



File 2720-D-7-4
15 December 2000

Ms. Heidi Klein
Executive Director
Mackenzie Valley Environmental Impact Review Board
Box 939, 200 Scotia Centre
Yellowknife, Northwest Territories
X1A 2N7
Facsimile (867) 920-4761

Dear Ms. Klein:

**Paramount Resources Ltd. (Paramount) Application for Approval
Pursuant to Subsection 5.1(5) of the *Canada Oil and Gas Operations Act (COGOA)*
of an Amendment to the 1991 Cameron Hills, NT Oil Development Plan**

The National Energy Board (the Board), has commenced an examination of Paramount's 21 November 2000 application for Board approval of an amendment to its 1991 Cameron Hills, NT Oil Development Plan. Paramount proposes to amend its plan to include the development of Middle Devonian gas reserves in Grid Areas 60° 10' N, 117° 15' W; 60° 10' N, 117° 30' W; and 60° 20' N, 117° 30' W.

Please be advised of the following:

1. The application is pursuant to subsection 5.1(5) of the COGOA and therefore does not trigger a requirement for a preliminary screening under the *Preliminary Screening Requirements Regulations*¹ of the *Mackenzie Valley Resource Management Act (MVRMA)*.
2. The requirement for an approved development plan, in and of itself, is not an undertaking on land or water, but rather a prerequisite for consideration of applications to the Board pursuant to paragraph 5(1)(b) of the COGOA². Approval of the amendment does not require review or authorizations from any other regulatory body.

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¹ Schedule 1, Part 1, Item 2 of the MVRMA *Preliminary Screening Requirements Regulations* identify the following *Canada Oil and Gas Operations Act* provisions as preliminary screening triggers: (a) paragraph 5(1)(b); and (b) subsection 5.1(4).

² Subsection 5.1(1) of the COGOA states, "No approval that is applicable to an authorization under paragraph 5(1)(b) to carry out work or activity in relation to developing of a pool or field, shall be granted unless the National Energy Board.... has approved a development plan relating to the pool or field..."

444 Seventh Avenue SW
Calgary, Alberta T2P 0X8

444, Septième Avenue S.-O.
Calgary (Alberta) T2P 0X8

Canada

Telephone/Téléphone : (403) 292-4800
Facsimile/Télécopieur : (403) 292-5503
<http://www.neb.gc.ca>

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3. In order for any specific works or activities related to the amendment to proceed, authorizations to construct and operate the amended portion of the development are required from the Board pursuant to paragraph 5(1)(b) of COGOA. The 5(1)(b) applications, when submitted, would trigger a MVRMA preliminary screening requirement.

Pursuant to the COGOA, the Board will examine the general approach, i.e., the conceptual strategy, of developing the pool or field, and in particular with respect to:

- the scope, purpose, location, timing and nature of the proposed development;
- the production rate, evaluations of the pool or field, estimated amounts of oil or gas proposed to be recovered, reserves, recovery methods, production monitoring procedures, costs and environmental factors in connection with the proposed development; and
- the production system and any alternative production systems that could be used for the development of the pool or field.

If Paramount applies for an authorization to carry out any work or activity under paragraph 5(1)(b) of the COGOA in relation to the amendment, the Board will notify the Mackenzie Valley Environmental Impact Review Board and appropriate regulators that a preliminary screening requirement has been triggered. Should you have any questions regarding the above, please contact John Korec, Environmental Assessment Officer at (403) 292-6614.

Yours truly,



Michel L. Mantha
Secretary

c.c. Mr. Lloyd Doyle, P.Eng. Area Manager - NW Alberta, Paramount Resources Ltd.,
facsimile (403) 262-7994

National Energy
Board



Office national
de l'énergie

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**Message to/
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**Ms. Heidi Klein, Executive Director, Mackenzie Valley
Environmental Impact Review Board**

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(867) 920-4761

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Michel L. Mantha

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Calgary, Alberta T2P 0X8

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Canada

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Facsimile/Télécopieur : (403) 292-5503
<http://www.neb.gc.ca>