

Yellowknife, N.W.T.
X1A 3T2

Telephone: (867) 669-2701
Facsimile: (867) 669-2720

January 15, 1998

should be 1999

Your file Votre référence

Our file Notre référence

Paramount Resources Ltd.
4000 First Canadian Centre
350 - 7th Avenue SW
CALGARY AB T2P 3W5

N1998A0942

ATTENTION: Shirley Maaskant

Dear Ms. Maaskant:

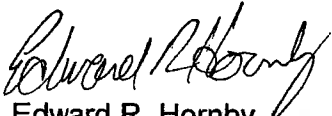
**Re: Land Use Permit N1998A0942
 Oil and Gas (I-74 Wellsite)
 Cameron Hills Area**

I enclose your copy of Land Use Permit N1998A0942 authorizing your project as described in your application dated November 30, 1998.

Please ensure that you adhere to the operating conditions annexed to your permit. In particular, I draw your attention to condition number 25 requiring that you post your security deposit before you commence operations. Any conditions or recommendations forwarded to you by other departments or agencies are not part of this approval and do not form part of Land Use Permit N1998A0942.

Should you have any questions or concerns regarding your permit please contact our Resource Management Officer, Mr. Andrew Forbes at our Hay River sub-district office. He can be reached at (867) 874-6995.

Yours truly,



Edward R. Hornby
Land Use Administrator
South Mackenzie District

cc: RMO, Hay River
 UEB
COE/

Canada

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65



This permit covers the access road from the border to the well site.

**LAND USE PERMIT
NORTHERN AFFAIRS PROGRAM**

**PERMIS D'UTILISATION DES TERRES
PROGRAMME DES AFFAIRES DU NORD**

Permit Class - Permis Catégorie : " A "	Permit No - N° de permis N1998A0942
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Subject to the Territorial Land Use Regulations and the terms and conditions in this Permit, authority is hereby granted to:

Sous réserve du Règlement sur l'utilisation des terres territoriales et des conditions de ce permis:

PARAMOUNT RESOURCES LTD.

Permittee - Détenteur de permis

To proceed with the land use operation described in the application of:

Est autorisé à entreprendre les travaux d'exploitation des terres décrits dans la demande de permis du:

Signature Shirley Maaskant	Date November 30, 1998
Type of Land Use Operation - Genre de travaux d'exploitation des terres Oil & Gas (I-74 Wellsite)	
Location - Emplacement Cameron Hills	

This permit may be assigned, extended, discontinued, suspended or cancelled pursuant to the Territorial Land Use Regulations.

Ce permis peut faire l'objet d'une cession, d'une prolongation d'une cessation d'une suspension ou d'une annulation, en vertu du Règlement sur l'utilisation des terres territoriales.

Dated at
Date a Yellowknife, NT

Engineer
Ingénieur *Edward R. Henry*

This
Ce 15th Day of
jour de January, 1999.

Commencement Date
Date du début des travaux January 15, 1999

Expiry Date
Date d'achèvement January 14, 2001

NOTE

IT IS A CONDITION OF THIS PERMIT THAT THE PERMITTEE COMPLY WITH ANY OTHER APPLICABLE ACT, REGULATION, ORDINANCE BY - LAW OR ORDER DEFAULT HEREOF MAY RESULT IN SUSPENSION OR CANCELLATION OF THIS PERMIT.

REMARQUE

LE DÉTENTEUR DU PRÉSENT PERMIS DOIT SE CONFORMER À TOUT AUTRE RÈGLEMENT, LOI, DÉCRET RÈGLEMENT MUNICIPAL OU ARRÊTÉ APPLICABLE. LE MANQUEMENT À CETTE OBLIGATION POURRAIT DONNER LIEU À LA SUSPENSION OU À L'ANNULATION DU PERMIS.

CONDITIONS ANNEXED TO AND FORMING PART

OF LAND USE PERMIT N1998A0942

31 (1) (a) - Location and Area

1. The Permittee shall not conduct this land use operation on any lands not designated in the accepted application, unless otherwise authorized in writing by the Engineer. PLANS
2. The Permittee shall remove from Territorial Lands, all scrap metal, discarded machinery and parts, barrels and kegs, buildings and building material. REMOVE WASTE MATERIAL

31 (1) (b) - Time

3. The Permittee's Field Supervisor shall contact or meet with a land use inspector at the Fort Simpson office of the Department of Indian Affairs and Northern Development, Phone Number (867) 874-6995, at least 48 hours prior to the commencement of this land use operation. CONTACT INSPECTOR
4. The Permittee shall advise a land use inspector at least 5 days prior to the completion of the land use operation of (a) his plan for removal or storage of equipment and materials, and (b) when final clean-up and restoration of the lands used will be completed. REPORTS BEFORE REMOVAL
5. The Permittee shall not conduct any over-land movement of equipment and vehicles after 0800 hours local time on April 1 unless otherwise authorized in writing by a Land Use Inspector. SHUTDOWN DATE
6. The Engineer for the purpose of this operation designates April 1, as spring break-up. SPRING BREAK-UP

