulphur Point Dolomite** and secondarily to evaluate the **Keg River** and **Slave Point** for possible gas. Cutting samples were taken from 1220.0m to TD at 1453.0m. Geochem jar samples were also taken at 10m intervals from SC to TD in accordance with NEB regulations. Triple Induction, SP, Neutron / Density, Compensated Sonic, Gamma Ray, Microlog, and XY Caliper logs were run from TD to surface casing. Microlog was run from TD to 1280m. Gas Detection was run from SC to TD.

The **Sulphur Point Dolomite** is a microcrystalline to finely crystalline packstone to grainstone, with occasional medium crystal growth. The dolomite occurred on logs at 1356.0m MD. It was massive and 12.0m thick, conformably and sharply underlain by anhydrite of the Muskeg formation. The most promising intervals occurred between 1357.5 – 1360.0m and 1363.0 – 1367.0m. Analysis of samples saw common euhedral crystal growth. The samples appeared quite granular in texture, showing fair sucrosic intercrystalline and vug porosity. Sample porosity was estimated at 9 - 12% in these intervals. Density porosity logs (dolomite scale) read 17% at 1358.5m and 14 - 19% from 1363 - 1367m. Cuttings were light brown to brown and saw common dark brown oil staining. They showed deep yellow fluorescence and a slow streaming watery to milky yellowish white cut, and a strong petroliferous odor. Induction log analysis shows 40ohms on the deep induction in the upper interval, and 50-100ohms in the lower. Gas detector readings in the 1357.5 – 1360.0m interval peaked at 361 units over a baseline of 56 units. The gas detector response in the 1363.0 – 1367.0m interval peaked at 606 units, about 11 times baseline. Microlog over both of these intervals indicates some mud cake buildup, suggesting modest permeability. **The Sulphur Point Dolomite appears to have potential for gas production.**

The **Slave Point** occurs on logs between 1297.0 – 1338.0m MD. It is a cream to light brown mottled microcrystalline mudstone, occasionally grading to wackestone. It is predominantly tight, with assumed poor earthy porosity and occasional poor moldic and vug porosity. Gas detector response peaks at 270 units over baseline 65 units at 1307.5m. This is a marginal show, and density porosity reads approximately 6-7% at this point. The Slave Point appears to have little potential for economic production.

The **Keg River** would be tested upon further deepening of this well, if

Para et al Cameron L-40 DIR was cased for production as a gas well from the lower Sulphur Point Dolomite.

Well Data Summary

| | |
|----------------------------|---|
| OPERATOR | Paramount Resources Ltd. |
| WELL NAME | Para et al Cameron L-40 DIR |
| LOCATION | Unit L Section 40 Grid Area: Lat 60° 10' N Long 117° 30' W |
| UWI | 300L406010117300 |
| POOL | Sulphur Point dolomite |
| FIELD | Cameron Hills |
| PROVINCE | Northwest Territories |
| LICENCE NUMBER | 2045 |
| CLASSIFICATION | Production |
| A.F.E. NUMBER | 06N7100016 |
| <hr/> | |
| SURFACE COORDINATES | Latitude: 60° 09' 35.5" North Longitude: 117° 37' 15.9" West |
| <hr/> | |
| ELEVATIONS | KB: 690.1m GL: 684.7m |
| <hr/> | |
| TOTAL DEPTH | Driller: 1453.0m MD (-747.15m SubSea) Logger: 1453.3m MD (-747.44m SubSea) |
| <hr/> | |
| DRILLING CONTRACTOR | Precision Drilling Rig #220 |
| ENGINEER | Brian Neigum 403-997-5286 or 548-5013 |
| GEOLOGIST | Brad Powell, B.Sc. 403-861-0838 |
| <hr/> | |
| SPUD DATE | January 15, 2007 @ 16:30 |
| COMPLETED DRILLING | January 23, 2007 @ 08:22 |
| RIG RELEASE | January 26, 2007 @ 23:59 |
| <hr/> | |

Well Data Summary

HOLE SIZE Surface hole: 311mm
Main hole: 200mm

CASING Surface: 219.1mm, 35.7 kg/m set @ 425.0m
Production: 139.7mm, 20.83 kg/m set @ 1453.0m

LOGGING STI / MRT/ SpeD / CNS / GR / XY CAL / BCS from TD to surface casing.
Microlog from TD to top of Slave Point.

DSTs none

CORES none

SAMPLES Operator: 1 set vials (@ 5m) over interval: 1220m - TD
NEB: 2 sets vials (@ 5m) over interval: 1220m - TD
1 set bags (@ 5m) over interval: 1220m - TD
1 set geochem jars (@ 10m) over interval: 425m – TD

MUD RECORD 0 - 425m Gelchem
425 - 1200m Floc Water
1200 - TD Gelchem

DIRECTIONS From High Level, Alberta, travel north on Highway 35. 1.3km south of Indian Cabins, turn west onto main road and go 32.5km, staying right at all Y forks. Turn right up big hill to Paramount plant site. From the plant, drive 15.5km on main road to airstrip, then 5.5km to location, following rig signs.

PROBLEMS

On Surface Hole: Mud rings needed to be worked and cleaned out.

On Main Hole: Very minor anhydrite contamination problems in mud. While running in with wireline to log Run #1, the tool string bridged @ 766m. It was decided to perform a cleanout trip. Upon re-entry to attempt logging a second time, no difficulties were encountered getting to bottom.

Logging Summary

Date: January 24, 2007

Logging Company: Weatherford **Engineer:** Mike Surka **Truck:** 3424

Mud Properties: WT: 1110 kg/m³ Visc: 85 s/L WL: 13 cm³ pH: 10.0

Hole Size: 200mm

Surface Casing: 219.1mm, 35.7kg/m, set @ 425.1m

Depths: Driller: 1453.0m Strap: no Logger: 1453.3m

Logging Times: First Alerted: 17:45 January 22, 2007
Time Required: 22:00 January 23, 2007 (11.0hr final notice)
Arrived: 21:30 January 23, 2007
Rig Up: 18:00 January 24, 2007
Rig Out: 23:30 January 24, 2007 (5.5hr rig time)

Hole Condition: Good

Circulations: 2.0hr after TD then 2.0hrs after wiper trip

Wiper Trips: TD to surface

LOGGING SEQUENCE **Run #1:** STI / MRT/ SpeD / CNS / Pe / GR / XY CAL / BCS

Interval: TD to surface casing (with MRT from TD to top of Slave Point)

REMARKS: Logging tools did not get to bottom on logging Run #1. Bridged @ 766m. POOH, perform full wiper trip due to problems getting logging tools to bottom for Run #1. A second attempt to log after the wiper trip went smoothly and efficiently. Last on bottom @ 19:00, January 24.

Bit Record & Casing Summary

Bit Record

| Bit # | Make | Type | Size | In (m) | Out (m) | Meters (m) | Hours | ROP (m/hr) | CONDITION |
|-------|--------|-------|-------|--------|---------|------------|-------|------------|---|
| 1A | Hughes | MXC1 | 311mm | 13 | 128 | 115 | 11.0 | 10.45 | 4 – 4 - WT 3 – 4 - WT Chipped cutters |
| 2A | Hughes | MX 1 | 311mm | 128 | 425 | 297 | 16.50 | 18.00 | |
| 1 | Varel | MKS56 | 200mm | 425 | 1453 | 1028 | 73.75 | 13.94 | |
| | | | | | | | | | |

Casing Summary

| Type | Casing Size | Hole Size | Landed | Total Joints | Remarks |
|------------|-------------|-----------|--------|--------------|---|
| Surface | 219.1mm | 311mm | 425.0m | 32 | 32 joints of 219.1mm 35.7 kg/m, J-55, new Ipsco casing ran + collar + shoe. Cemented with Sanjel 24.2m3 of 0:1:0 Class G + 1.5% CaCl2 of density 1900 kg/m3. Approximately 7.0m3 of good returns, float OK, plug down @ 05:30 January 18, 2007. |
| Production | 139.7mm | 200mm | 1453m | 110 | 110 joints of 139.7mm 23.07kg/m, J-55, 8RD ST&C new casing ran. Cemented with Sanjel. Plug down @ 21:00 on January 25, 2007. Good returns, float OK and holding. |

Deviation Surveys

| Depth (m) | Inclination (degrees) | Azimuth (degrees) | TVD (m) | North (m) | East (m) | Section (m) | Dog Leg deg/30m | Build Rate deg/30m | Turn Rate deg/30m |
|---------------------------------|--------------------------|----------------------|------------|--------------|-------------|----------------|--------------------|-----------------------|----------------------|
| THIS WELL IS A DIRECTIONAL WELL | | | | | | | | | |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 425 | 0 | 0 | 425 | 0 | 0 | 0 | 0 | 0 | 0 |
| 429.7 | 0.2 | 281.6 | 429.7 | 0 | -0.01 | 0 | 1.28 | 1.28 | -500.43 |
| 439.08 | 0.1 | 281.6 | 439.08 | 0.01 | -0.03 | 0.01 | 0.32 | -0.32 | 0 |
| 448.47 | 1.1 | 343.3 | 448.47 | 0.09 | -0.07 | 0.1 | 3.37 | 3.19 | 197.12 |
| 458.2 | 1.9 | 2.5 | 458.2 | 0.35 | -0.09 | 0.35 | 2.88 | 2.47 | 59.2 |
| 467.57 | 3.1 | 13.5 | 467.56 | 0.75 | -0.02 | 0.74 | 4.12 | 3.84 | 35.22 |
| 476.97 | 4.3 | 19.6 | 476.94 | 1.33 | 0.16 | 1.3 | 4.03 | 3.83 | 19.47 |
| 486.36 | 5.6 | 17.4 | 486.29 | 2.09 | 0.41 | 2.04 | 4.2 | 4.15 | -7.03 |
| 495.76 | 6.7 | 17.4 | 495.64 | 3.06 | 0.71 | 2.96 | 3.51 | 3.51 | 0 |
| 505.49 | 7.4 | 16.2 | 505.29 | 4.2 | 1.06 | 4.06 | 2.21 | 2.16 | -3.7 |
| 514.87 | 8.1 | 13.8 | 514.59 | 5.42 | 1.38 | 5.24 | 2.47 | 2.24 | -7.68 |
| 524.28 | 8.6 | 10.7 | 523.9 | 6.76 | 1.67 | 6.54 | 2.14 | 1.59 | -9.88 |
| 533.68 | 9 | 7.4 | 533.19 | 8.18 | 1.9 | 7.93 | 2.06 | 1.28 | -10.53 |
| 543.08 | 9.7 | 4.9 | 542.46 | 9.69 | 2.06 | 9.42 | 2.58 | 2.23 | -7.98 |
| 553.19 | 10.5 | 3.5 | 552.42 | 11.46 | 2.19 | 11.17 | 2.48 | 2.37 | -4.15 |
| 562.58 | 11 | 1.2 | 561.64 | 13.21 | 2.26 | 12.9 | 2.1 | 1.6 | -7.35 |
| 572 | 11.6 | 355.9 | 570.88 | 15.05 | 2.21 | 14.74 | 3.82 | 1.91 | -16.88 |
| 581.39 | 11.6 | 352.9 | 580.08 | 16.93 | 2.03 | 16.62 | 1.93 | 0 | -9.58 |
| 590.76 | 11.3 | 354.1 | 589.26 | 18.78 | 1.82 | 18.48 | 1.23 | -0.96 | 3.84 |
| 600.16 | 10.8 | 352.8 | 598.49 | 20.57 | 1.61 | 20.28 | 1.78 | -1.6 | -4.15 |
| 609.55 | 10.6 | 353.8 | 607.71 | 22.3 | 1.41 | 22.03 | 0.87 | -0.64 | 3.19 |
| 618.95 | 10.4 | 352.6 | 616.96 | 24 | 1.21 | 23.74 | 0.95 | -0.64 | -3.83 |
| 628.33 | 10 | 350 | 626.19 | 25.65 | 0.96 | 25.4 | 1.95 | -1.28 | -8.32 |
| 637.75 | 9.5 | 349.4 | 635.47 | 27.21 | 0.67 | 26.99 | 1.62 | -1.59 | -1.91 |
| 647.13 | 9 | 349.6 | 644.73 | 28.7 | 0.4 | 28.49 | 1.6 | -1.6 | 0.64 |
| 656.52 | 9.4 | 349.2 | 654 | 30.17 | 0.12 | 29.99 | 1.29 | 1.28 | -1.28 |
| 675.34 | 10.9 | 349.2 | 672.52 | 33.43 | -0.5 | 33.3 | 2.39 | 2.39 | 0 |
| 694.15 | 11.1 | 348.3 | 690.99 | 36.95 | -1.2 | 36.87 | 0.42 | 0.32 | -1.44 |
| 712.95 | 10.9 | 349.4 | 709.44 | 40.47 | -1.9 | 40.44 | 0.46 | -0.32 | 1.76 |
| 731.72 | 10.6 | 346 | 727.88 | 43.89 | -2.64 | 43.92 | 1.12 | -0.48 | -5.43 |
| 750.1 | 10.3 | 351.1 | 745.96 | 47.15 | -3.3 | 47.24 | 1.59 | -0.49 | 8.32 |
| 769.28 | 10.3 | 352.5 | 764.83 | 50.55 | -3.79 | 50.66 | 0.39 | 0 | 2.19 |
| 788.03 | 10.2 | 355.6 | 783.28 | 53.86 | -4.14 | 54 | 0.9 | -0.16 | 4.96 |
| 806.79 | 10.5 | 356.4 | 801.74 | 57.23 | -4.37 | 57.37 | 0.53 | 0.48 | 1.28 |
| 825.57 | 11.4 | 354.9 | 820.17 | 60.78 | -4.65 | 60.93 | 1.51 | 1.44 | -2.4 |
| 844.7 | 11.2 | 353.7 | 838.93 | 64.51 | -5.02 | 64.68 | 0.48 | -0.31 | -1.88 |
| 863.5 | 10.5 | 352.7 | 857.4 | 68.03 | -5.44 | 68.22 | 1.16 | -1.12 | -1.6 |
| 882.31 | 9.7 | 351.2 | 875.92 | 71.29 | -5.9 | 71.52 | 1.34 | -1.28 | -2.39 |
| 901.12 | 9.7 | 349.1 | 894.46 | 74.42 | -6.44 | 74.68 | 0.56 | 0 | -3.35 |

