

The logo for Paramount Resources Ltd. features a stylized mountain range with a checkered pattern on the left side. The text "Paramount" is in a large, bold, sans-serif font, and "Resources Ltd." is in a smaller font below it.4700 Bankers Hall West, 888 3rd Street SW, Calgary, Alberta, Canada T2P 5C5 www.paramountres.com
tel 403 290 3600 fax 403 262 7994MAIL ROOM
SALLE DE COURIER

2002 FEB -6 P 1:45

February 6, 2002

NEB / ONE

307615

Indian and Northern Affairs Canada
Box 1500
Yellowknife, NT
X1A 2R3

Via Fax: (867) 669-2703

Attention: Lorne Tricoteux, Associate Regional Director General

Dear Sir:

Re: Cameron Hills Gathering System & Pipeline Project

On January 4, 2002 Paramount Resources Ltd. made a commitment to develop a Wildlife Harvesting Protocol in consultation with local aboriginal communities. To fulfill our consultation commitment, Paramount attended a meeting with Ka'a'gee Tu First Nation in Kakisa on January 29, 2002 and we were to attend a workshop that was arranged for January 30 and 31, 2002 at the Hay River Reserve with representatives from Deh Gah Got'ie Dene First Nation, Fort Providence Metis Nation, K'atodeeche First Nation and West Point First Nation. The aboriginal participants cancelled the workshop on January 28, 2002.

It appears there is a misunderstanding at the community level as to the scope of Paramount's Wildlife Harvesting Protocol as evidenced in the attached January 24, 2002 letter from Chief Lloyd Chicot and our January 29, 2002 meeting. Specifically, the community appears to be of the opinion that the scope of Paramount's Wildlife Harvesting Protocol will address economic benefits and loss of lifestyle compensation and this will necessitate an amendment of our approved Benefit Plan. As you are aware, the scope of the Protocol is restricted to compensation for hunting, trapping and fishing in the Cameron Hills Project area and only where measurable loss has arisen due to our project.

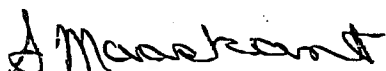
Accordingly, we request Indian and Northern Affairs Canada advise the affected communities that Paramount's approved Benefit Plan addresses goods & service and employment opportunities and the Environmental Assessment, as modified by Minister Nault, does not contemplate compensation for perceived loss of lifestyle nor surface access fees. Paramount understands that it is the policy of the government of Canada to deal with loss of lifestyle and surface access through land claims.

Paramount must submit a draft Wildlife Harvesting Protocol to the communities on or before March 12, 2002. We are concerned that, given the confusion, which appears to exist within the aboriginal communities regarding the scope of the Protocol, it may be difficult to carry out any meaningful consultation with the communities. Accordingly, we would appreciate being provided with any assistance you feel can be offered by INAC to help us finalize the Protocol. In this regard, we would be pleased to discuss with you the feasibility of selecting an acceptable facilitator who could assist the parties in the consultation process required for the Protocol.

I would be pleased to discuss this issue further with you and can be reached at (403) 290-3618. Thank you for your assistance.

Yours truly,

PARAMOUNT RESOURCES LTD.



Shirley Maaskant
Regulatory & Community Affairs Coordinator

CC:	Chief Lloyd Chicot, Ka'a'Gee Tu First Nation	(867) 825 2002
	Chief Sam Gargan, Deh Gah Got'ie Dene First Nation	(867) 699-3210
	Albert Lafferty, Fort Providence Metis	(867) 699-3210
	Chief Pat Martel, K'atodeeche First Nation	(867) 874-3229
	Chief Karen Thomas, West Point First Nation	(867) 874-2486
	Michel Mantha, NEB	(403) 292-5503
	Bob Bailey, RWED	(867) 873-0114
	Alan Hollingworth, Gowlings	(403) 263-9193
	Constance MacIntosh, Mandell Pinder	(604) 681-0959

Jan-29-2002 12:40pm From-Hay River Dene Band

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T-869 P.003/003 F-334

January 24, 2002

Chief Karen Thomas, West Point First Nation (fax 874-2486)

Chief Sam Gargan, Dene Gah Got'ie Dene Council (fax 669-3210)

Chief Pat Martel, Katlodeeche First Nation (fax 874-3229)

Dear Chiefs:

Re: Paramount's Wildlife Harvesting Protocol Workshop

The Ka'a' Gee Tu First Nation received a fax from Shirley LaMalice, the Administrator for the Katlodeeche First Nation, about Paramount Resources hosting a First Nations workshop in the Katlodeeche's boardroom to develop a framework for compensation for trapping, hunting and fishing.

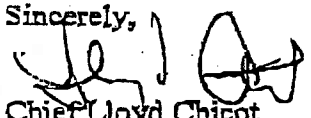
As you know from my previous letters, the Ka'a' Gee Tu have been heavily involved in the environmental review process for Paramount's pipeline. We successfully argued that Paramount's proposed benefits plan was inadequate, which lead the Review Board to order Paramount to cooperate with First Nations and develop a new plan.

Paramount is already trying to limit this plan to only addressing damages for hunting, trapping and fishing. I believe this is contrary to what the Review Board ordered, and less than what they are legally required to do, and so we are currently engaged in heated negotiations with them on this issue. We have urged Paramount and INAC that a benefits plan must be consistent with the *Interim Measures Agreement* (para. 42), and include benefits to enable us to engage in the oil and gas economy which is replacing our ability to make a livelihood on this land from our traditional activities. We do not want Paramount to undermine this position by making arrangements with your Bands, which would be in the form of a cash payment for loss of trapping or hunting income. We have asked in the past that you respect the Ka'a' Gee Tu First Nation's taking the lead in these negotiations, and we ask you this once again.

You should also be aware that Paramount fixed the dates for this meeting on January 30 and 31, knowing that the Ka'a' Gee Tu could not attend.

Please contact me to talk about these issues, and the workshop.

Sincerely,


Chief Lloyd Chicot
Ka'a' Gee Tu First Nation