

Mandell Pinder
Barristers & Solicitors

MAIL ROOM
SALLE DE COURIER

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February 15, 2002

Via Fax (403) 262-7994

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

Attention: R. Gordon Ferguson, Manager, Corporate Compliance Department

Dear Mr. Ferguson:

Re: Proposed Right-of-Way Revegetation and Permafrost Monitoring Plan

Proposed Post Construction Wildlife Monitoring Plan

The Ka'a' Gee Tu First Nation has reviewed the above plans. As requested in your letter of February 8, 2002, they confirm that they will be submitting names of candidates for the First Nation positions. Please inform the Ka'a' Gee Tu of the required qualifications for the biologist positions. Please also advise us of your deadline for receiving the list of names.

The Ka'a' Gee Tu have some substantive comments about the plans. Each of the two plans fail to provide for a baseline study to be completed prior to the construction activities. Without baseline studies of the actual development area, there is nothing against which one can compare the observations of the monitors. We strongly recommend the plans be amended to provide for baseline studies.

Each of the proposed plans would allow Paramount to end the monitoring activity early - after just two years if 'little or no significant information or findings were reported' in the case of the Wildlife Plan, and as soon as a 'trend' is established in the case of the Re-vegetation and Permafrost Plan. Firstly, the Wildlife Plan must describe what is meant by 'significant information.' Secondly, and more importantly, we are concerned about risking a pre-mature end of monitoring activity: two years of constant information does not mean the third year will produce the same information.

We note the plans propose all monitoring activity would have a final end date of 2007, despite the project being expected to operate for 20 years. At the very least, the plan should

provide for monitoring to continue until either there is conclusive evidence that monitoring is no longer necessary, or the project is terminated and abandoned.

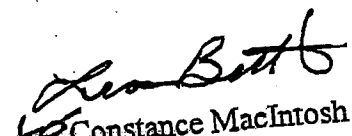
With regards to the Wildlife Monitoring Plan, winter track counts ought to be performed not just at 3 sample ROWs, but also around the camp, airstrip, wells and winter access road. The counts around ROWs should be conducted at different ROWs, representing different habitats, at least four times a month during the winter. We recommend the Plan be modified to reflect these standards.

The Wildlife Monitoring Plan does not discuss how collected information will be used to assess the effectiveness of existing mitigation practices, or how existing mitigation practices will be modified based upon the data. We recommend incorporating provisions into the Plan so that it will address these issues.

We trust these comments will be of assistance.

Yours truly,

MANDELL PINDER


Constance MacIntosh
Barrister & Solicitor

CM/lb

cc:

Ka'a' Gee Tu First Nation, Attention Chief and Council
GNWT, Attention Bob Bailey
MVLWB, Attention: Board Members
NEB, Attention: Michel Mantha
INAC, Attention: Lorne Tricoteaux

SIGNED IN THE WRITER'S ABSENCE