Deviation Surveys

| Depth (m) | Inclination (degrees) | Azimuth (degrees) | TVD (m) | North (m) | East (m) | Section (m) | Dog Leg deg/30m | Build Rate deg/30m | Turn Rate deg/30m |
|---------------------------------|--------------------------|----------------------|------------|--------------|-------------|----------------|--------------------|-----------------------|----------------------|
| THIS WELL IS A DIRECTIONAL WELL | | | | | | | | | |
| 910.54 | 9.6 | 349.1 | 903.74 | 75.97 | -6.74 | 76.25 | 0.32 | -0.32 | 0 |
| 929.36 | 10.2 | 347.4 | 922.28 | 79.13 | -7.4 | 79.47 | 1.06 | 0.96 | -2.71 |
| 948.16 | 9.9 | 350.7 | 940.79 | 82.35 | -8.02 | 82.74 | 1.04 | -0.48 | 5.27 |
| 957.58 | 9.6 | 352.7 | 950.08 | 83.93 | -8.25 | 84.33 | 1.44 | -0.96 | 6.37 |
| 966.43 | 9.8 | 352.5 | 958.8 | 85.41 | -8.44 | 85.82 | 0.69 | 0.68 | -0.68 |
| 976.02 | 9.8 | 351.4 | 968.25 | 87.03 | -8.67 | 87.45 | 0.59 | 0 | -3.44 |
| 985.75 | 9.9 | 351.5 | 977.84 | 88.67 | -8.92 | 89.12 | 0.31 | 0.31 | 0.31 |
| 995.17 | 10.1 | 352.9 | 987.12 | 90.29 | -9.14 | 90.75 | 1 | 0.64 | 4.46 |
| 1004.59 | 10.2 | 353.5 | 996.39 | 91.94 | -9.34 | 92.41 | 0.46 | 0.32 | 1.91 |
| 1013.98 | 10.3 | 352.9 | 1005.63 | 93.6 | -9.54 | 94.08 | 0.47 | 0.32 | -1.92 |
| 1032.78 | 10.8 | 353.8 | 1024.11 | 97.02 | -9.93 | 97.52 | 0.84 | 0.8 | 1.44 |
| 1051.58 | 10.5 | 359.5 | 1042.59 | 100.48 | -10.14 | 100.99 | 1.75 | -0.48 | 9.1 |
| 1070.37 | 9.7 | 357.1 | 1061.09 | 103.78 | -10.23 | 104.28 | 1.44 | -1.28 | -3.83 |
| 1079.75 | 9.1 | 354.5 | 1070.34 | 105.3 | -10.35 | 105.81 | 2.35 | -1.92 | -8.32 |
| 1089.14 | 8.9 | 354 | 1079.61 | 106.76 | -10.49 | 107.28 | 0.69 | -0.64 | -1.6 |
| 1098.88 | 9.2 | 356.1 | 1089.23 | 108.29 | -10.62 | 108.81 | 1.37 | 0.92 | 6.47 |
| 1108.29 | 9.1 | 357.8 | 1098.52 | 109.78 | -10.7 | 110.3 | 0.92 | -0.32 | 5.42 |
| 1117.68 | 9.2 | 0.7 | 1107.79 | 111.28 | -10.72 | 111.79 | 1.51 | 0.32 | 9.27 |
| 1127.08 | 9.4 | 1.6 | 1117.07 | 112.8 | -10.69 | 113.29 | 0.79 | 0.64 | 2.87 |
| 1136.49 | 9.5 | 1.2 | 1126.35 | 114.34 | -10.66 | 114.83 | 0.38 | 0.32 | -1.28 |
| 1145.9 | 9.7 | 0.3 | 1135.63 | 115.91 | -10.64 | 116.38 | 0.8 | 0.64 | -2.87 |
| 1155.29 | 10.2 | 359.5 | 1144.88 | 117.53 | -10.64 | 118 | 1.66 | 1.6 | -2.56 |
| 1164.71 | 10.6 | 0.8 | 1154.14 | 119.23 | -10.63 | 119.69 | 1.48 | 1.27 | 4.14 |
| 1174.14 | 11.2 | 0.9 | 1163.4 | 121.02 | -10.61 | 121.46 | 1.91 | 1.91 | 0.32 |
| 1183.53 | 11.7 | 2.2 | 1172.61 | 122.88 | -10.56 | 123.31 | 1.8 | 1.6 | 4.15 |
| 1192.93 | 11.4 | 1.4 | 1181.82 | 124.76 | -10.5 | 125.17 | 1.09 | -0.96 | -2.55 |
| 1202.33 | 11.4 | 1.4 | 1191.03 | 126.62 | -10.45 | 127.01 | 0 | 0 | 0 |
| 1211.75 | 11.9 | 357.5 | 1200.26 | 128.52 | -10.47 | 128.9 | 2.97 | 1.59 | -12.42 |
| 1221.34 | 12.3 | 356.6 | 1209.63 | 130.53 | -10.57 | 130.91 | 1.38 | 1.25 | -2.82 |
| 1230.69 | 12.3 | 354.5 | 1218.77 | 132.51 | -10.73 | 132.9 | 1.44 | 0 | -6.74 |
| 1249.3 | 12 | 354.9 | 1236.96 | 136.41 | -11.09 | 136.82 | 0.5 | -0.48 | 0.64 |
| 1296.36 | 11.1 | 354.4 | 1283.07 | 145.79 | -11.97 | 146.24 | 0.58 | -0.57 | -0.32 |
| 1324.55 | 11 | 353.8 | 1310.74 | 151.17 | -12.52 | 151.64 | 0.16 | -0.11 | -0.64 |
| 1352.98 | 10.7 | 353.8 | 1338.66 | 156.49 | -13.1 | 157 | 0.32 | -0.32 | 0 |
| 1381.18 | 10.4 | 351.7 | 1366.38 | 161.61 | -13.75 | 162.16 | 0.52 | -0.32 | -2.23 |
| 1409.41 | 9.4 | 352.9 | 1394.19 | 166.42 | -14.4 | 167.01 | 1.09 | -1.06 | 1.28 |
| 1437 | 8.9 | 352.3 | 1421.43 | 170.77 | -14.97 | 171.39 | 0.55 | -0.54 | -0.65 |
| 1453 | 8.9 | 352.3 | 1437.24 | 173.22 | -15.3 | 173.87 | 0 | 0 | 0 |

Daily Drilling Summary

- note that operations are as reported from 00:00 to 23:59 on the date shown

| <u>Date</u> | <u>Depth</u> | <u>Progress</u> | <u>Operations</u> |
|-------------|--------------|-----------------|--|
| Jan 12 | 0 | 0 | Wait on lease construction. |
| Jan 13 | 0 | 0 | Wait on lease construction. Move rig, spot components. Rig up shacks, fire up boiler. |
| Jan 14 | 0 | 0 | Raise derrick. Nipple up diverter, function test. Rig up rig. Drill out mousehole. |
| Jan 15 | 65 | 65 | Test accumulator and related BOP equipment. Pre-spud inspection. Spud well Jan 15, 2007 @ 16:30. Drill 311mm surface hole with Bit #1A with surveys and required rig service to 65m. |
| Jan 16 | 354 | 289 | Drill 311mm surface hole with Bit #1A with surveys and required rig service from 65m to 128m. Circulate hole clean, work mud ring. POOH for bit trip. RIH with Bit #2A. Drill 311mm surface hole with required surveys and rig service from 128m to 354m. Circulate, POOH for clean out trip for mud ring. |
| Jan 17 | 425 | 71 | Wiper trip, circulate. Work mud ring. Circulate to bottom. Drill 311mm surface hole from 354m to 410m. Full wiper trip, wash to bottom. Drill to surface casing point at 425m. Surface TD Jan 17, 2007 @ 20:15. Circulate hole and condition mud for running casing. POOH to run casing. |
| Jan 18 | 425 | 0 | Rig for and run 32 joints 219.1mm surface casing. Circulate casing. Cement with Sanjel. Plug down Jan 18, 2007 @ 05:30. WOC. Weld on bowl, nipple up BOPs. Pressure test BOPs, manifolds, HCR, valves, and other well control related equipment. |

Daily Drilling Summary

| | | | |
|--------|------|-----|--|
| Jan 19 | 511 | 86 | Pressure test BOPs, manifolds, HCR, valves, and other well control related equipment. Make up MWD BHA with PDC Bit #1 and RIH. Drill out shoe to 435m, perform leak off test, rig service and safety meeting. Test MWD tool. Drill out @ 19:30. Directional drill ahead 200mm main hole with required rig service, surveys, and tool orientation from 435m to 455m. Survey, MWD kick-off point. Drill ahead to 511m. |
| Jan 20 | 965 | 454 | Directional drill ahead 200mm main hole with PDC Bit #1 with surveys, tool orientation, and required rig service from 511m to 965m. |
| Jan 21 | 1244 | 279 | Directional drill ahead 200mm main hole with PDC Bit #1 with surveys, tool orientation, and required rig service from 965m to 1244m. Mud up starting at 1200m. |
| Jan 22 | 1397 | 153 | Directional drill ahead 200mm main hole with PDC Bit #1 with surveys, tool orientation, and required rig service from 1244m to 1397m. |
| Jan 23 | 1453 | 56 | Directional drill ahead 200mm main hole with PDC Bit #1 with surveys, tool orientation, and required rig service from 1397m to 1453m. Total Depth January 23, 2007 @ 08:22. Circulate up sample, strap out of hole, strap in hole, circulate 2 hours to condition hole to log. POOH to log. |
| Jan 24 | 1453 | 0 | POOH to log. Rig up Weatherford wireline. Run in to log hole. Bridged @ 766m. Rig out loggers, RIH for full wiper / cleanout trip. Rig up loggers. Log Run #1. Rig out tools. Rig out loggers. Wait on orders. RIH to condition hole for casing. |

Daily Drilling Summary

| | | | |
|--------|------|---|--|
| Jan 25 | 1453 | 0 | RIH to condition hole for casing. Circulate. POOH sideways. Run 110 joints 139.7mm production casing. Circulate casing. Rig for cementers. Cement hole with Sanjel. WOC. |
| Jan 26 | 1453 | 0 | WOC. Nipple down, strip mud, tear out for rig move. Rig release 23:59 January 26, 2007. |

Formation Tops

Kelly Bushing Elevation: 690.1m

| Formation | Prognosis TVD (m) | Sample TVD (m) | Logger TVD (m) | Log SubSea (m) |
|--------------------|----------------------|---|-------------------|-------------------|
| Wabamun | 460.1 | 458.0 | 458.0 | + 232.1 |
| Fort Simpson | 661.1 | 656.9 | 656.9 | + 33.2 |
| Slave Point * | 1276.1 | 1283.7 | 1283.7 | - 593.6 |
| F4 Marker | 1316.7 | 1324.1 | 1323.7 | - 636.4 |
| Watt Mountain | 1324.1 | 1335.2 | 1335.2 | - 645.1 |
| Sulphur Pt LS | 1325.6 | 1336.7 | 1336.7 | - 646.6 |
| Sulphur Pt DOL ** | 1333.1 | 1341.2 | 1341.7 | - 651.6 |
| Muskeg | 1348.1 | 1356.0 | 1353.5 | - 663.4 |
| M1 Dolomite Marker | | 1411.1 | 1410.6 | - 720.5 |
| Keg River * | 1438.1 | These formations were not penetrated. TD was called for above the Keg River dolomite. | | |
| PreCambrian | 1502.6 | | | |
| Total Depth | 1507.1 | 1437.25 | 1437.55 | - 747.45 |

*** Primary Zones of Interest*

** Secondary Zones of Interest*

Sample Descriptions

- 1215-1220 SHALE, 1) light to occasional medium gray, greenish gray, very calcareous grading to shaly limestone, dull to micromicaceous in part, platy to blocky, sub fissile to firm, smooth to rugose texture, waxy in part, 2) green, waxy, smooth texture, fissile
- 1220-1235 SHALE, 1) light to occasional medium gray, greenish gray, very calcareous grading to shaly limestone, dull to micromicaceous in part, platy to blocky, sub fissile to firm, smooth to rugose texture, waxy in part, 2) green, waxy, smooth texture, fissile
- 1235-1250 SHALE, 1) light to occasional medium gray, greenish gray, very calcareous grading to shaly limestone, dull to micromicaceous in part, platy to blocky, sub fissile to firm, smooth to rugose texture, waxy in part, 2) green, waxy, smooth texture, fissile
- 1250-1260 SHALE, 1) light to medium gray, gray green, calcareous, micromicaceous in part, smooth to rugose texture, in part waxy, sub fissile to firm, scattered pyrite nodules, 2) gray brown, calcareous, micromicaceous in part, rugose texture, lumpy to sub blocky, firm, LIMESTONE, off white to light gray, cryptocrystalline to predominantly microcrystalline, argillaceous mudstone, lumpy, trace disseminated pyrite, tight, no shows
- 1260-1270 SHALE, 1) light to medium gray, gray green, calcareous, micromicaceous in part, smooth to rugose texture, in part waxy, sub fissile to firm, scattered pyrite nodules, 2) gray brown, calcareous, micromicaceous in part, rugose texture, lumpy to sub blocky, firm, LIMESTONE, off white to light gray, cryptocrystalline to predominantly microcrystalline, argillaceous mudstone, lumpy, trace disseminated pyrite, tight, no shows
- 1270-1280 SHALE, 1) light to medium gray, gray green, calcareous, micromicaceous in part, smooth to rugose texture, in part waxy, sub fissile to firm, scattered pyrite nodules, 2) gray brown to brown, calcareous, micromicaceous in part, rugose texture, lumpy to sub blocky, firm, LIMESTONE, off white to light gray, occasionally tan, cryptocrystalline to predominantly microcrystalline, argillaceous mudstone, lumpy, trace disseminated pyrite, trace fossil debris?, tight, no shows
- 1280-1297 SHALE, 1) light to medium gray, occasional dark gray, gray green, calcareous, micromicaceous in part, smooth to rugose texture, in part waxy, sub fissile to firm, scattered pyrite nodules, 2) gray brown to brown, occasionally black, calcareous, micromicaceous in part, rugose texture, lumpy to sub blocky, firm, LIMESTONE, off white to light gray, occasionally tan, cryptocrystalline to predominantly microcrystalline, argillaceous mudstone, lumpy, trace disseminated pyrite, trace fossil debris?, tight, no shows

