

National Energy
BoardOffice national
de l'énergie

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18 December 2001

Mr. Frank Pope
Alternate Chair
Mackenzie Valley Environmental Impact Review Board
P.O. Box 938
Yellowknife, Northwest Territories
X1A 2N7
Facsimile (867) 766-7074

Dear Mr. Pope:

**Report on Environmental Assessment on the Paramount Resources Ltd.
Cameron Hills Gathering System and Pipeline Development**

The National Energy Board (the NEB) has considered your Report on Environmental Assessment on the Paramount Resources Ltd. Cameron Hills Gathering System and Pipeline Development (the Report), dated 3 December 2001. The NEB has also considered your letter dated 13 December 2001 to the Honourable D. Robert Nault, Minister of the Department of Indian and Northern Affairs, clarifying that the Mackenzie Valley Environmental Impact Review Board's (the Review Board) determination with respect to the proposed project was made under subparagraph 128(1)(b)(ii) of the *Mackenzie Valley Resource Management Act* (MVRMA).

The NEB, as a Designated Regulatory Agency, informs you that it wishes to initiate consultation with the Review Board, pursuant to subsection 131(1) of the MVRMA, with respect to certain recommended measures included in the Report.

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Calgary, Alberta T2P 0X8

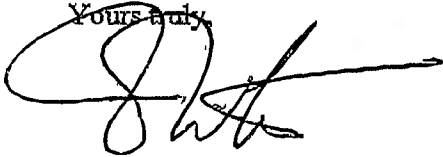
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The NEB notes that many of the recommended measures are directed to the Department of Indian and Northern Affairs, the Mackenzie Valley Land and Water Board and/or the NEB. Accordingly, the NEB is of the view that, in this case, a coordinated consultation process may increase efficiency. Mr. Guy Delisle, NEB Legal Counsel, would be pleased to discuss this matter with you. He may be reached at (403) 299-3937.

Yours truly,

A handwritten signature in black ink, appearing to read 'M. Mantha', with a long horizontal stroke extending to the right.

Michel L. Mantha
Secretary

cc: The Honourable D. Robert Nault, facsimile (819) 953-4941
Mr. David Livingstone, DIAND, Yellowknife, facsimile (867) 669-2707
Mr. Tom Hong, Paramount Resources Ltd., facsimile (403) 262-7994
Mr. Alan Hollingworth, Gowling Lafleur, Henderson LLP, facsimile (403) 263-9193