



**Paramount**  
resources ltd.

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November 16, 2000

To Interested Stakeholders

Dear Sir or Madam:

As a part of our ongoing commitment to inform all stakeholders of our progress on the Paramount Resources Ltd. Cameron Hills Project, we have enclosed a Project Update outlining the present status on the Project.

As always, if you require additional information, please do not hesitate to contact Shirley Maaskant at (403) 290-3618.

Yours truly,

PARAMOUNT RESOURCES LTD.

Shirley Maaskant  
Regulatory & Community Affairs Coordinator

Encl:



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## UPDATE November 16, 2000 CAMERON HILLS PROJECTS

This upcoming winter season, Paramount Resources Ltd. had proposed to conduct seismic, flow test and drill 2 or more wells on or near Paramount's Significant Discovery Licences in the Cameron Hills area. Dependant on economics, Paramount would have also constructed the necessary facilities and pipeline infrastructure to tie-in the oil and gas wells. To date, Paramount has not received the necessary regulatory approvals to facilitate sections of this project, therefore, it is uncertain if drilling and seismic will proceed as planned. The facilities and pipeline infrastructure project has been cancelled. Public information sessions, environmental studies and landowner notifications are being conducted. Paramount will continue to inform all stakeholders of our progress on the various aspects of the Projects.

PROJECT	STATUS
<b>Seismic</b>	
• Land Use Permit	Application to be submitted
• NEB Authorization	Application to be submitted
• Benefit Plan Update	Submitted August 23/00
<b>Drilling</b>	
Winter Access in Alberta	Received
Drill & Flow Test 2 or More Wells	
• Land Use Permit - New Wells	Application accepted September 11/00 Referred to Environmental Assessment November 9, 2000
• Water Licence - New Wells	Application accepted September 11/00 Referred to Environmental Assessment November 9, 2000
• Land Use Permit - Existing Access	Amendment submitted November 14/00
• NEB Authorization(s)	Application (s) to be submitted
• Benefit Plan Update (Oil)	Submitted August 23/00
• Benefit Plan (Gas)	Submitted October 5, 2000
<b>Gathering System, Battery &amp; Pipeline</b>	
• Commercial Discovery Declaration (Gas)	Submitted August 14/00
• Oil Development Plan	Approved
• Oil Development Plan Addendum for Gas	Submitted November 16/00
• Benefit Plan Update (Oil)	Submitted August 23/00
• Land Use Permit	Submitted Oct10/00, Withdrawn Nov 14/00
• Water Licence	Submitted Oct 10/00, Withdrawn Nov14/00
• COGOA Application (Gathering & Battery)	Cancelled
• Preliminary Scoping (NEB)	Submitted July 28/Withdrawn Sept 21/00
• Pipeline Application (NEB Act)	Cancelled

**CONTRACTS - UPCOMING & AWARDED**

Where possible, Paramount encourages northern/local contractors to bid for ALL projects

Page 2 of 3

SEISMIC - PROPOSED	AWARDED	NORTHERN COMPONENT
Seismic acquisition company		
• Heavy equipment contractor		
• Cat push		
• Camp & catering supplier		
• Fuel supply depot		
• Surveyors		
• Line cutting & slashing crews		
• Recording crew helpers		
• Vibrator operators		
<b>DRILLING</b>		
Survey company	McElhanney Land Surveys Greg Boggs (780) 451-3420	
Drilling rig contractor		
Service rig contractor		
Heavy equipment contractor		
Camp & catering supplier		
Fuel supply depot		
Fork lift		
Wellsite shacks		
Water trucks		
Vacuum trucks		
Drilling tools		
Wellbore cement		
Drilling mud		
Coring		
Wellbore logging		
Tubulars		
Well testing equipment - surface		
Production Equipment		
<b>BATTERY &amp; PIPELINE</b>		
Surveying	Universal	None
Slashing	Dene Oilfield Rental & Dene Tha'	100%
Environmental Assessment	Western Oilfield Environmental/Golder Associates Margaret Mears (403) 266-3286	TK Study advisor
Pipeline contractor	TBA approx Dec 2000	
Radiographer	TBA approx Jan 2001	
Instrumentation contractor	TBA approx Jan 2001	
Mechanical contractor	TBA approx Jan 2001	

In Environmental Assessment,  
may be cancelled

Cancelled

**CONTRACTS - UPCOMING & AWARDED****Where possible, Paramount encourages northern/local contractors to bid for ALL projects****Page 3 of 3**

Electrical contractor	TBA approx Jan 2001	
Clearing contractor	Subcontract to Pipeline Contractor	
Process equipment	TBA approx Dec 2000	
Inlet separators, line heaters	TBA approx Dec 2000	
Dehydrator	TBA approx Dec 2000	
Generators	TBA approx Dec 2000	
Gas Compression	TBA approx Dec 2000	
Instrument Air	Stock	
Pipe	Stock	
Valves	Stock	
Tanks	TBA approx Dec 2000	
Water distillers for camp		
Garages & snow roofs		
Pumps		
Transfer pumps		
Precast pads	TBA approx Dec 2000	
Flare stacks	TBA approx Dec 2000	
Incinerators	TBA approx Dec 2000	
Pipeline shrink sleeves	Stock	
Living Quarters	Stock	

**Cancelled**

For more information regarding these contracts please contact:

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Phil Christie, Manager, Drilling	(403) 290-3617
Neil Kelly, Manager, Engineering & Construction	(403) 290-3678