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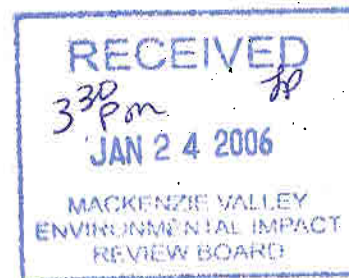
P50506-053

DM: 8350
EA 0304-005

January 23, 2006

MV2005A0030/
MV2005L-0013

Your file: Notre référence

P.O. BOX 1500
YELLOWKNIFE, NT X1A 2P1

Mr. Allan Landry
Ka'aGee Tu Band Councilor and Oil and Gas Advisor
Ka'a'Gee Tu First Nation
Kakisa Lake c/o P.O. Box 4428
HAY RIVER, NT X0E 1G3

Fax: 867-825-2002

Dear Mr. Landry:

RE: Paramount Resources Ltd.'s 6 Well Land Use Permit and Water Licence Applications (MV2005L1-0013/MV2005A0030)

Thank you for your letter dated January 12, 2006, and your request that Canada refer Paramount Resource Ltd.'s Land Use Permit MV2005A0030 and Water Licence MV2005L1-0013 applications to the Mackenzie Valley Environmental Impact Review Board (the "Review Board") for environmental assessment.

Indian and Northern Affairs Canada (INAC) understands that the six wellsites in the above mentioned Land Use Permit and Water Licence applications, fall within the Planned Development Case of the approved Report of Environmental Assessment (EA03-005). As well, INAC concurs with the determination of the Mackenzie Valley Land and Water Board that Part V of the *Mackenzie Valley Resource Management Act* (the "Act") has been satisfied in respect to these applications.

INAC is therefore unable to proceed with your request for a referral to environmental assessment under Article 12 of the *Settlement Agreement* between the Deh Cho First Nations and the Government of Canada.

If you feel this proposed project could have an adverse impact on the environment of the Ka'a'Gee Tu's traditional territory, please provide written comments to the Mackenzie Valley Land and Water Board in accordance with its December 21, 2005 letter.

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If you have any questions about the content of this letter, please contact Mr. David Livingstone at 867-669-2647.

Sincerely,



for. Bob Overvold
Regional Director General
Indian and Northern Affairs
NWT Region

c.c.: Grand Chief Herb Norwegian
Dehcho First Nations
Fax: 867-695-2038

Gabrielle Mackenzie-Scott
Chair, Mackenzie Valley Environmental Impact Review Board
Fax: (867) 766-7074

Eric Menicoche
Chair, Mackenzie Valley Land and Water Board
Fax: (867) 873-6610

Shirley Maaskant
Manager, Regulatory and Community Affairs
Paramount Resources Ltd.
Fax: 403-262-9190