7. The Permittee shall remove all snow fills from stream crossings prior to spring break-up or completion of the land use operation unless otherwise approved in writing by a Land Use Inspector. REMOVE SNOW FILLS
8. The Permittee shall complete all clean-up and restoration of the lands used prior to the expiry date of this permit. CLEAN-UP

31 (1) (c) - Equipment

9. The Permittee shall use a forced-air fuel-fired incinerator to incinerate all combustible garbage and debris. INCINERATORS
10. The Permittee shall keep all garbage and debris in a covered metal container until disposed of. GARBAGE CONTAINERS

31 (1) (e) - Type, Location, Capacity and Operation of Facilities

11. The Permittee shall backfill and restore camps sumps within two weeks following camp shutdown or removal, which ever comes first, unless otherwise authorized by a land use inspector. BACKFILL CAMP SUMPS

31 (1) (f) - Control or Prevention of Flooding, Erosion and Subsidence of Land

12. The Permittee shall remove any obstruction to natural drainage caused by any part of this land use operation. NATURAL DRAINAGE
13. The Permittee shall not use any material other than snow in the construction of snow fills. SNOW FILLS
14. The Permittee shall suspend overland travel of equipment or vehicles if rutting occurs. SUSPEND OVERLAND TRAVEL

- | | | |
|---|--|--------------------------------|
| 15. | The Permittee shall establish vegetation on all areas stripped to mineral soil during this land use operation to a minimum of seventy (70) per cent ground cover unless otherwise authorized in writing by a land use inspector. This vegetation shall consist of a forestry mix grass seed and will be accompanied by the appropriate fertilizer. | REVEGETATE
STRIPPED
AREA |
| 16. | The Permittee shall save the organic soil stripped from the excavation area. | SAVE
ORGANIC
SOIL |
| 17. | The Permittee shall place the organic soil over the disturbed area prior to the expiry date of this permit. | PLACE
ORGANIC
SOIL |
| 31 (1) (g) - Use, Storage, Handling and Disposal of Chemical
or Toxic Material | | |
| 18. | The Permittee shall not use chemicals in connection with the land use operation without the prior approval of the Engineer. | APPROVAL
OF
CHEMICALS |
| 19. | The Permittee shall deposit all sewage into a sump. | SEWAGE
DISPOSAL |
| 20. | The Permittee shall not allow any drilling waste to spread to the surrounding lands. | DRILL
WASTE
CONTAINMENT |
| 21. | The Permittee shall remove all non-combustible garbage and debris from the land use area to a disposal site approved in writing by a land use inspector. | REMOVE
GARBAGE |
| 22. | The Permittee shall dispose of all combustible waste petroleum products by incineration or removal. | WASTE
PETROLEUM
DISPOSAL |

23. The Permittee shall dispose of all fluids used to wash machinery and equipment in a sump unless otherwise authorized in writing by a land use inspector.

RIG
WASH
DISPOSAL

24. The Permittee shall report all spills immediately in accordance with instructions contained in "Spill Report" form N.W.T. 1752/0593 to the twenty-four (24) hour spill report line (403)920-8130.

REPORT
CHEMICAL
AND
PETROLEUM
SPILLS

31 (1) (j) - Security Deposit

25. The Permittee shall deposit with the Minister a security deposit in the amount of \$25,000.00 pursuant to Section 36 of the *Territorial Land Use Regulations*.

SECURITY
DEPOSIT

31 (1) (k) - Petroleum Fuel Storage

26. The Permittee shall not place any petroleum fuel storage containers within twelve (12) metres of the normal high water mark of any stream.

FUEL
BY
STREAM

27. The Permittee shall not allow petroleum products to spread to surrounding lands or into water bodies.

FUEL
CONTAINMENT

28. The Permittee shall construct a dyke around each stationary fuel container or group of stationary fuel containers where any one container has a capacity exceeding 4,000 litres.

DYKE
FUEL
CONTAINERS

29. The volume of the dyked area shall be 10% greater than the capacity of the largest fuel container placed therein.

CAPACITY

30. The Permittee shall ensure that the dyke and the area enclosed by the dyke shall be impermeable to petroleum products at all times.

