

April 20, 2005

Paramount Energy Operating Corp.
500, 630 – 4 Avenue SW
Calgary AB T2P 0J9

Attention: Brett Norris

Dear Sir:

**RE: PROCEEDING NO. 1347905
PHASE 3 FINAL PROCEEDING
PARAMOUNT ENERGY OPERATING CORP.
RESPONSES TO BOARD STAFF INFORMATION REQUESTS**

This letter is provided on behalf of the Board staff in this proceeding. Board staff has reviewed Paramount Energy Operating Corp.'s (PEOC) responses to the Board staff's information requests and have advised me that PEOC did not respond to some of the information requests. In some instances PEOC responded by indicating that it did not understand the request.

The IRs to which PEOC provided no response or an incomplete response are listed below:

Regarding IR 1.a): The input data for the geostatistical models do not appear to be included on the data CD. Please provide. The reservoir simulation input data file for the Hangingstone McMurray KKK Pool (12-28-600 in Table 1: EUB-1 Supplemental 1) does not appear to be complete. Provide a complete data file for this pool. Also, the input data for the 5 layer models (5 layer and high kh 5 layer) introduced on page 10 and 12 of PEOC's response submission are not provided. Please provide.

Regarding IR 6.e): The response to this request was incomplete in that the variograms were not supplied with labeled axes. Please confirm that the X-axis of all the diagrams is vertical distance, and also indicate what units are represented on the X-axis.

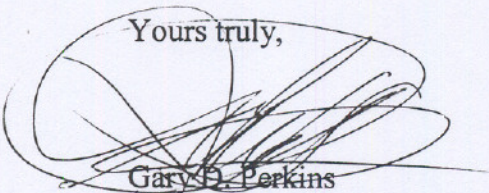
PEOC also did not provide any responses to Board staff IRs 1.b), 6.b), 6.g), 6.w) ii, 6.w)iii, and 8.k) ii. PEOC did not provide an explanation why it did not respond to those requests. Board staff still requires responses to these information requests.

In the case of the IRs indicated below, PEOC indicated that it did not understand the request. Board staff has therefore provided me with the following further explanations:

Regarding IR 6.h) and Supplementals 4&5: To clarify the request, generate and supply geostatistics on the variables modeled grouped together without differentiation by facies. This is requested to indicate whether non-specific geostatistics on the complete data package would be inconclusive as assumed in the supplied methodology, or if other trends may be determined. If "general / whole data set geostatistics" are not possible, explain why.

Regarding IR 6.v)v: To clarify the request, the number of facies is recognized as being 4 in the A1 sequence, and that number of facies is very similar to that of the other pools under similar analysis. What is not clear is why the other pools have complex facies probability curves when PEOC's material shows what appears to be a simplified probability in figure 18 of the main text. This curve shows a trend that may lead to an inference that there are only two or three data points used and is thus very similar to the curve used for the Corner KKK pool. Explain.

Yours truly,



Gary D. Perkins
Board Counsel

cc: L. Sali, Q.C. (via fax)