Sample Descriptions

SLAVE POINT @ 1297.0m MD (1283.7m TVD -593.6m SubSea)

- 1297-1305 LIMESTONE 100%, cream to light brown, brown, mottled, cryptocrystalline to predominantly microcrystalline, mudstone to wackestone, in part chalky, argillaceous in part, flaky to blocky, scattered pyrite nodules and local disseminated pyrite crystals, dense with trace poor intercrystalline porosity, inferred minor earthy porosity, tight, rare pale yellow fluorescence, questionable watery greenish cut
- 1305-1310 LIMESTONE 100%, cream to light brown, brown, mottled, cryptocrystalline to predominantly microcrystalline, mudstone to minor fine crystalline wackestone, brown crystals in off white matrix, in part chalky, argillaceous in part, flaky to blocky, scattered pyrite nodules and local disseminated pyrite crystals, dense with trace poor moldic and vug porosity, inferred minor earthy porosity, tight, slight petroliferous odor, rare pale yellow fluorescence, milky watery greenish yellow cut
- 1310-1320 LIMESTONE 100%, cream to light brown, brown, mottled, cryptocrystalline to predominantly microcrystalline, mudstone to minor fine crystalline wackestone, brown crystals in off white matrix, in part chalky, argillaceous in part, flaky to blocky, dense, inferred minor earthy porosity, tight, slightly petroliferous odor, rare pale yellow fluorescence, watery greenish cut
- 1320-1330 LIMESTONE 100%, becoming darker brown than as above, cream to brown, mottled, cryptocrystalline to predominantly microcrystalline, mudstone to minor fine crystalline wackestone, brown crystals in off white matrix, occasional resinous inclusions, in part chalky, argillaceous in part, flaky to blocky, dense, inferred minor earthy porosity, tight, slight petroliferous odor, rare fluorescence, questionable cut
- 1330-1338 LIMESTONE 100%, cream to light brown, brown, mottled, cryptocrystalline to predominantly microcrystalline, mudstone to minor wackestone, in part chalky, argillaceous in part, flaky to blocky, scattered pyrite nodules and local disseminated pyrite crystals, dense with trace poor intercrystalline porosity, inferred minor earthy porosity, tight, scattered fossil debris, scattered pearly firm ANHYDRITE stringers, rare pale yellow fluorescence, questionable watery greenish cut

F4 MARKER @ 1338.0m MD (1324.1m TVD -634.0m SubSea)

- 1338 1340 DOLOMITE, gray to tan, microcrystalline, sandy, in part calcareous, firm, blocky, tight, no shows

Sample Descriptions

1340-1349.5 LIMESTONE, essentially as above, mottled tan to brown, tight, no shows, DOLOMITE, tan, microcrystalline, sandy, in part calcareous, firm, tight, no shows, ANHYDRITE, white to pearly, amorphous, firm

WATT MOUNTAIN @ 1349.5m MD

1345.5-1351 SHALE, greenish gray to mint green, waxy, soft, in part calcareous, scattered disseminated pyrite and crystals

SULPHUR POINT LIMESTONE @ 1351.0m MD

1351-1355.5 LIMESTONE, predominantly off white to tan, occasional light brown, cryptocrystalline to microcrystalline, in part chalky, argillaceous mudstone, dolomitic in part, scattered resinous inclusions, scattered SHALE partings, tight with assumed minor earthy porosity, no show

SULPHUR POINT DOLOMITE @ 1355.5m MD (1341.2m TVD -651.1m SubSea)

1355-1358 DOLOMITE, tan to light brown, predominantly microcrystalline to fine crystalline packstone to grainstone, in part sandy appearance, poor to fair in part sucrosic intercrystalline porosity, common yellow gold fluorescence, questionable weak cut

1358-1366.5 DOLOMITE, tan to light brown, mottled, occasional dark brown oil stain, microcrystalline to fine crystalline packstone to grainstone, occasional medium crystalline, sucrosic texture, poor to fair intercrystalline porosity, occasional medium euhedral rhombs suggesting fair vug porosity, strong slightly sour petroliferous odor, abundant bright whitish yellow fluorescence, streaming white yellow milky cut

1366.5-1370.5 DOLOMITE, becoming darker brown, light to dark brown, mottled, microcrystalline to fine crystalline packstone to grainstone, strong petroliferous odor, poor to occasional fine intercrystalline porosity, abundant bright yellow fluorescence, watery to milky yellow cut

MUSKEG @ 1370.5m MD (1356.0m TVD -665.9m SubSea)

1370.5-1380 ANHYDRITE, off white to tan, watery to pearly lustre, occasionally gray, cryptocrystalline to microcrystalline, amorphous in part, in part chalky, slightly dolomitic in part, dense, tight, DOLOMITE, light to dark brown, microcrystalline to fine crystalline packstone to grainstone, sandy appearance, tight with occasional poor sucrosic intercrystalline porosity, pale yellow fluorescence, weak cut

Sample Descriptions

- 1380-1400 ANHYDRITE, off white to tan, watery to pearly lustre, occasional gray, cryptocrystalline to microcrystalline, amorphous in part, in part chalky, slightly dolomitic in part, dense, tight, occasional DOLOMITE stringers as above
- 1400-1415 ANHYDRITE, off white to tan, occasional light brown, occasional gray, watery to pearly lustre, cryptocrystalline to microcrystalline, amorphous in part, in part chalky, slightly dolomitic in part, dense, tight, occasional DOLOMITE grainstone stringers as above
- 1415-1426.5 ANHYDRITE, off white to tan, occasional light brown, occasional gray, watery to pearly lustre, cryptocrystalline to microcrystalline, amorphous in part, in part chalky, slightly dolomitic in part, dense, tight, occasional DOLOMITE grainstone stringers as above

M1 DOLOMITE @ 1426.5m MD (1411.1m TVD -721.0m SubSea)

- 1426.5-1430 DOLOMITE, light to dark brown oil stain, microcrystalline to very fine crystalline, to occasional fine crystalline, packstone to grainstone, occasionally sucrosic, in part anhydritic, poor intercrystalline porosity, yellow fluorescence, weak greenish yellow cut, strong petroliferous odor
- 1430-1440 ANHYDRITE, off white to tan, watery to pearly lustre, occasional gray, cryptocrystalline to microcrystalline, amorphous in part, in part chalky, slightly dolomitic in part, dense, tight, DOLOMITE, light to dark brown, microcrystalline to fine crystalline packstone to grainstone, sandy appearance, firm, tight with occasional poor sucrosic intercrystalline porosity, pale yellow fluorescence, weak cut
- 1440-1453 ANHYDRITE, off white to tan, watery to pearly lustre, occasional gray, cryptocrystalline to microcrystalline, amorphous in part, in part chalky, slightly dolomitic in part, dense, tight, DOLOMITE, light to dark brown, microcrystalline to fine crystalline packstone to grainstone, sandy appearance, firm, tight with occasional poor sucrosic intercrystalline porosity, pale yellow fluorescence, weak cut

TOTAL DEPTH @ 1453.0m MD (1437.25m TVD -747.15m SubSea)



Scale 1:240 (5"=100') Metric
Measured Depth Log

Well Name: Para et al Cameron L-40 DIR
Location: Unit L Section 40 Grid Area: Lat 60° 10' N Long 117° 30' W
Licence Number: 2045 Region: Cameron Hills, NWT
Spud Date: Jan 15, 2007 @ 16:30 Drilling Completed: Jan 23, 2007 @ 08:22
Surface Coordinates: Latitude: 60° 09' 35.5" North
Longitude: 117° 37' 15.9" West
Bottom Hole Coordinates: 173.22m North of surface
15.3m West of surface
Ground Elevation (m): 684.7m K.B. Elevation (m): 690.1m
Logged Interval (m): 1220m To: 1453m Total Depth (m): 1453m
Formation: Primary = Sulphur Point DOL Secondary = Slave Pt, Keg River
Type of Drilling Fluid: Gel Chemical

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OPERATOR

Company: Paramount Resources Ltd.
Address: 4700 Bankers Hall West
888 3rd Street S.W.
Calgary, Alberta T2P 5C5

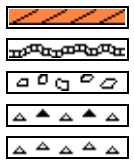
GEOLOGIST

Name: Brad Powell, B.Sc.
Company: DeesCo Consulting
Address: #8, 914 - 20th Street S.E.
Calgary, Alberta T2G 5P5
(403) 861-0838

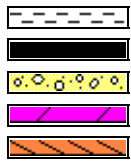
Comments

This well was drilled by Precision Drilling Rig #220.
This is a directional well. TVDs are displayed in the drilling track.
Paramount AFE #06N7100016
A Wellsite Gas Detection dual curve gas detector was run.
Directional services by Focus.
Logging program by Weatherford Wireline.
Logging Run #1: STI-SP-MRT-SPED-CNT-GR-BHS-CAL
This well was cased for potential production with 139.7mm casing.

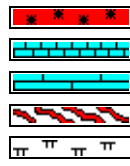
ROCK TYPES



Anhy
Bent
Brec
Chtlt&dk
Cht



Clyst
Coal
Congl
Dol
Gyp



Igne
Lime mud
Lmst
Meta
Mrlst



Salt
Shorg
Shale
Shcol
Shgy



Sltst
Ss
Till

ACCESSORIES

MINERAL

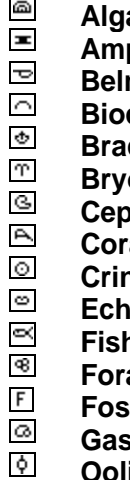


Anhy
Arg
Bent
Bit
Brecfrag
Calc
Carb
Chtdk
Chtlt
Dol
Feldspar
Ferrpel
Ferr
Gyp
Hvymin



Kaol
Marl
Minxl
Nodule
Phos
Pyr
Salt
Sandy
Sil
Sulphur
Tuff
Quartz
Mmica
Micromica
Glau

FOSSIL

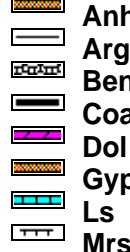


Algae
Amph
Belm
Bioclst
Brach
Bryozoa
Cephal
Coral
Crin
Echin
Fish
Foram
Fossil
Gastro
Oolite



Ostra
Pelec
Pellet
Pisolite
Plant
Strom

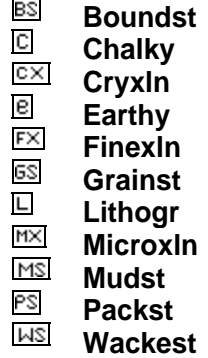
STRINGER



Anhy
Arg
Bent
Coal
Dol
Gyp
Ls
Mrst

Sltstrg
Ssstrg

TEXTURE



Boundst
Chalky
Cryxln
Earthy
Finexln
Grainst
Lithogr
Microxln
Mudst
Packst
Wackest

