

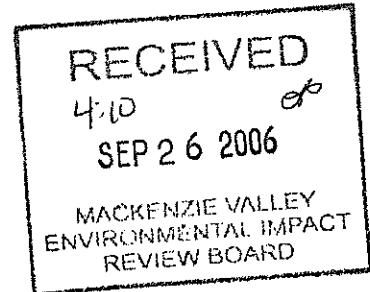


4700 Bankers Hall West, 888 3rd Street SW Calgary, Alberta, Canada T2P 5C5 www.paramountres.com
tel 403 290 3600 fax 403 262 7994

PD.

September 26, 2006

Mackenzie Valley Environmental Impact Review Board
200 Scotia Centre
Box 938
Yellowknife, NT
X1A 2N7



Attention: Vern Christensen, Executive Director

Dear Sir:

**Re: EA0506-007
Response to Final Comments & Technical Reports**

Paramount Resources Ltd. (Paramount) is providing the following in response to final comments and technical reports relative to EA0506-007 (a 45 kilometer 2D seismic program) submitted by Environment Canada, Government of the Northwest Territories Environment and Natural Resources, and Ka'a'Gee Tu First Nation.

Environment Canada (EC)

Paramount wishes to clarify that the reference in the Developer's Assessment Report page 8 indicates that a dynamite program may reduce the line width to 3 m by clearing the lines with mulchers and utilizing small drills, however it is uncertain at this time if a dynamite program will work in the area due to gravels. Therefore Paramount has applied for a conventional vibroseis source option which requires wider lines, noting that a 3 m mini vibrate program may not work in the program area as the program objectives are too deep.

Government of the Northwest Territories (GNWT)

Ka'a'Gee Tu First Nation (KTFN)

It is not, and never has been Paramount's intention to be "dishonest" or to provide "contradictory" information. The Mackenzie Valley Land and Water Board (MVLWB) has issued several land use permits to Paramount that address windrow width. The pertinent clause is summarized below for several permits, indicating a variety of applications as deemed appropriate by the MVLWB. Paramount suggests that it would be more appropriate for GNWT & KTFN to address windrow and similar type issues with either the MVLWB or National Energy Board.

MV2000P0055

Clause 62 (b): making breaks in the windrow of at least seven (7) metres wide at intervals of not more than three hundred and thirty (330) metres.

MV2002A0046

Clause 61 (b): making breaks in the windrow of at least ten (10) metres wide at intervals of not more than sixty (60) metres.

MV2005A0030

Clause 62 (b): making breaks in the windrow of at least ten (10) metres wide at intervals of not more than sixty (60) metres.

MV2001A0083

Clause 55 (b): making breaks in the windrow of at least seven (7) metres wide at intervals of not more than three hundred and thirty (330) metres.

MV2000A004

Clause 66 (b): making breaks in the windrow of at least seven (7) metres wide at intervals of not more than three hundred and thirty (330) metres.

MV2002A0049

Clause 55 (b): making breaks in the windrow of at least ten (10) metres wide at intervals of not more than sixty (60) metres.

MV2000B0066

Clause 35 (b): making breaks in the windrow of at least seven (7) metres wide at intervals of not more than three hundred and thirty (330) metres.

Paramount wishes to clarify that the following reference cited by GNWT "Quantifying barrier effects of roads and seismic lines on movements of female woodland caribou in northeastern Alberta" continues to conclude that "Seismic lines were not barriers to caribou movements, whereas, roads with moderate vehicle traffic acted as semi-permeable barriers to caribou movements." The width of the seismic lines in the study was not mentioned.

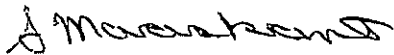
Conclusion

Paramount believes that it has, through practical experience and the application of accepted science and technology, made every effort in the design of the proposed geophysical program, to satisfy the requirements of each of the regulatory agencies while respecting and adhering to current federal and territorial legislation and guidelines. We appreciate the concerns of northerners regarding their culture, their communities and the environment, and we recognize the value of a mutually beneficial working relationship with the affected communities. It is our practice to hire local aboriginal environmental monitors on our seismic programs, especially during line construction, to ensure that there are no issues with traditional harvesting or heritage resources.

Where there is room for compromise, Paramount has been willing to compromise. It should be restated that it is difficult to compromise on the energy source used and maximize the likelihood of acquiring high quality data in an area as glaciated as this. Paramount wants to acquire the best data it can so that re-acquiring the data is not required. Paramount is committed to the principle of minimizing the environmental footprint, and will try to do so on this project by carefully re-examining all of the alternatives which have been discussed. Approval for both dynamite and vibroseis methods is required to allow all alternatives to be considered.

Where Paramount is already meeting all legislation and guidelines, which we understand are designed to protect the public and environment, we fail to understand why our Project should be singled out and be held to a standard which potentially puts us at a competitive disadvantage.

Respectfully submitted
PARAMOUNT RESOURCES LTD.



Shirley Maaskant
Manager, Regulatory & Community Affairs