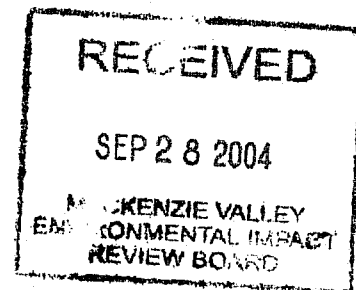


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September 24, 2004

Laura Van Ham  
National Energy Board  
Exploration and Production  
Operations Business Unit  
444 7th Avenue SW  
Calgary, AB T2P 0X8  
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**RE: Paramount Resources Ltd. Cameron Hills Extension Project**

After a thorough review and careful consideration of the options put forward by Paramount Resources, Environment Canada reiterates its support of the conditions proposed by the National Energy Board (NEB) as stated in its *Draft Proposed Conditions for the Paramount Resources Cameron Hills Extension Project*. Environment Canada (EC) believes NEB's conditions best meet the intent (both in content and spirit) of the measures recommended by the Mackenzie Valley Environmental Impact Review Board for the Cameron Hills Project.

Environment Canada (EC) also wishes to address Paramount's comments to Recommended Measure 3 and clarify EC's position on the air quality modeling, as presented in the Developer's Assessment Report (DAR). In its submission to the Mackenzie Valley Environmental Impact Review Board (MVEIRB), EC confirmed that using the same input data and air quality model used by Paramount generated the same air quality predictions as presented in the DAR. However, EC also reported concerns regarding the input data, specifically the lack of on-site meteorological data, stack height manipulation and the uncertainty in emission rates due to uncertainty in the type of fuel (sweet or sour) to be used at the facility. EC demonstrated that slight modifications to these inputs can cause predictions to exceed ambient air quality standards. Further, EC is concerned that the Paramount modelling approach of "polluting up to a limit" is contrary to the spirit of pollution prevention and the Continual Improvement/Keeping Clean Areas Clean strategies advocated in the Canada-wide Standards as endorsed by the Canadian Council of Ministers of the Environment.

I can be contacted at (867)669-4736 (by e-mail at [wade.romanko@ec.gc.ca](mailto:wade.romanko@ec.gc.ca)) for any questions or comments with regard to the foregoing.

Sincerely,

**Original Signed by**

Wade Romanko  
Emergencies and Assessment Officer  
Environmental Protection Branch (EPB), Yellowknife.

cc: Dave Fox, Air Issues Specialist, Air Quality Section, EC Yellowknife.