OTHER SYMBOLS

POROSITY



Earthy
Fenest
Fracture
Inter
Moldic
Organic
Pinpoint



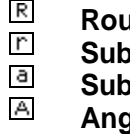
Vuggy

SORTING



Well
Moderate
Poor

ROUNDING

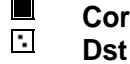


Rounded
Subrnd
Subang
Angular



Spotted
Ques
Dead

INTERVAL



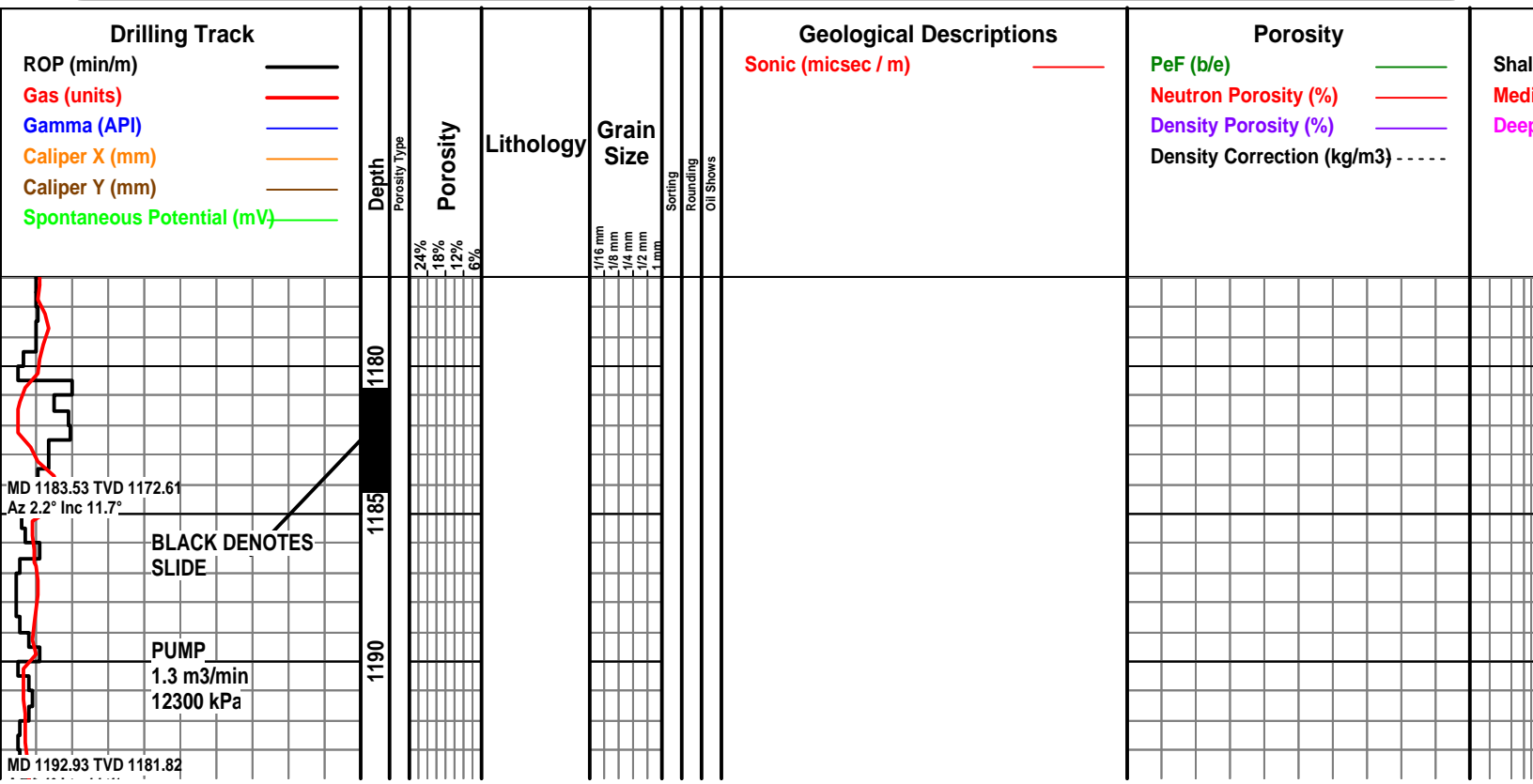
Core
Dst

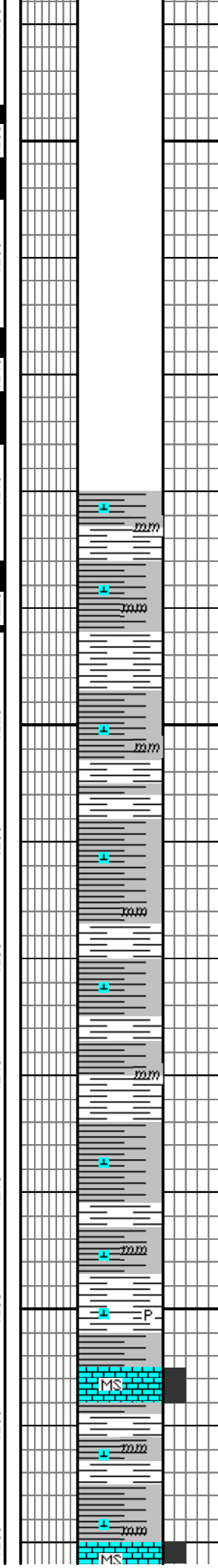
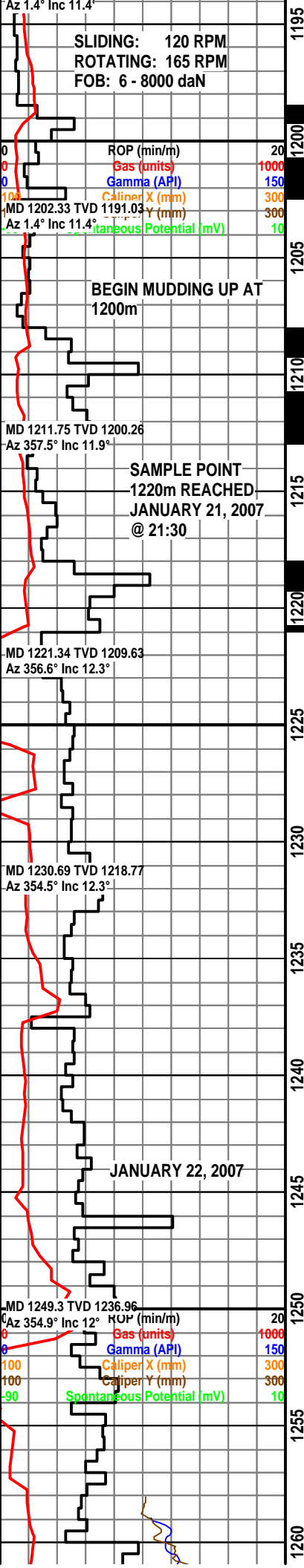
EVENT



Rft
Sidewall

OIL SHOW
Even



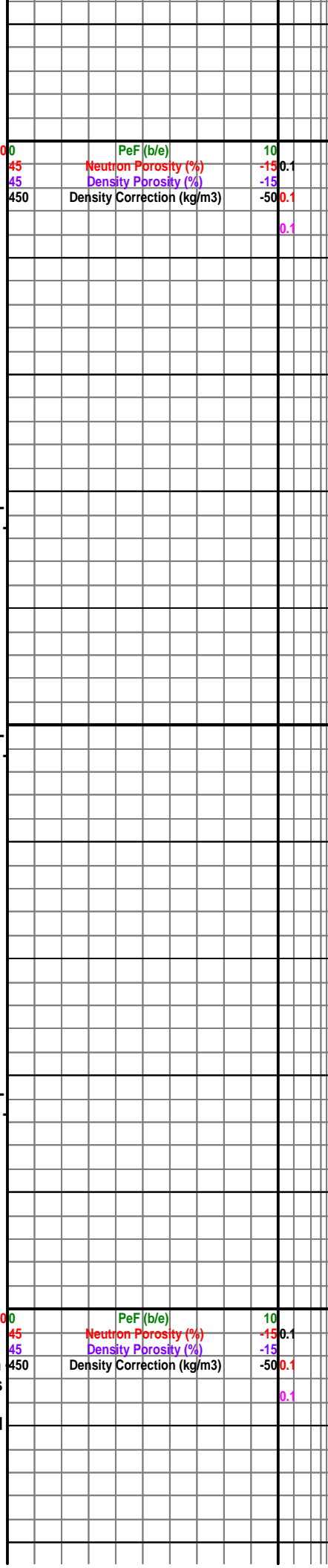


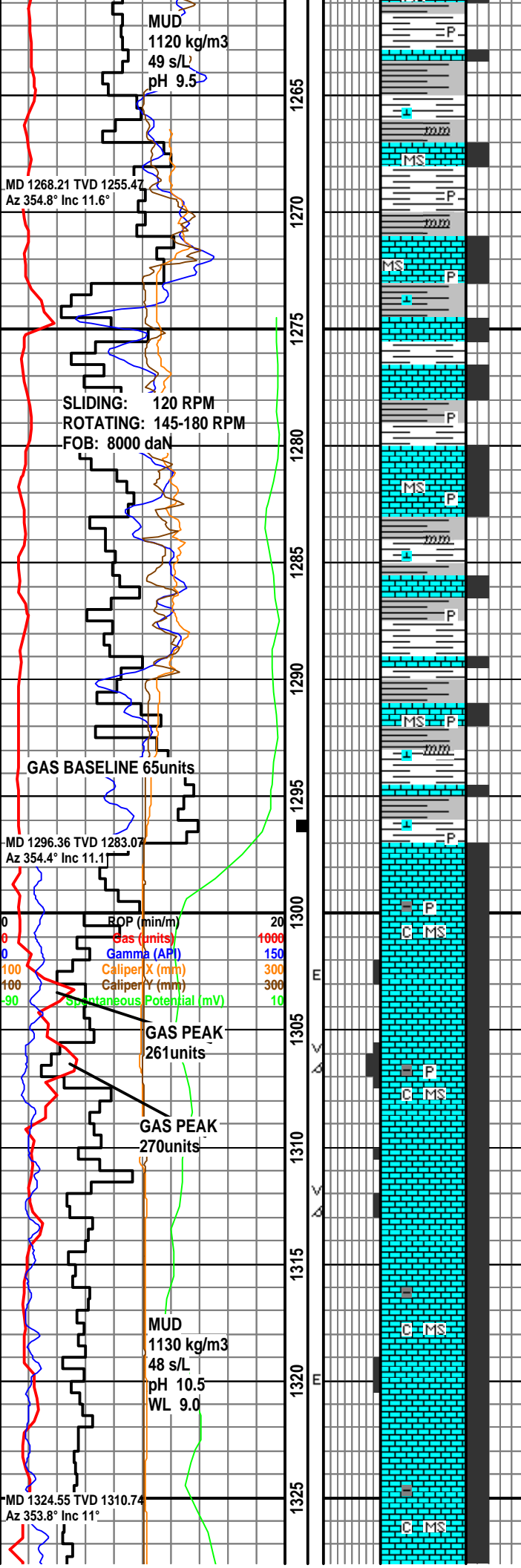
SH, 1) lt - occ med gy, gnsh gy, v calc grd - shy ls, dull to mmica ip, platy - blk, sub fis - frm, sm - rug tex, waxy ip, 2) gn, waxy, sm tex, fis

SH, 1) lt - occ med gy, gnsh gy, v calc grd - shy ls, dull to mmica ip, platy - blk, sub fis - frm, sm - rug tex, waxy ip, 2) gn, waxy, sm tex, fis

SH, 1) lt - occ med gy, gnsh gy, v calc grd - shy ls, dull to mmica ip, platy - blk, sub fis - frm, sm - rug tex, waxy ip, 2) gn, waxy, sm tex, fis

SH, 1) lt - med gy, gy gn, calc, mmica ip, sm rug tex, ip waxy, sub fis - frm, scat pyr nods 2) gy brn, calc, mmica ip, rug tex, lumpy - sub blk, frm, LS, off wh - lt gy, crptxl - pred mcxln, arg mudst, lumpy, tr dism pyr, tt, ns





SH, 1) lt - med gy, gy gn, calc, mmica ip, sm rug tex, ip waxy, sub fis - frm, scat pyr nods
2) gy brn - brn, calc, mmica ip, rug tex, lumpy - sub blk, frm, LS, off wh - lt gy, crptxl - pred mcxln, arg mudst, lumpy, tr dism pyr, tt, ns

SH, 1) lt - med gy, gy gn, calc, mmica ip, sm rug tex, ip waxy, sub fis - frm, scat pyr nods
2) gy brn - brn, calc, mmica ip, rug tex, lumpy - sub blk, frm, LS, off wh - lt gy, occ tan, crptxl - predy mcxln, arg mudst, lumpy, tr dism pyr, tr fos deb?, tt, ns

SH, 1) lt - med gy, occ dk gy, gy gn, calc, mmica ip, sm - rug tex, ip waxy, sub fis - frm scat pyr nods, 2) gy brn - brn, occ blk, calc, mmica ip, rug tex, lumpy - sub blk, frm, LS, off wh - lt gy, occ tan, crptxl - predy mcxln, arg mudst, lumpy, tr dism pyr, tr fos deb?, tt ns

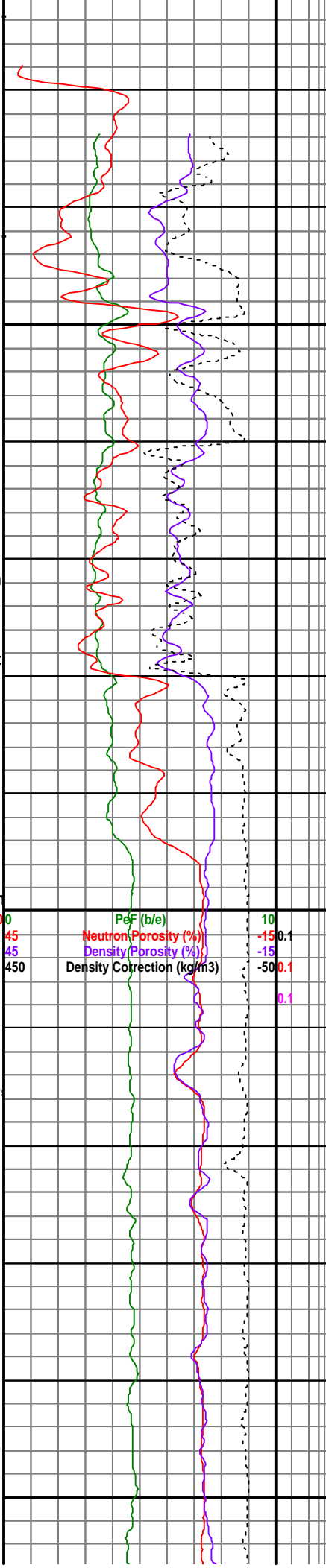
SLAVE POINT @ 1297.0m MD (1283.7m TVD -593.6m SSea)

