

National Energy
Board



Office national
de l'énergie

File OA-1221-005
WID# 2008, 2030

26 August 2011

Mr. Darrell Hicke, Area Engineer
Paramount Resources Ltd.
4700 Bankers Hall West
888 - 3rd Street SW
Calgary, Alberta T2P 5C5

Dear Mr. Hicke:

Operations Authorization (OA) and Approval to Alter Condition of a Well (ACW) for the Paramount et al Liard 2M-25 and Paramount et al Liard K-29A wells

Thank you for the submission of the Paramount OA and ACW applications and subsequent filings. Please find attached approved OA and ACW authorizations for the proposed activity. Please note that the terms and conditions for the OA and ACW are provided in Attachment No. 1 and No. 2, respectively. Any change or deviation from the approved program will require the additional specific approval of the Chief Conservation Officer.

Please notify National Energy Board (NEB) no less than 24 hours prior to the commencement of the well operation.

Please be reminded that all oil and gas activities are 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*.

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

Yours truly,

John McCarthy
Chief Conservation Officer
Attachments (2)

444 Seventh Avenue SW
Calgary, Alberta T2P 0X8

444, Septième Avenue S.-O.
Calgary (Alberta) T2P 0X8

Canada

Telephone/Téléphone : 403-292-4800

Facsimile/Télocopieur : 403-292-5503

<http://www.neb-one.gc.ca>

Telephone/Téléphone : 1-800-899-1265

Facsimile/Télocopieur : 1-877-288-8803

Attachment No. 1
Paramount Resources Ltd. (Paramount)
Operations Authorization Terms and Conditions for
OA-1221-005

1. Paramount will provide an updated NEB contact list for this program prior to any work or activity. Please ensure the NEB incident cell number 403-807-9473 is listed as the number to call in the event of an incident.
2. Unless otherwise directed by the Chief Conservation Officer, Paramount shall implement or cause to be implemented all of the policies, practices, mitigative measures, recommendations and procedures for the protection of the environment included in or referred to in the operator's application, subsequent submissions and committed to by Paramount in the Mackenzie Valley Environmental Impact Review Board Environmental Assessment.
3. Paramount shall submit an updated environmental protection plan 10 days prior to the start of any operations requiring a Well Approval where there have been any changes to the elements as defined in subsections 9(a) to 9 (k) of the *Canada Oil and Gas Drilling and Production Regulations*.
4. In the event of flaring, Paramount shall conduct post flaring calculations to confirm that the air emissions did not exceed the NWT Ambient Air Quality Standard (ENR 2005) or the National Ambient Air Quality Objectives for H₂S, SO₂ and NO₂. If the standards or objectives were exceeded, or the flow rate of 9.83 m³/s for the K-29 well, or 1.389 m³/s for the 2M-25 well are exceeded, Paramount shall report the event as a significant pollution incident under Section 75 of the *Canada Oil and Gas Drilling and Production Regulations* and shall file a copy of the company investigation report with the NEB no later than 21 days after the day on which the incident occurred. The post-flaring report shall include, in addition to the Section 75 requirements, the maximum 1 hour and 24 hour SO₂ concentrations at ground level and canopy height as a result of the event flow rates and H₂S concentrations. The report should detail the specific remediation activities conducted and identify remediation requirements.

Attachment No. 2
Paramount Resources Ltd. (Paramount)
Approval to Alter Condition of a Well Terms and Conditions for
Paramount et al Liard 2M-25 and Paramount et al Liard K-29A Wells

1. Daily 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. 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 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).
3. Paramount shall inform the Board of any key personnel and field personnel updates to the contact list as they become available or are changed.
4. 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 Termination Record" is to be submitted within 30 days after the end of the well operation.
5. Please submit two paper copies and one electronic (on CD/DVD, in PDF format) of all the data for the "Well Operations Report" within 30 days from the end of the well operation.