



EA01-005

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February 12, 2002

Mackenzie Valley Land and Water Board
7th floor, 4910 - 50th Avenue
Yellowknife, NT
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Attention: Mr. Janpeter Lennie-Misgeld
Regulatory Officer

**Mackenzie Valley Land
& Water Board**

File

FEB 15 2002

Application # MV2000P0055

Copied To PLM/Reg/KU
BWKA

Dear Sir;

Re: Paramount Resources Ltd. Land Use Permit Application MV2000P0055, Pipeline and Gathering System, Cameron Hills

This letter is to inform you of the current status of the above project.

Paramount Resources Ltd. is expecting to commence the construction of the above project on Thursday, February 14, 2002. Due to the timing of the regulatory approvals and the tight time constraints for construction, Paramount proposes to only construct the gas gathering system to the six existing gas wells for this phase of the project. The major equipment at the H-03 Central Facility, the oil gathering system, and the remainder of the project will be constructed in later phases.

To accommodate the reduction in the scope of the project, the pipeline size from the A-73 well to the B-08 well will be changed to 219.1 mm outside diameter (O.D.) from 114.3 mm O.D. and 168.3 mm O.D. so that gas compression requirements may be delayed at the H-03 Central Facility.

Also since the major equipment at the H-03 Central Facility and the electrical powerlines will not be installed in this phase of the project, the electrical demand will be reduced. Therefore the electrical generators will be downsized to one 27.5 kW diesel driven generator in lieu of two 400 kW gas driven generators.

If you require any further information, then please contact the undersigned by phone, (403) 290-3693 or fax, (403) 266-6032 or e-mail address, tom.hong@paramountres.com.

Yours truly;

PARAMOUNT RESOURCES LTD.

Tom Hong, P. Eng.
Project Manager

Attachments

377