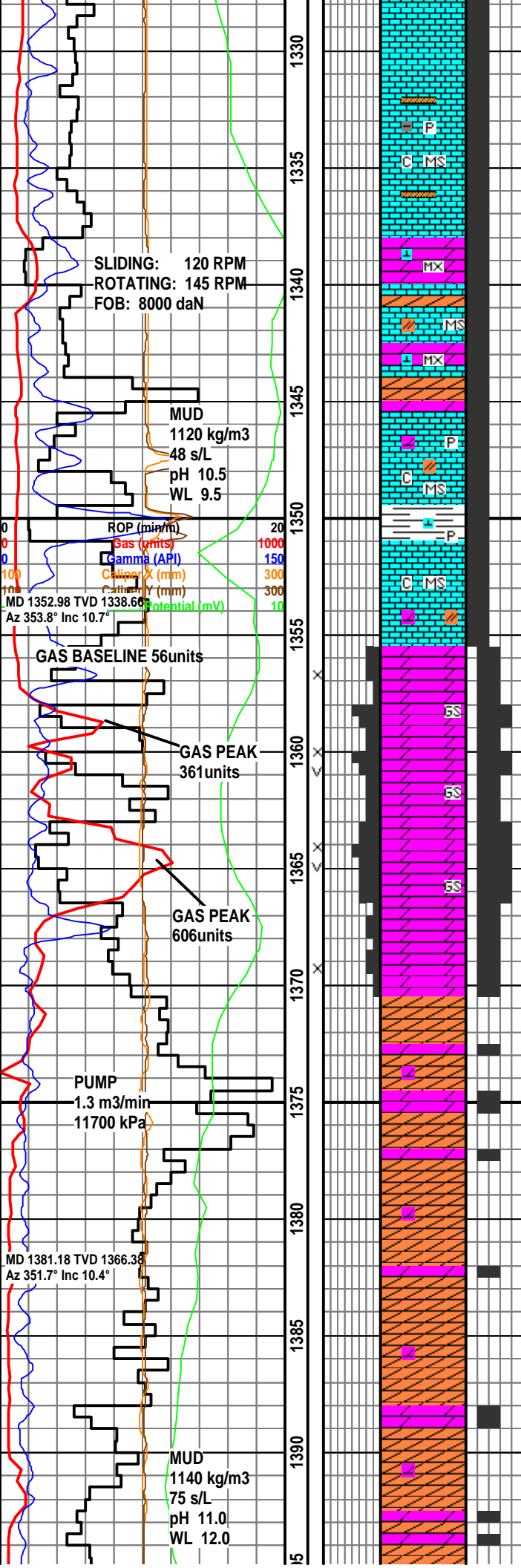
LS 100%, cream - lt brn, brn, mott, cryptxl - predy mcxln, mdst to wkst, ip chalky, arg ip, flaky to blocky, scat pyr nods and local dism pyr xls, dense with tr p moldic and vug por, inferred mn earthy por, tt, rare pale yel flr, q wat grnsh cut

LS 100%, cream - lt brn, brn, mott, cryptxl - predy mcxln, mdst to mn f xln wkst, brn xls in off wh mtx, ip chalky, arg ip, flaky to blocky, scat pyr nods and local dism pyr xls dense with tr p moldic and vug por, inferred mn earthy por, tt, sl petf odor, rare pale yel flr, milky wat grnsh yel cut

LS 100%, cream - lt brn, brn, mott, cryptxl - predy mcxln, mdst to mn f xln wkst, brn xls in off wh mtx, ip chalky, arg ip, flaky to blocky, dense, inferred mn earthy por, tt, sl petf odor, rare pale yel flr, wat grnsh cut

LS 100%, bcm dkr brn than aa, cream - brn, mott, cryptxl - predy mcxln, mdst to mn f xln wkst, brn xls in off wh mtx, occ resinous inclns, ip chalky, arg ip, flaky to blocky, dense, inferred mn earthy por, tt, sl petf odor, rare flr, q cut





LS 100%, cream - lt brn, brn, mott, cryptxl
predy mcxln, mdst to mntr wkst, ip chalky,
arg ip, flaky to blocky, scat pyr nods and
local dism pyr xls, dense with tr p intxln por
inferred mntr earthy por, tt, scat fos debris,
scat pearly frm ANHY strgs, rare pale yel
flor, q wat grnsh cut

F4 MARKER @ 1338.0m MD (1324.1m TVD -634.0m SSea)

DOL, gy - tan, micxln, sandy, ip calc, frm,
blky, tt, ns

LS, essentially aa, mottled tan - brn, tt, ns,
DOL, tan, mcxln, sandy, ip calc, frm, tt, ns,
ANHY, wht - pearly, amor, frm

WATT MTN @ 1349.5m MD

SH, grnsh gy - mint grn, waxy, soft, ip calc,
scat dism pyr and xls

SUL PT LS @ 1351.0m MD

LS, predy off wh - tan, occ lt brn, crptxl
mcxln, ip chalky, arg mdst, dolc ip, scat
resinous inclns, scat SH ptgs, tt with
assumed mntr earthy por, no shw

SUL PT DOL @ 1355.5m MD (1341.2m TVD -651.1m SSea)

DOL, tan - lt brn, predy mcxln - f xln pckst -
grnst, ip sandy appnc, p - f ip suc intxl por,
com yel gold flor, q wk cut

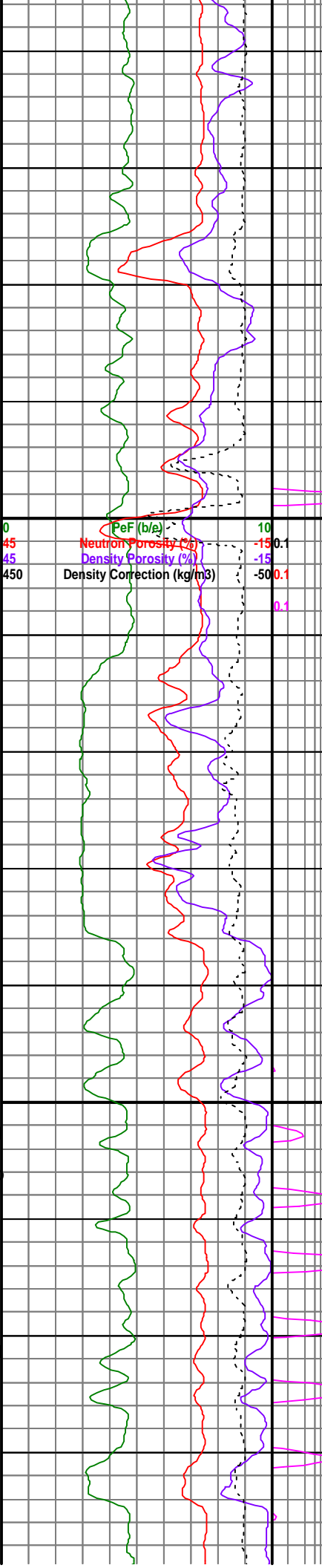
DOL, tan - lt brn, mot, occ dk brn oil str,
mcxln - f xln pckst - grnst, occ m xln, suc
tex, p - f intxln por, occ m euhed rhombs
suggesting f vug por, strong sl sour pet
odor, abt bri wht yel flor, stmg wh yel milky
cut

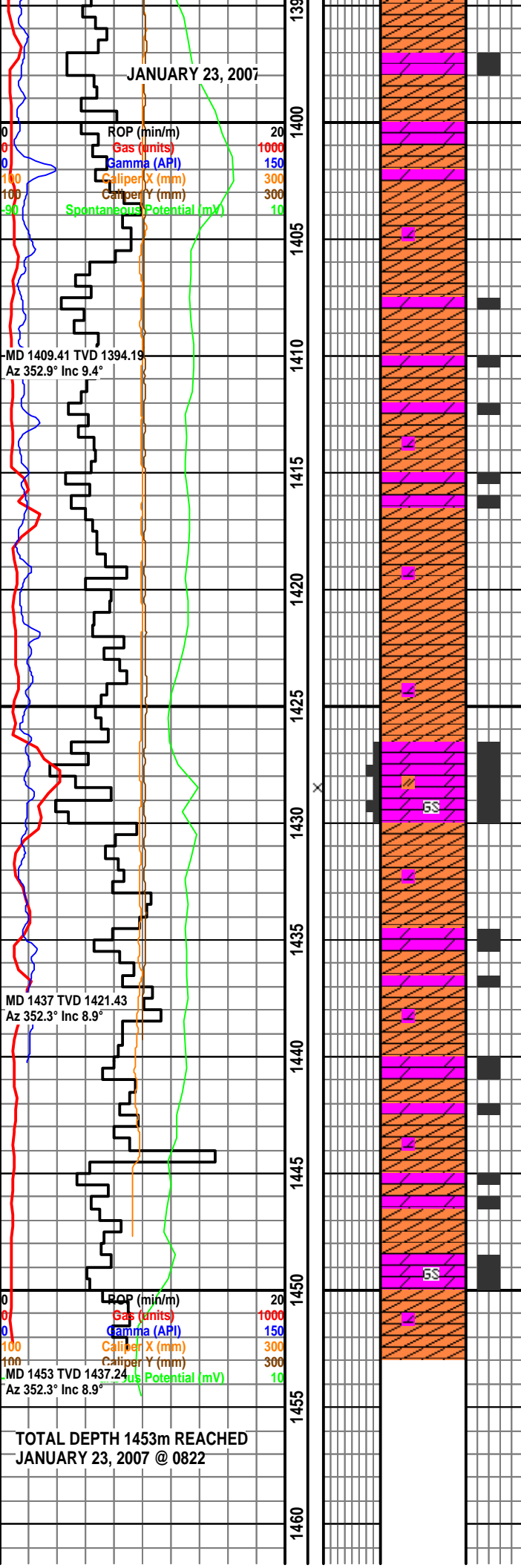
DOL, bcmg dkr brn, lt - dk brn, mot, mcxln -
f xln pckst - grnst, strong pet odor, p - occ f
intxl por, abt bri yel flor, wat - milky yel cut

MUSKEG @ 1370.5m MD (1356.0m TVD -665.9m SSea)

ANHY, off wh - tan, watery - pearly luster,
occ gy, crptxln - mcxln, amor ip, ip chalky, s
dolc ip, dense, tt, DOL, lt - dk brn, mcxln - f
xln packst - grnst, sandy appnc, tt with occ p
suc intxln por, pale yel flor, wk cut

ANHY, off wh - tan, watery - pearly luster,
occ gy, crptxln - mcxln, amor ip, ip chalky, s
dolc ip, dense, tt, occ DOL strngs aa





500

Sonic

1000

ANHY, off wh - tan, occ lt brn, occ gy, watery
- pearly luster, crptxln - mcxln, amor ip, ip
chalky, sl dolc ip, dense, tt, occ DOL grnst
strngs aa

ANHY, off wh - tan, occ lt brn, occ gy, watery
- pearly luster, crptxln - mcxln, amor ip, ip
chalky, sl dolc ip, dense, tt, occ DOL grnst
strngs aa

M1 DOLOMITE @ 1426.5m MD (1411.1m TVD -721.0m SSea)

DOL, lt - dk brn oil stn, mcxln - vf xln, fo occ
f xln, pckst - grnst, occly suc, ip anhy, p
intxln por, yel flor, wk gnsh yel cut, strong
pet odor

ANHY, off wh - tan, watery - pearly luster,
occ gy, crptxln - mcxln, amor ip, ip chalky, s
dolc ip, dense, tt, DOL, lt - dk brn, mcxln - f
xln packst - grnst, sandy appnc, frm, tt with
occ p suc intxln por, pale yel flor, wk cut

ANHY, off wh - tan, watery - pearly luster,
occ gy, crptxln - mcxln, amor ip, ip chalky, s
dolc ip, dense, tt, DOL, lt - dk brn, mcxln - f
xln packst - grnst, sandy appnc, frm, tt with
occ p suc intxln por, pale yel flor, wk cut

500

Sonic

1000

TOTAL DEPTH @ 1453.0m MD (1437.25m TVD -747.15m SSea)

PeF (b/e)

Neutron Porosity (%)

Density Porosity (%)

Density Correction (kg/m3)

10

-15

-50

0.1

0.1

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FINAL SURVEY REPORT

PARA ET AL CAMERON L-40
PREPARED FOR: DAVE BLOCK
FOCUS JOB #: 6700-01
JANUARY 30 - 2006



WELL SUMMARY

Drilling Interval : 425.00m MD to 1453.00m MD
KOP : 445.70m MD
Total Meters Drilled : 1028.00
Total Drill hours : 74.00
Average ROP : 13.89
Job Start : 19-Jan-07
Job End : 23-Jan-07



