



July 23, 1998

Copies for Approval Letters to Industry (11)

RE: Application for Concurrent Production

<input type="checkbox"/>	G.Miltenberger	<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	Data Mgmt	<input checked="" type="checkbox"/>	P.S. Attariwala
<input type="checkbox"/>	R. Stefik	<input type="checkbox"/>	G..Farr
<input type="checkbox"/>	D. Richardson	<input type="checkbox"/>	S. Chicorelli
<input type="checkbox"/>	Wellfile (originals)	<input type="checkbox"/>	Daily
<input type="checkbox"/>	59240-07	<input type="checkbox"/>	

File No: 8900-4610-59240-07

Ref: 980602

Mr. Detlef Lehmann, P. Eng.
 Senior Petroleum Engineer
 Paramount Resources Ltd.
 4000 - First Canadian Centre
 350 - 7th Avenue SW
 Calgary AB T2P 3W5

Paramount Project(02)

Dear Mr. Lehmann:

**RE: CONCURRENT PRODUCTION APPROVAL
 ZAREMBA A MARKER/BASE OF LIME "A" OIL POOL**

Attached is a Concurrent Production with Good Engineering Practice (GEP) scheme approval for the subject pool, as requested in your application of July 2, 1998.

We concur with you that the subject pool is a single well pool and that the well is severely restricted at its current penalized rates. As this is a small oil pool where all produced gas is being conserved, a concurrent production with GEP is considered appropriate in this case.

The Approval 98-07-010 is hereby granted under Section 97 of the Petroleum and Natural Gas Act.

This approval is intended to allow operational flexibility in order to maximize oil recovery. Please note that the project allowables may be amended if an oil well outside the project area is successfully completed in the subject pool by another operator.

Yours sincerely,

B. van Oort, P. Eng.
 Director
 Engineering and Operations Branch

APPROVAL 98-07-010

THE PROVINCE OF BRITISH COLUMBIA
PETROLEUM AND NATURAL GAS ACT
DRILLING AND PRODUCTION REGULATION
MINISTRY OF ENERGY AND MINES
ENERGY AND MINERALS DIVISION

IN THE MATTER of a Concurrent Production scheme with Good Engineering Practice (GEP) of Paramount Resources Ltd. (Paramount) for producing the Zarembo A Marker/Base of Lime "A" oil pool with a project oil and gas allowable.

NOW, THEREFORE, the Division Head, pursuant to Section 97 of the Petroleum and Natural Gas Act, hereby approves a Concurrent Production project of Paramount for oil and gas production with project allowables, as such project is described in

an Application from Paramount to the Division dated July 2, 1998, and related submissions.

This scheme is approved, subject to the conditions herein contained and, in particular:

1. The area of the scheme shall consist of unit 77-E/94-H-7.
2. The project daily oil allowable is 14.5 m³.
3. Gas production from the scheme is limited to 12.0 10³ m³/d.
4. All produced gas must be conserved.
5. Royalty-free oil production for the discovery well c-77-E/94-H-7 (WA 9665) is limited to 5,952.7 m³ or the volume produced in the first 36 producing months, whichever is lesser.
6. The approval may be modified or rescinded at a later date if deemed appropriate.



B. van Oort, on behalf of
the Division Head
Energy and Minerals Division

DATED AT the City of Victoria, in the Province of British Columbia, this 23rd day of July, 1998.