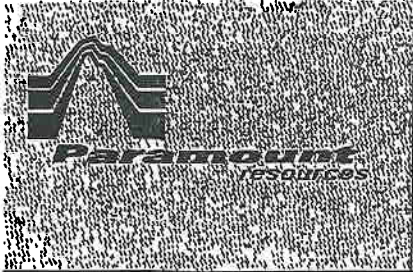


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PARAMOUNT RES. 45 FL

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4700 Bankers Hall West, 888 3rd Street SW Calgary, Alberta, Canada T2P 5C5 www.paramountres.com
tel 403 290 3600 fax 403 282 7994

September 1, 2004

Mackenzie Valley Land and Water Board
7th Floor, 4910 50th Ave
P.O. Box 2130
Yellowknife, NT
X1A 2P6

Mackenzie Valley Land
& Water Board

File MV02L1-07

SEP 02 2004

Application # MV02A46

Copied To Pum/Sm/Reg

Via Fax: (867) 873-6610

Attention: Stephen Mathyk, Regulatory Officer

Dear Sir:

RE: Land Use Permit MV2002A0046,
Water Licence MV2002L1-0007
Cameron Hills D-49, M-49, H-58, L-47

Paramount Resources Ltd. ("Paramount") is hereby making application for a two-year extension on the subject permits which currently have an expiry date of December 1, 2004. Paramount filed the initial application on August 28, 2002 to the Mackenzie Valley Land and Water Board ("MVLWB") for a land use permit and water licence ("Permits") to drill and tie in 8 wells and tie-in one existing well, over a five-year period. The MVLWB issued the subject Permits for a two-year period to drill and tie in the subject three wells and tie in the one existing well (L-47). These wells have been drilled and all but one is tied-in, therefore, the extension is required to facilitate on-going operations.

Should you have any questions regarding this request, please contact Shirley Maaskant at (403) 290-3618. Thank you for your continued assistance.

Yours truly,
PARAMOUNT RESOURCES LTD.

A handwritten signature in dark ink, appearing to read "Shirley Maaskant".

Shirley Maaskant
Regulatory and Community Affairs Coordinator