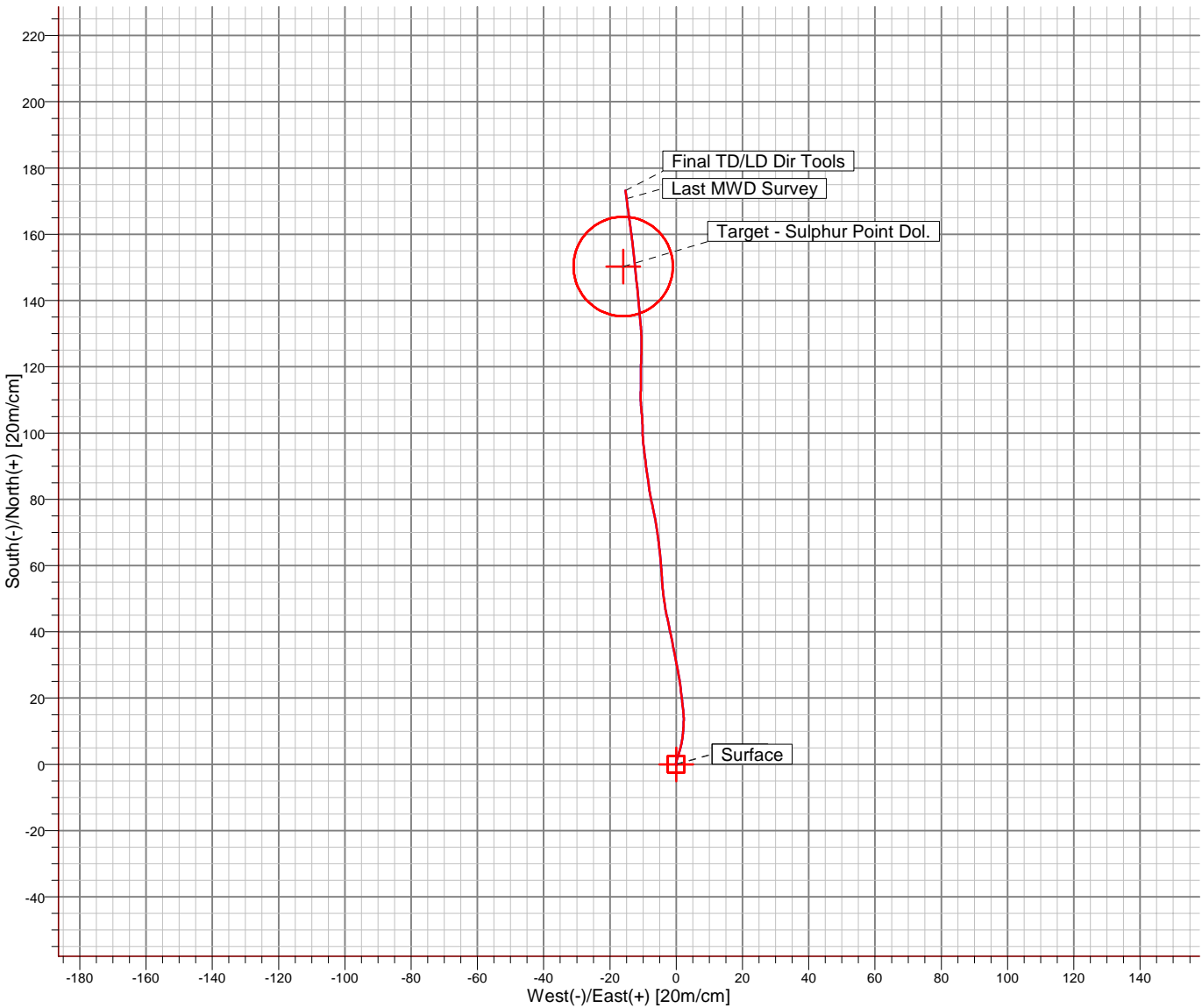
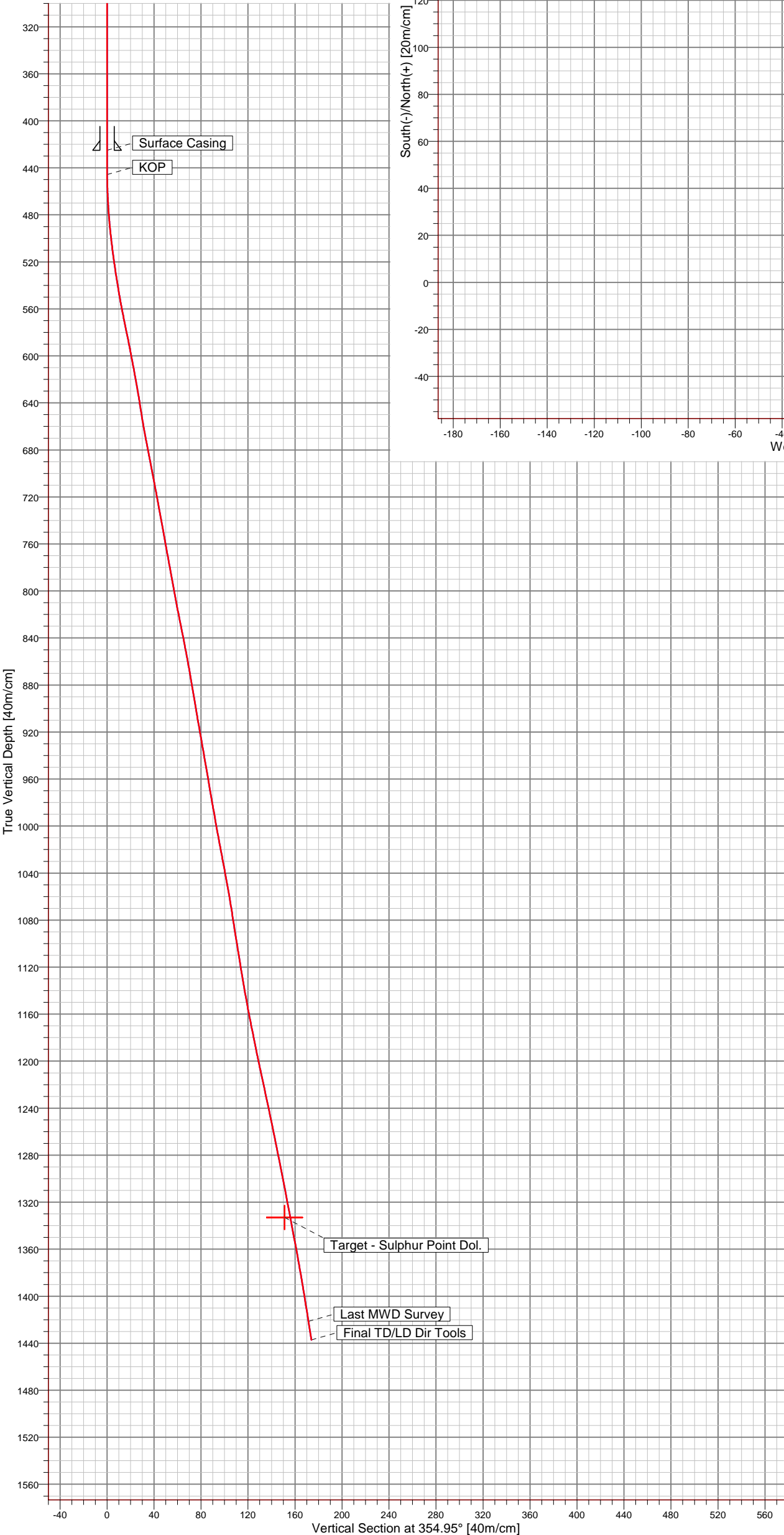


Paramount Resources Ltd.



Azimuths to True North
Magnetic North: 21.21°

Magnetic Field
Strength: 59058nT
Dip Angle: 79.36°
Date: 12/1/2006
Model: igrf2005



Field: Cameron
Site: Para et al Cameron L-40
Well: L-40
Wellpath: 6700-01
Survey: Final Report

SITE DETAILS

Para et al Cameron L-40
164.57 North , 216.33 East of SW Corner
Unit L Section 40 Grid Area 60°10',117°30' - NWT.

Site Centre Northing: 6669171.65
Easting: 465522.58

Ground Level: 684.70
Positional Uncertainty: 0.00
Convergence: -0.54

FIELD DETAILS

Cameron
North West Territories

Geodetic System: Canadian UTM Zones (NAD27/Clarke66)
Ellipsoid: Clarke 1866
Zone: UTM Zone 11, North 120W to 114W
Magnetic Model: igrf2005

System Datum: Mean Sea Level
Local North: True North

ANNOTATIONS

| No. | TVD | MD | Annotation |
|-----|---------|---------|-----------------------|
| 1 | 445.70 | 445.70 | KOP |
| 2 | 1421.43 | 1437.00 | Last MWD Survey |
| 3 | 1437.24 | 1453.00 | Final TD/LD Dir Tools |

Survey Company : McElhanney Land Surveys
Job # : 321116989
Revision : 1 - Added Downhole
Date : August 16, 2005



Main: 403-693-6287
Fax: 403-693-6288
#106, 5726 Burleigh Crescent S.E.
Calgary, Alberta T2H 1Z8
3390 8 Street
Nisku, Alberta T9E 8T3

Focus Directional

Final Report

| | | | |
|--|--|---|-------------------------------------|
| Company: Paramount Resources Ltd. Field: Cameron Site: Para et al Cameron L-40 Well: L-40 Wellpath: 6700-01 | Date: 1/30/2007 Co-ordinate(NE) Reference: Vertical (TVD) Reference: Section (VS) Reference: Survey Calculation Method: | Time: 13:29:42 Site: Para et al Cameron L-40, True North SITE 690.1 Well (0.00N,0.00E,354.95Azi) Minimum Curvature | Page: 1 Db: Adapti |
|--|--|---|-------------------------------------|

| | |
|-----------------------------------|------------------------------------|
| Survey: Final Report | Start Date: 1/22/2007 |
| Company: Focus Directional | Engineer: Focus Directional |
| Tool: MWD; | Tied-to: From Surface |

| | |
|--|--|
| Field: Cameron North West Territories | |
| Map System: Canadian UTM Zones (NAD27/Clarke66) | Map Zone: UTM Zone 11, North 120W to 114W |
| Geo Datum: Clarke 1866 | Coordinate System: Site Centre |
| Sys Datum: Mean Sea Level | Geomagnetic Model: igrf2005 |

| | |
|--|------------------------------------|
| Site: Para et al Cameron L-40 164.57 North , 216.33 East of SW Corner Unit L Section 40 Grid Area 60°10',117°30' - NWT. | |
| Site Position: | Northing: 6669171.65 m |
| From: Map | Easting: 465522.58 m |
| Position Uncertainty: 0.00 m | Latitude: 60 9 35.532 N |
| Ground Level: 684.70 m | Longitude: 117 37 15.972 W |
| | North Reference: True |
| | Grid Convergence: -0.54 deg |

| | |
|-------------------------------------|-----------------------------------|
| Well: L-40 | Slot Name: |
| Well Position: +N/-S 0.00 m | Latitude: 60 9 35.532 N |
| +E/-W 0.00 m | Longitude: 117 37 15.972 W |
| Position Uncertainty: 0.00 m | |

| | |
|---|---|
| Wellpath: 6700-01 | Drilled From: Surface |
| Current Datum: SITE | Tie-on Depth: 0.00 m |
| Magnetic Data: 12/1/2006 | Above System Datum: Mean Sea Level |
| Field Strength: 59058 nT | Declination: 21.21 deg |
| Vertical Section: Depth From (TVD) m | Mag Dip Angle: 79.36 deg |
| | Direction deg |
| 0.00 | 0.00 |
| 0.00 | 354.95 |

| Survey | | | | | | | | | |
|---------|-------------|-------------|----------|-------------|---------|----------|----------|----------------|----------------|
| MD m | Incl deg | Azim deg | TVD m | Subsea m | VS m | N/S m | E/W m | DLS deg/30m | Comment |
| 0.00 | 0.00 | 0.00 | 0.00 | -690.10 | 0.00 | 0.00 | 0.00 | 0.000 | |
| 425.00 | 0.00 | 0.00 | 425.00 | -265.10 | 0.00 | 0.00 | 0.00 | 0.000 | Surface Casing |
| 429.70 | 0.20 | 281.60 | 429.70 | -260.40 | 0.00 | 0.00 | -0.01 | 1.277 | |
| 439.08 | 0.10 | 281.60 | 439.08 | -251.02 | 0.01 | 0.01 | -0.03 | 0.320 | |
| 445.70 | 0.79 | 341.42 | 445.70 | -244.40 | 0.06 | 0.05 | -0.05 | 3.375 | KOP |
| 448.47 | 1.10 | 343.30 | 448.47 | -241.63 | 0.10 | 0.09 | -0.07 | 3.375 | |
| 458.20 | 1.90 | 2.50 | 458.20 | -231.90 | 0.35 | 0.35 | -0.09 | 2.880 | |
| 467.57 | 3.10 | 13.50 | 467.56 | -222.54 | 0.75 | 0.75 | -0.02 | 4.121 | |
| 476.97 | 4.30 | 19.60 | 476.94 | -213.16 | 1.31 | 1.33 | 0.16 | 4.025 | |
| 486.36 | 5.60 | 17.40 | 486.29 | -203.81 | 2.05 | 2.09 | 0.41 | 4.197 | |
| 495.76 | 6.70 | 17.40 | 495.64 | -194.46 | 2.98 | 3.06 | 0.71 | 3.511 | |
| 505.49 | 7.40 | 16.20 | 505.29 | -184.81 | 4.09 | 4.20 | 1.06 | 2.205 | |
| 514.87 | 8.10 | 13.80 | 514.59 | -175.51 | 5.28 | 5.42 | 1.38 | 2.466 | |
| 524.28 | 8.60 | 10.70 | 523.90 | -166.20 | 6.58 | 6.76 | 1.67 | 2.144 | |
| 533.68 | 9.00 | 7.40 | 533.19 | -156.91 | 7.98 | 8.18 | 1.90 | 2.055 | |
| 543.08 | 9.70 | 4.90 | 542.46 | -147.64 | 9.47 | 9.69 | 2.06 | 2.582 | |
| 553.19 | 10.50 | 3.50 | 552.42 | -137.68 | 11.22 | 11.46 | 2.19 | 2.483 | |
| 562.58 | 11.00 | 1.20 | 561.64 | -128.46 | 12.96 | 13.21 | 2.26 | 2.105 | |
| 572.00 | 11.60 | 355.90 | 570.88 | -119.22 | 14.80 | 15.05 | 2.21 | 3.818 | |
| 581.39 | 11.60 | 352.90 | 580.08 | -110.02 | 16.69 | 16.93 | 2.03 | 1.927 | |
| 590.76 | 11.30 | 354.10 | 589.26 | -100.84 | 18.55 | 18.78 | 1.82 | 1.226 | |
| 600.16 | 10.80 | 352.80 | 598.49 | -91.61 | 20.35 | 20.57 | 1.61 | 1.783 | |
| 609.55 | 10.60 | 353.80 | 607.71 | -82.39 | 22.09 | 22.30 | 1.41 | 0.872 | |
| 618.95 | 10.40 | 352.60 | 616.96 | -73.14 | 23.80 | 24.00 | 1.21 | 0.946 | |

Focus Directional

Final Report

| | | | |
|--|--|--|-------------------------------------|
| Company: Paramount Resources Ltd. Field: Cameron Site: Para et al Cameron L-40 Well: L-40 Wellpath: 6700-01 | Date: 1/30/2007 Co-ordinate(NE) Reference: Vertical (TVD) Reference: Section (VS) Reference: Survey Calculation Method: | Time: 13:29:42 Site: Para et al Cameron L-40, True Nort SITE 690.1 Well (0.00N,0.00E,354.95Azi) Minimum Curvature | Page: 2 Db: Adapti |
|--|--|--|-------------------------------------|

