



**Paramount**  
resources ltd.

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tel 403 290 3600 fax 403 262 7

EA01-005

January 22, 2002

Indian and Northern Affairs Canada  
#16 Yellowknife Airport  
Yellowknife, NT X1A 3TA

Attention: Ed Hornby

**RE: SECURITY DEPOSIT  
PIPELINE AND GATHERING SYSTEM  
CAMERON HILLS AREA LAND USE PERMIT - MV2000P0055  
OUR FILES: SL004471**

**Mackenzie Valley Land  
& Water Board**

**File**

**FEB 25 2002**

**Application # MV 2000P0055**

**Copied To BW/PLM/EDB/Req**


As per the covering letter from the Mackenzie Valley Land and Water Board dated January 17, 2002, requesting a \$100,000 security deposit for Land Use Permit MV2000P0055 enclosed herewith is a Letter of Credit issued on behalf of Paramount Resources Ltd. in favour of the Receiver General for Canada.

Paramount hereby agrees to indemnify and hold harmless her Majesty in Right of Canada from any liability resulting from a breach of any of the terms or conditions of the Mackenzie Valley Land Use Regulations applicable to operations relative to Paramount's Land Use Permit. Pursuant to the attached Letter of Credit, Paramount promises to pay to the Receiver General for Canada should payment be required by the Minister pursuant to the Mackenzie Valley Land Use Regulations.

The Letter of Credit has an expiry date of March 31, 2003 and will automatically be renewed by Paramount on an annual basis or until such time as it is no longer required. The renewal documentation will be forwarded to your office prior to the expiry date.

Should you have any questions regarding the above, please contact Shirley Maaskant at (403) 290-3618.

Yours truly,  
**PARAMOUNT RESOURCES LTD.**

  
Dayle Aspden  
Land Administrator

Encl.  
x.c. Mackenzie Valley Land and Water Board

