

National Energy
Board



Office national
de l'énergie

File: WID#2073
14 January 2011

Mr. Brad Scott
Paramount Resources Ltd.
4700 Bankers Hall West
888 3rd Street SW
Calgary, AB T2P 5C5

Dear Mr. Scott:

Approval to Drill a Well (ADW) for Para et al Cameron 2H-03

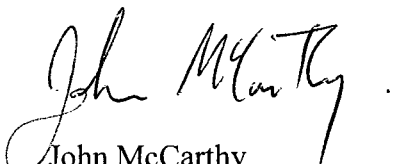
Thank you for your submission of the ADW application and supporting data to drill the above referenced well.

Paramount Resources Ltd. is hereby given approval to drill this well and attached is the approved ADW form. Any subsequent work or activity to this well will require a separate well approval by 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 and Production Regulations*, the *Oil and Gas Occupational Safety and Health Regulations* and *Canada Labour Code, Part II*. Please note terms and conditions are provided in the attachment.

If you have any questions, please contact Saadat Javeed at 403-221-3033.

Yours truly,


John McCarthy
Chief Conservation Officer

Attachment

Attachment
Approval to Drill a Well Terms and Conditions for:
Para et al Cameron 2H-03

1. Daily geological reports (including descriptions, strip logs and gas detection readings) and drilling reports are to be emailed to dailyreports@neb-one.gc.ca or faxed daily by 8:30 am to the attention of the Chief Conservation Officer (fax number 403-292-5876). Please contact Lori Ann Sharp at 403-299-1994 should there be any difficulty in delivery of the daily drilling reports.
2. 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, subsequent filings and environmental protection plan.
3. A copy of the *Canada Oil and Gas Drilling and Production Regulations* as well as the *Oil and Gas Occupational Safety and Health Regulations* are to be kept at the well site and shall be made available on request by any person at the well site (section 17 of the *Canada Oil and Gas Drilling and Production Regulations* and paragraph 125.(1)(e) of the *Canada Labour Code*, Part II, respectively).
4. Paramount Resources Ltd. shall, inform the Board of any key personnel and field personnel updates to the contact list as they become available or are changed.
5. Well completion, suspension or abandonment operations are required to meet the requirements of the *Canada Oil and Gas Drilling and Production Regulations*. Upon program termination a "Well Operation Report" is to be submitted within 30 days from rig release.
6. If the well is put into a suspended state, Paramount shall ensure that the well is monitored and inspected annually to maintain its continued integrity and to prevent pollution.
7. Please submit two paper copies and one electronic (on CD/DVD, in PDF format) of all data for the "Well History Report" within 45 days from rig release. In addition, please submit one LAS copy of final log prints on compact disc. Please ensure compact discs are maximized and submitted with the final reports.
8. A final well survey signed by a Canada Land Surveyor is required with the Well History Report.

9. Drill cuttings to be taken from 1275 to 2358m MD; 1 set of 4 by 6 inch bags (500 gm) unwashed cuttings, 2 vial sets of washed cuttings. All samples are to 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 sample transmittal letters are to be forwarded to the Chief Conservation Officer at the National Energy Board.
10. The Compact Memory Logging (CML) tool package is to be run from 360 to 2358m MD.
11. Please provide copies of pre-spud CAODC rig inspection and electrical inspection.