Survey

| MD m | Incl deg | Azim deg | TVD m | Subsea m | VS m | N/S m | E/W m | DLS deg/30m | Comment |
|---------|-------------|-------------|----------|-------------|---------|----------|----------|----------------|-----------------------------|
| 628.33 | 10.00 | 350.00 | 626.19 | -63.91 | 25.46 | 25.65 | 0.96 | 1.950 | |
| 637.75 | 9.50 | 349.40 | 635.47 | -54.63 | 27.05 | 27.21 | 0.67 | 1.625 | |
| 647.13 | 9.00 | 349.60 | 644.73 | -45.37 | 28.55 | 28.70 | 0.40 | 1.602 | |
| 656.52 | 9.40 | 349.20 | 654.00 | -36.10 | 30.05 | 30.17 | 0.12 | 1.294 | |
| 675.34 | 10.90 | 349.20 | 672.52 | -17.58 | 33.35 | 33.43 | -0.50 | 2.391 | |
| 694.15 | 11.10 | 348.30 | 690.99 | 0.89 | 36.91 | 36.95 | -1.20 | 0.420 | |
| 712.95 | 10.90 | 349.40 | 709.44 | 19.34 | 40.48 | 40.47 | -1.90 | 0.463 | |
| 731.72 | 10.60 | 346.00 | 727.88 | 37.78 | 43.95 | 43.89 | -2.64 | 1.121 | |
| 750.10 | 10.30 | 351.10 | 745.96 | 55.86 | 47.26 | 47.15 | -3.30 | 1.587 | |
| 769.28 | 10.30 | 352.50 | 764.83 | 74.73 | 50.68 | 50.55 | -3.79 | 0.392 | |
| 788.03 | 10.20 | 355.60 | 783.28 | 93.18 | 54.02 | 53.86 | -4.14 | 0.897 | |
| 806.79 | 10.50 | 356.40 | 801.74 | 111.64 | 57.39 | 57.23 | -4.37 | 0.532 | |
| 825.57 | 11.40 | 354.90 | 820.17 | 130.07 | 60.96 | 60.78 | -4.65 | 1.508 | |
| 844.70 | 11.20 | 353.70 | 838.93 | 148.83 | 64.70 | 64.51 | -5.02 | 0.484 | |
| 863.50 | 10.50 | 352.70 | 857.40 | 167.30 | 68.24 | 68.03 | -5.44 | 1.157 | |
| 882.31 | 9.70 | 351.20 | 875.92 | 185.82 | 71.54 | 71.29 | -5.90 | 1.343 | |
| 901.12 | 9.70 | 349.10 | 894.46 | 204.36 | 74.69 | 74.42 | -6.44 | 0.564 | |
| 910.54 | 9.60 | 349.10 | 903.74 | 213.64 | 76.26 | 75.97 | -6.74 | 0.318 | |
| 929.36 | 10.20 | 347.40 | 922.28 | 232.18 | 79.48 | 79.13 | -7.40 | 1.064 | |
| 948.16 | 9.90 | 350.70 | 940.79 | 250.69 | 82.74 | 82.35 | -8.02 | 1.036 | |
| 957.58 | 9.60 | 352.70 | 950.08 | 259.98 | 84.33 | 83.93 | -8.25 | 1.441 | |
| 966.43 | 9.80 | 352.50 | 958.80 | 268.70 | 85.82 | 85.41 | -8.44 | 0.688 | |
| 976.02 | 9.80 | 351.40 | 968.25 | 278.15 | 87.45 | 87.03 | -8.67 | 0.586 | |
| 985.75 | 9.90 | 351.50 | 977.84 | 287.74 | 89.11 | 88.67 | -8.92 | 0.313 | |
| 995.17 | 10.10 | 352.90 | 987.12 | 297.02 | 90.75 | 90.29 | -9.14 | 1.003 | |
| 1004.59 | 10.20 | 353.50 | 996.39 | 306.29 | 92.41 | 91.94 | -9.34 | 0.463 | |
| 1013.98 | 10.30 | 352.90 | 1005.63 | 315.53 | 94.08 | 93.60 | -9.54 | 0.467 | |
| 1032.78 | 10.80 | 353.80 | 1024.11 | 334.01 | 97.52 | 97.02 | -9.93 | 0.840 | |
| 1051.58 | 10.50 | 359.50 | 1042.59 | 352.49 | 100.99 | 100.48 | -10.14 | 1.747 | |
| 1070.37 | 9.70 | 357.10 | 1061.09 | 370.99 | 104.27 | 103.78 | -10.24 | 1.443 | |
| 1079.75 | 9.10 | 354.50 | 1070.34 | 380.24 | 105.81 | 105.30 | -10.35 | 2.351 | |
| 1089.14 | 8.90 | 354.00 | 1079.61 | 389.51 | 107.27 | 106.76 | -10.49 | 0.686 | |
| 1098.88 | 9.20 | 356.10 | 1089.23 | 399.13 | 108.81 | 108.29 | -10.62 | 1.374 | |
| 1108.29 | 9.10 | 357.80 | 1098.52 | 408.42 | 110.30 | 109.78 | -10.70 | 0.919 | |
| 1117.68 | 9.20 | 0.70 | 1107.79 | 417.69 | 111.79 | 111.28 | -10.72 | 1.507 | |
| 1127.08 | 9.40 | 1.60 | 1117.07 | 426.97 | 113.30 | 112.80 | -10.69 | 0.789 | |
| 1136.49 | 9.50 | 1.20 | 1126.35 | 436.25 | 114.83 | 114.34 | -10.66 | 0.381 | |
| 1145.90 | 9.70 | 0.30 | 1135.63 | 445.53 | 116.40 | 115.91 | -10.64 | 0.797 | |
| 1155.29 | 10.20 | 359.50 | 1144.88 | 454.78 | 118.01 | 117.53 | -10.64 | 1.657 | |
| 1164.71 | 10.60 | 0.80 | 1154.14 | 464.04 | 119.71 | 119.23 | -10.63 | 1.477 | |
| 1174.14 | 11.20 | 0.90 | 1163.40 | 473.30 | 121.48 | 121.02 | -10.61 | 1.910 | |
| 1183.53 | 11.70 | 2.20 | 1172.61 | 482.51 | 123.33 | 122.88 | -10.56 | 1.798 | |
| 1192.93 | 11.40 | 1.40 | 1181.82 | 491.72 | 125.20 | 124.76 | -10.50 | 1.085 | |
| 1202.33 | 11.40 | 1.40 | 1191.03 | 500.93 | 127.05 | 126.62 | -10.45 | 0.000 | |
| 1211.75 | 11.90 | 357.50 | 1200.26 | 510.16 | 128.94 | 128.52 | -10.47 | 2.970 | |
| 1221.34 | 12.30 | 356.60 | 1209.63 | 519.53 | 130.95 | 130.53 | -10.57 | 1.383 | |
| 1230.69 | 12.30 | 354.50 | 1218.77 | 528.67 | 132.94 | 132.51 | -10.73 | 1.435 | |
| 1249.30 | 12.00 | 354.90 | 1236.96 | 546.86 | 136.86 | 136.41 | -11.09 | 0.502 | |
| 1296.36 | 11.10 | 354.40 | 1283.07 | 592.97 | 146.28 | 145.79 | -11.97 | 0.577 | |
| 1324.55 | 11.00 | 353.80 | 1310.74 | 620.64 | 151.68 | 151.17 | -12.52 | 0.162 | |
| 1347.32 | 10.76 | 353.80 | 1333.10 | 643.00 | 155.98 | 155.44 | -12.99 | 0.317 | Target - Sulphur Point Dol. |
| 1352.98 | 10.70 | 353.80 | 1338.66 | 648.56 | 157.03 | 156.49 | -13.10 | 0.317 | |

Focus Directional

Final Report

| | | | |
|--|--|--|-------------------------------------|
| Company: Paramount Resources Ltd. Field: Cameron Site: Para et al Cameron L-40 Well: L-40 Wellpath: 6700-01 | Date: 1/30/2007 Co-ordinate(NE) Reference: Vertical (TVD) Reference: Section (VS) Reference: Survey Calculation Method: | Time: 13:29:42 Site: Para et al Cameron L-40, True Nort SITE 690.1 Well (0.00N,0.00E,354.95Azi) Minimum Curvature | Page: 3 Db: Adapti |
|--|--|--|-------------------------------------|

Survey

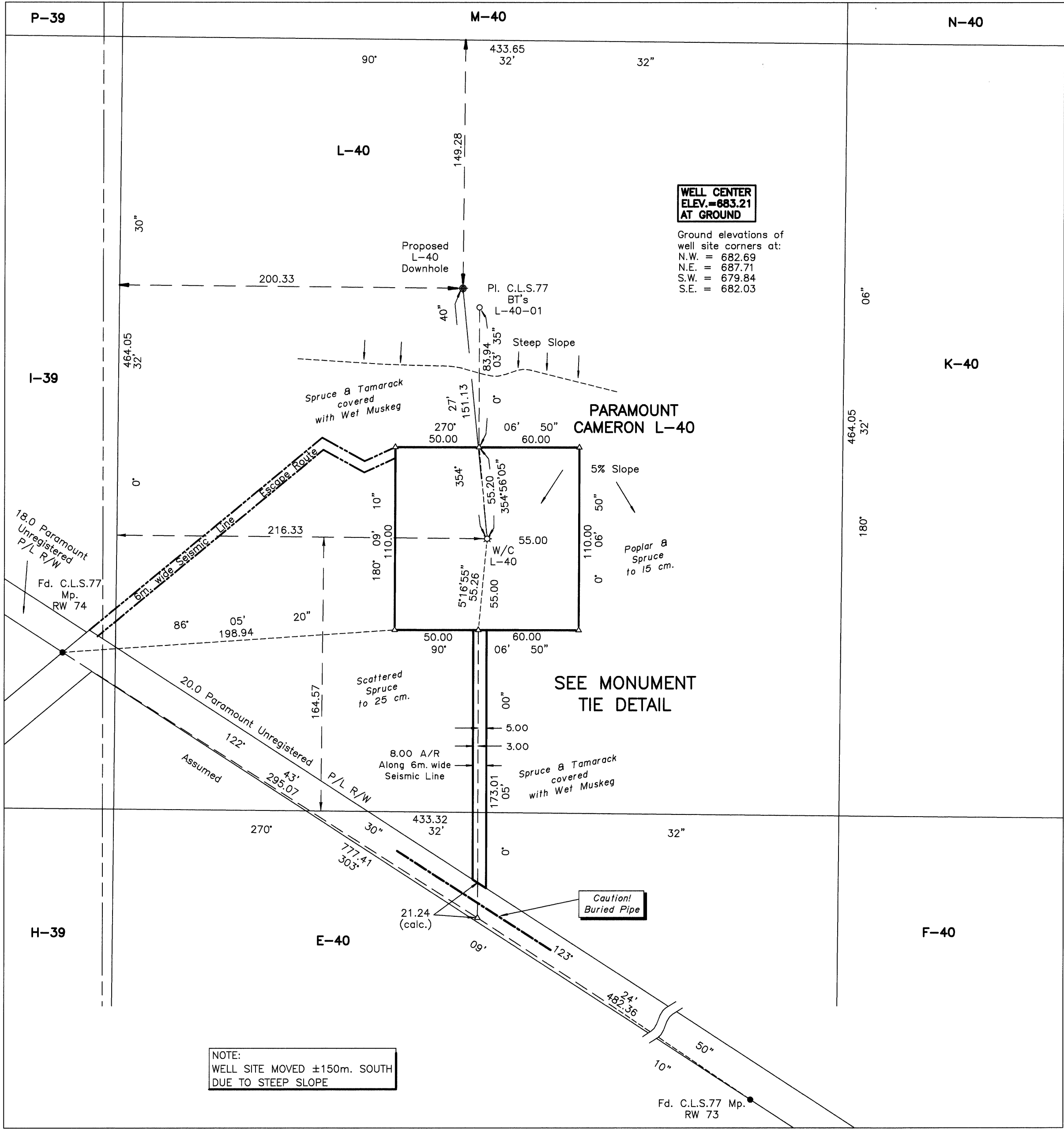
| MD m | Incl deg | Azim deg | TVD m | Subsea m | VS m | N/S m | E/W m | DLS deg/30m | Comment |
|---------|-------------|-------------|----------|-------------|---------|----------|----------|----------------|-----------------------|
| 1381.18 | 10.40 | 351.70 | 1366.38 | 676.28 | 162.19 | 161.61 | -13.75 | 0.519 | |
| 1409.41 | 9.40 | 352.90 | 1394.19 | 704.09 | 167.04 | 166.42 | -14.40 | 1.085 | |
| 1437.00 | 8.90 | 352.30 | 1421.43 | 731.33 | 171.42 | 170.77 | -14.97 | 0.553 | Last MWD Survey |
| 1453.00 | 8.90 | 352.30 | 1437.24 | 747.14 | 173.90 | 173.22 | -15.30 | 0.000 | Final TD/LD Dir Tools |

Targets

| Name | Description | TVD | +N/-S | +E/-W | Map Northing | Map Easting | <---- Latitude ----> | | | <--- Longitude ---> | | | | |
|-----------------------------|-------------|---------|--------|--------|--------------|-------------|----------------------|-----|--------|---------------------|-----|-----|--------|---|
| | | | | | | | Deg | Min | Sec | Deg | Min | Sec | | |
| Surface | | 0.00 | 0.00 | 0.00 | 6669171.65 | 465522.58 | 60 | 9 | 35.532 | N | 117 | 37 | 15.972 | W |
| -Rectangle (5x5) | | | | | | | | | | | | | | |
| Target - Sulphur Point Dol. | | 1333.10 | 150.28 | -16.00 | 6669322.02 | 465508.00 | 60 | 9 | 40.387 | N | 117 | 37 | 17.009 | W |
| -Circle (Radius: 15) | | | | | | | | | | | | | | |

Annotation

| MD m | TVD m | |
|---------|----------|-----------------------|
| 445.70 | 445.70 | KOP |
| 1437.00 | 1421.43 | Last MWD Survey |
| 1453.00 | 1437.24 | Final TD/LD Dir Tools |