IMPERMEABLE
DYKE

31 (1) (m) - Matters Not Inconsistent with the Regulations

- | | | |
|-----|---|-----------------------|
| 31. | The Permittee shall keep on hand, at all times during this Land Use Operation, a copy of the Land Use Permit. | COPY OF
PERMIT |
| 32. | The Permittee shall provide in writing to the Engineer, at least forty-eight (48) hours prior to commencement of this land use operation, the following information:

(a) person, or persons, in charge of the field operation to whom notices, orders, and reports may be served;

(b) alternates;

(c) all the indirect methods for contacting the above person(s). | IDENTIFY
AGENT |
| 33. | The Permittee shall, while preparing the access road, make every effort to avoid covering or destroying traps or snares that may be found along these routes. | TRAPS
PROTECTION |
| 34. | The Permittee shall restore any trails used by trappers or hunters along access routes by slashing any and all trees that may fall across these paths or trails and by removing any other obstructions such as snow piles or debris that may be pushed across the trails. | TRAILS
RESTORATION |

LAND USE APPLICATION WORKSHEET

DATE RECEIVED: December 3, 1998	APPLICATION/PERMIT: N1998A0942
DATE SIGNED: November 30, 1998	CLASS A <u>X</u> CLASS B _____

PROPOSED COMMENCEMENT: January 1, 1999	ADD APPLICATION IN ROLODEX _____
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PERSON/COMPANY NAME: Paramount Resources Ltd. ADDRESS: 4000, 350-7 Ave. S.W. Calgary, AB T2P 3W5	PHONE NO: <u>403-290-3618</u> FAX NO: <u>403-266-6032</u> CONTACT NAME: <u>Shirley Maaskant</u>
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LOCATION	TYPE OF OPERATION
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QUAD #: 85 C/4 CO-ORDS: 60°03'35":N 117°28'19" W LOCATION: CAMERON HILLS AREA DISTRICT: SOUTH MACKENZIE SUB-DISTRICT: HAY RIVER	COMMENTS: <u>OIL & GAS</u> Wellsite - Paramount et al Cameron I-74
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LAND USE FEES RECEIVED

RECEIPT # <u>C103250</u>	RECEIPT DATE: <u>December 3, 1998</u>
APPLICATION FEE: <u>150.00</u>	LAND USE FEES: <u>\$50.00</u> TOTAL: <u>\$200.00</u>

QUARRY FEES RECEIVED

RECEIPT # _____	RECEIPT DATE _____
PERMIT FEE: <u>150.00</u>	ROYALTIES: _____ TOTAL: _____
RECEIPT # _____	RECEIPT DATE _____
PERMIT FEE: <u>\$150.00</u>	ROYALTIES: _____ TOTAL: _____
RECEIPT # _____	RECEIPT DATE _____
PERMIT FEE: <u>\$150.00</u>	ROYALTIES: _____ TOTAL: _____

INVOKED SECTION 28 - CLASS B TO A

INVOKED SECTION 25 (1)(B)

BF DATE: JANUARY 12, 1999 (37TH DAY - RMO'S COND./CALYX/CEAA DUE)
 PERMIT ISSUANCE DUE DATE: JANUARY 15, 1999 (40th DAY - MAXIMUM)

INVOKED SECTION 25 (1)(C)

DATE APPLICANT WRITTEN _____
 PERMIT DUE DATE: _____ (1 YEAR FROM DATE OF RECEIPT -MAXIMUM)
 (FAX LETTER TO SUB-DISTRICT)

SCREENING OF APPLICATION (MAPS CHECKED)	
ASSISTANT LAND USE ADMINISTRATOR INITIALS _____	
INTERFERENCE SERIES Leases, Reserves, land claim areas, archaeological sites, withdrawals etc.	

RUNNING SERIES Interaction with other land use activities. List Permit Numbers.	

HISTORICAL SERIES List closed land use permits that were in the area	

DISTRIBUTION OF APPLICATION TO SUB-DISTRICT OFFICE AND LAC MEMBERS	
DATE DISTRIBUTED: <u>December 7, 1998</u>	ASST. ADMIN/CLERK INITIALS _____
LAC COMMENTS DUE: <u>January 5, 1999</u> (30th day)	
APPLICATION FORM ONLY	
_____ WORKERS COMPENSATION BOARD	_____ G. MORRAL (NOGD)
COPY PAGE 1 OF WORKSHEET TO	
_____ CENTRAL RECORDS	
PERMIT ISSUANCE	
CALYX/CEAA SCREENING COMPLETED _____	
DATE ISSUED: _____	
COMMENCEMENT DATE: _____ EXPIRY DATE: _____	
_____ ENTER DATES IN LAND USE LEDGER	
_____ ENTER EXPIRY DATE ONLY IN ROLODEX	
_____ BF 60 DAYS PRIOR TO LAND USE PERMIT EXPIRY. DATE: _____	
_____ BF 60 DAYS PRIOR TO QUARRY PERMIT EXPIRY. DATE: _____	
_____ FILE CALYX TO PROJ. REG.	
_____ FAX COPY OF CALYX TO WATER RESOURCES IF A WATER LICENCE IS REQ'D	
FILE CLOSED	
_____ CLOSURE LETTER PREPARED AND DISTRIBUTED (cc appropriate sub-district)	
_____ STAMP "CLOSED" IN LAND USE LEDGER	
_____ MARK CLOSED IN ROLODEX	
_____ ALL BF'S REMOVED	
_____ SEND TO DRAFTING FOR DEPLOT FROM RUNNING AND PLOT ON	
HISTORICAL IF OPERATION WAS CONDUCTED	
_____ P.A. FILE IN MICRO FICHE BOX	