DETAIL
SCALE 1:2000

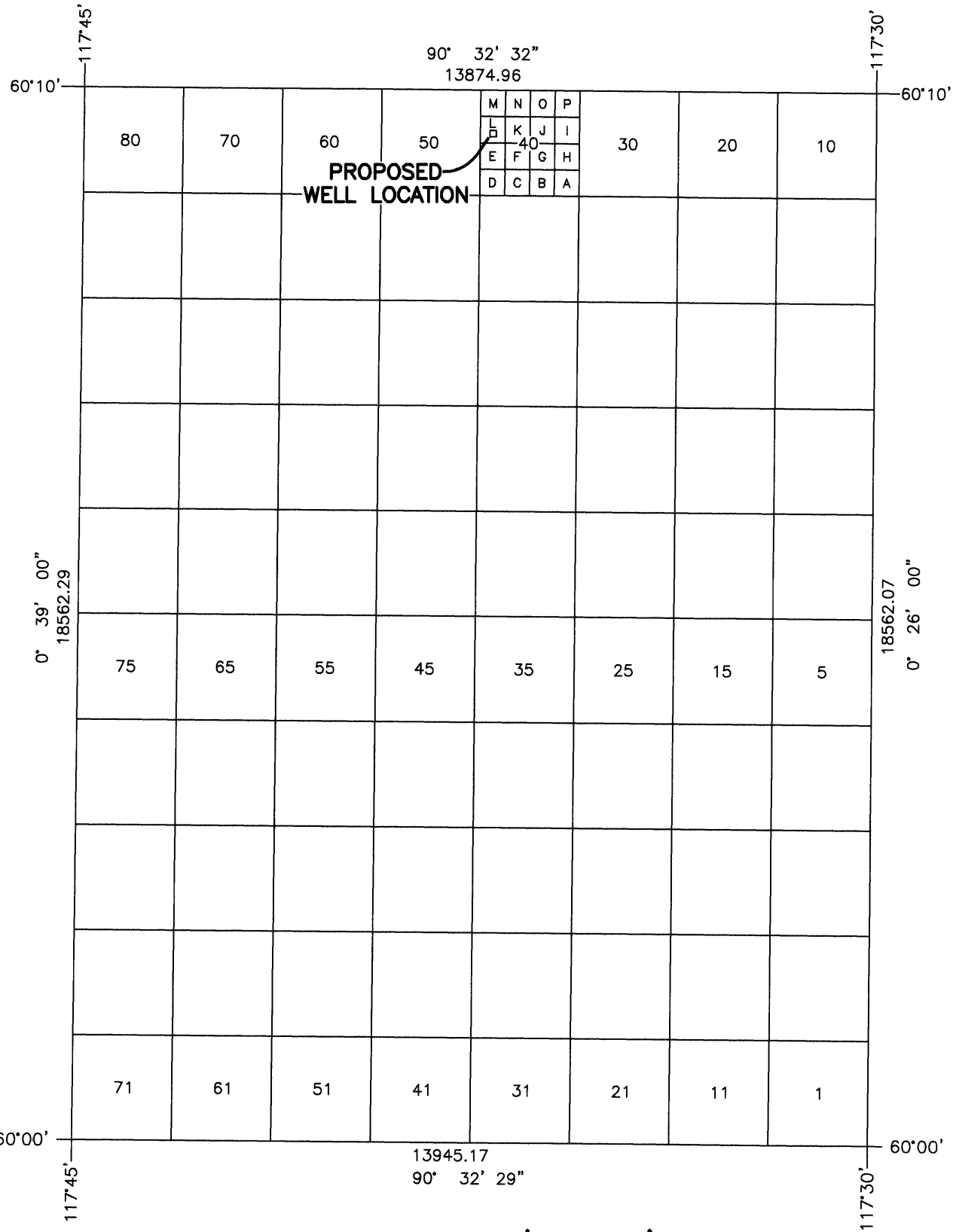
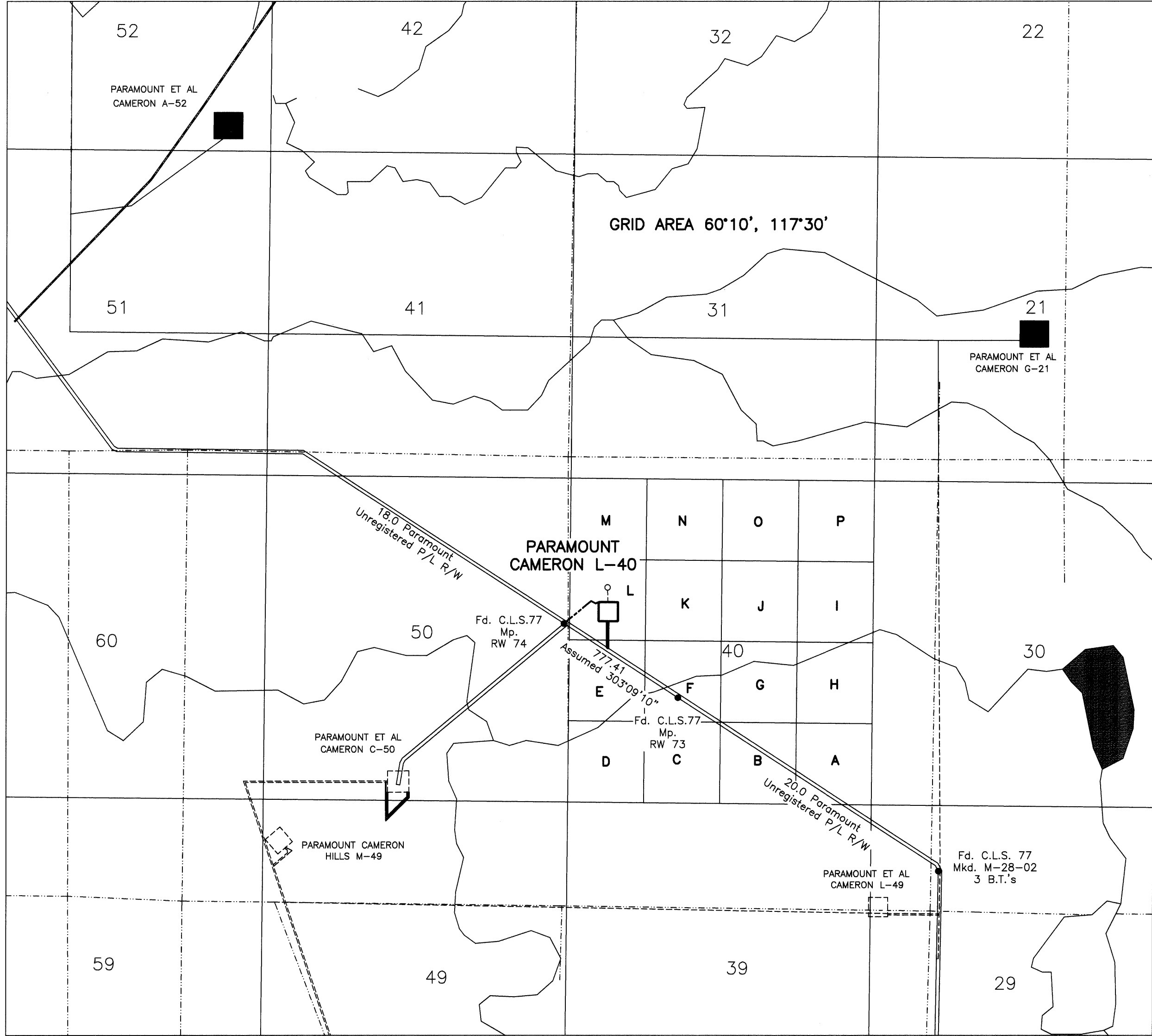
Wellsite control established using differentially corrected GPS observations.
All transformations between NAD83 and NAD27 were completed using
National Transformation Version 2 program.

| GEOGRAPHIC AND UTM COORDINATES, (1983 NAD) | | | | | |
|--|---------------|----------------|------------|-----------|--------|
| Station | Latitude(N) | Longitude(W) | Northings | Eastings | Elev. |
| CLS MONUMENTS | | | | | |
| M-28-02 (FIXED) | 60°08'32.190" | 117°35'17.788" | 6667401.67 | 467328.70 | 764.92 |
| M-28-03 (ADJUSTED) | 60°07'58.325" | 117°35'18.443" | 6666385.05 | 467309.53 | 755.60 |
| Fd. C.L.S. RW-73 | 60°09'20.073" | 117°36'55.034" | 6668896.60 | 468842.30 | 687.38 |
| Fd. C.L.S. RW-74 | 60°09'33.611" | 117°37'37.478" | 6669321.55 | 468191.77 | 678.06 |
| L-40-01 | 60°09'40.389" | 117°37'21.479" | 6669528.90 | 465440.43 | 698.84 |
| PROPOSED WELL | | | | | |
| L-40, WELL CENTRE | 60°09'35.902" | 117°37'21.083" | 6669390.04 | 465445.22 | 683.21 |
| L-40, DOWNHOLE | 60°09'40.757" | 117°37'22.121" | 6669540.39 | 465430.64 | |

Geoid Separation HT2

| GRID AREA 60°10', 117°30'- GEOGRAPHIC AND UTM COORDINATES, (1927 NAD) | | | | |
|---|---------------|----------------|------------|-----------|
| N.E. | 60°10'00" | 117°30'00" | 6669711.56 | 472250.65 |
| N.W. | 60°10'00" | 117°45'00" | 6670002.85 | 458376.31 |
| S.W. | 60°00'00" | 117°45'00" | 6651441.75 | 458165.71 |
| S.E. | 60°00'00" | 117°30'00" | 6651310.02 | 472110.25 |
| L-40, N.W. | 60°09'45.212" | 117°37'30.001" | 6669473.17 | 465309.10 |
| L-40, N.E. | 60°09'45.212" | 117°37'01.876" | 6669469.07 | 465742.72 |
| L-40, S.E. | 60°09'30.220" | 117°37'01.880" | 6669005.04 | 465738.39 |
| L-40, S.W. | 60°09'30.213" | 117°37'30.000" | 6669009.14 | 465304.71 |
| PROPOSED WELL GEOGRAPHIC AND UTM COORDINATES, (1927 NAD) | | | | |
| L-40 W/C (SURVEYED) | 60°09'35.532" | 117°37'15.972" | 6669171.65 | 465522.58 |
| L-40 DOWNHOLE | 60°09'40.387" | 117°37'17.009" | 6669622.00 | 465508.00 |
| LEASE CORNERS | | | | |
| N.E. | 60°09'37.323" | 117°37'12.106" | 6669226.51 | 465582.71 |
| N.W. | 60°09'37.296" | 117°37'19.239" | 6669226.72 | 465472.71 |
| S.E. | 60°09'33.769" | 117°37'12.052" | 6669116.56 | 465582.50 |
| S.W. | 60°09'33.740" | 117°37'19.186" | 6669116.89 | 465472.49 |

MONUMENT TIE DETAIL
(UTM NAD 83)
NOT TO SCALE



AREA REQUIRED:

| | Hectares | Acres |
|---------------|----------|-------|
| WELL SITE = | 1.210 | 2.99 |
| ACCESS ROAD = | 0.122 | 0.30 |
| TOTAL = | 1.332 | 3.29 |

| BEARING TREES | | | |
|---------------|------------|----------|--------------|
| Station | Bearing | Distance | Tree |
| L-40-01 | 67°48'40" | 10.31 | 30 cm Poplar |
| | 285°22'40" | 9.40 | 15 cm Poplar |
| | 314°43'40" | 10.17 | 12 cm Pine |

PLAN AND FIELD NOTES

OF SURVEY OF

PROPOSED EXPLORATORY WELL

PARA ET AL CAMERON L-40

IN UNIT L, SECTION 40

DIRECTIONALLY DRILLED TO A DOWNHOLE

LOCATION IN UNIT L, SECTION 40

GRID AREA 60° 10', 117° 30'

NORTHWEST TERRITORIES

CANADA OIL AND GAS REGULATIONS
EXPLORATORY WELL, NORTHWEST TERRITORIES

SCALE 1:20,000



SURVEYED FOR
PARAMOUNT RESOURCES LTD.

AFFIDAVIT

THIS SURVEY WAS EXECUTED ON THE DATE OF JULY 5th, 2005
BY JOHN E. LANDRY, C.L.S.

CERTIFIED CORRECT ON THE 16th DAY OF AUGUST, 2005

JOHN E. LANDRY
CANADA LANDS SURVEYOR



DATE

LEGEND

UTM coordinates are computed for Zone 11, Central Meridian
117° W. Bearings were derived from differentially corrected GPS
Observations, and are referred to meridian 117° W.

Distances are expressed in metres and decimals thereof.

Distances shown in traverse are measured distances reduced to
the horizontal at general ground level.

For the computation of coordinates measured distances have been
reduced to the UTM plane by multiplying them by an average
combined scale factor of 0.999811.

Distances shown on grid area subdivisions are UTM plane, NAD 27 Datum.
All other dimensions are based on NAD83 Datum.

(CLS 77) Monuments placed are shown thus: ○
(CLS 77) Monuments found are shown thus: ●
Traverse stations placed are shown thus (12" Spike): △
Calc. point placed is shown thus: +
Downhole is shown thus: ⊙
Areas dealt with are shown thus: ▭
Buried pipe lines are shown thus: ---
Seismic lines are shown thus: ---
Emergency escape routes are shown thus: ---

Survey was completed prior to drilling; therefore well as drilled
may not necessarily agree with proposed location.

| | | | |
|--|----------------|-----------|---------------|
| 1 | ADDED DOWNHOLE | O.K. | AUG. 16/05 |
| 0 | PLAN ISSUED | O.K. | JULY 29/05 |
| REV. | DESCRIPTION | BY | DATE |
| JOHN E. LANDRY CANADA LANDS SURVEYOR | | Date: | July 29, 2005 |
| McELHANNY LAND SURVEYS LTD. PROFESSIONAL LAND SURVEYORS | | Plan No.: | 1 of 1 |
| 138, 14315-118 Avenue Edmonton, Alberta PH: (780) 451-3420 FAX: (780) 452-7033 | | Job No.: | 321116989 |
| | | File No.: | 16989 |
| | | O.K. | |

Plan ID E16989W5