

March 1, 2004

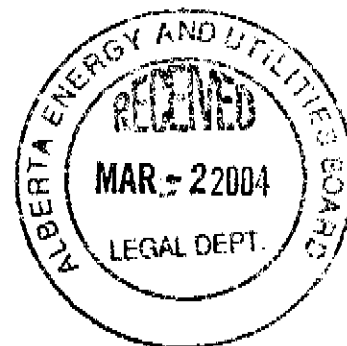
Via Fax/Courier

Alberta Energy and Utilities Board
640 – 5 Avenue SW
Calgary, AB T2P 3G4

Attention: Mr. Gary D. Perkins

Gentlemen:

Re: **GB 2003-28**
Chard/Leismer Wells – Decision 2003-023
Surmont Wells – Decision 2000-022



We are in receipt of the February 26, 2004 decision of Justice Wittmann with respect to the appeal and stay applications of GB 2003-28. Justice Wittmann has granted Leave to Appeal and the corresponding stay application with respect to the Encana and CNRL wells (the "Chard/Leismer Wells") which were previously approved for production under Chard/Leismer Decision 2003-23, and which were not included under GB 2003-28, issued in July 2003. According to Justice Wittmann's decision, the Alberta Energy and Utilities Board (the "Board") failed to provide proper notice including application for a review with respect to the wells, and therefore, the wells will be excluded from the March 10, 2004 Interim Hearing.

Paramount Energy Operating Corp. as trustee of Paramount Operating Trust and Administrator of Paramount Energy Trust ("PET"), hereby provides notification to the Board that it believes the SSG or the Board, as the case may be, was also in error by including PET wells for review at the March 10, 2004 Interim Hearings, wells which were previously approved for production under Chard/Leismer Decision 2003-23. As such, Paramount wishes to confirm that its wells identified under the heading "PET Chard/Leismer Wells" on the attached Schedule "A", will be offered similar treatment as the Chard/Leismer Wells and are not subject to the GB 2003-28 process, which includes the March 10, 2004 Interim Hearing. We understand that this position is consistent with the advice given by Mr. R. A. McLennan to our legal counsel, Mr. L. M. Sali on Thursday, February 26, 2004.

Further, the wells identified in the attached list comprise a subset of wells in the recently defined Leismer, Chard and Hangingstone Pools. PET further suggests that all wells in the EUB-defined Pool Orders identified in Schedule "A" be removed from the Interim Hearing proceedings contemplated for March 10, 2004.

Paramount Energy Trust
Paramount Operating Trust

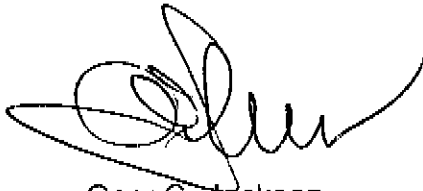
We would also anticipate the same consideration afforded the PET Chard/Leismer Wells, will be provided to those wells previously approved for production under Surmont Decision 2000-22. We have identified these wells under the heading "PET Surmont Wells" on the attached Schedule "B".

If the position set out in this letter is not consistent with your position, either as to the PET Chard/Leismer Wells or the PET Surmont Wells, we ask that you let us know as soon as possible.

We would also appreciate clarification from the Board if it's the intent of the Board to remove wells in the same EUB-designated Pool Orders which contain the Chard/Leismer Wells and the Surmont Wells from the GB 2003-28 process.

Yours truly,

PARAMOUT ENERGY OPERATING CORP.
As Trustee of PARAMOUNT OPERATING TRUST



Gary C. Jackson
VP Land, Legal & Acquisitions

Attachment

GJSRR/kw

SCHEDULE "A"

PET Chard#Leismer Wells - Approved for production under Chard Leismer Decision 2003-23

LEISMER	WABISKAW Q	00/12-12-078-10W4/0
LEISMER	MCMURRAY U/D - 243	00/12-12-078-10W4/0
LEISMER	MCMURRAY GGG	00/12-12-078-10W4/0
LEISMER	WABISKAW-MCMURRAY A	00/11-06-079-06W4/0
LEISMER	WABISKAW-MCMURRAY A	00/11-08-079-06W4/0
CHARD	WABISKAW-MCMURRAY A	00/11-22-079-06W4/0
CHARD	MCMURRAY E	00/11-22-079-06W4/0
CHARD	WABISKAW-MCMURRAY A	00/06-34-079-06W4/0
CHARD	MCMURRAY B	00/06-34-079-06W4/0
CHARD	WABISKAW-MCMURRAY A	02/06-34-079-06W4/0
CHARD	WABISKAW-MCMURRAY A	00/13-34-079-06W4/0
CHARD	WABISKAW-MCMURRAY A	00/13-35-079-06W4/0
LEISMER	WABISKAW-MCMURRAY A	00/13-01-079-07W4/0
LEISMER	WABISKAW-MCMURRAY A	00/11-03-079-07W4/0
LEISMER	WABISKAW-MCMURRAY A	00/02-10-079-07W4/0
LEISMER	WABISKAW-MCMURRAY A	00/10-10-079-07W4/0
LEISMER	WABISKAW-MCMURRAY A	00/10-11-079-07W4/0
LEISMER	WABISKAW-MCMURRAY A	00/09-12-079-07W4/0
LEISMER	WABISKAW-MCMURRAY A	00/10-12-079-07W4/0
LEISMER	WABISKAW-MCMURRAY A	00/04-13-079-07W4/0
LEISMER	WABISKAW-MCMURRAY A	00/11-13-079-07W4/0
LEISMER	WABISKAW-MCMURRAY A	00/10-01-079-08W4/0
LEISMER	MCMURRAY U/D - 377	00/10-01-079-08W4/0
LEISMER	WABISKAW-MCMURRAY A	00/10-02-079-08W4/0
CHARD	WABISKAW Q	00/05-12-080-06W4/0
CHARD	WABISKAW-MCMURRAY A	00/05-12-080-06W4/0
CHARD	MCMURRAY DDD	00/05-12-080-06W4/0
CHARD	WABISKAW-MCMURRAY A	00/04-13-080-06W4/0
CHARD	MCMURRAY DDD	00/04-13-080-06W4/1
CHARD	WABISKAW-MCMURRAY A	00/07-14-080-06W4/0
CHARD	MCMURRAY DDD	00/07-14-080-06W4/0
CHARD	WABISKAW-MCMURRAY A	00/06-22-080-06W4/0
CHARD	WABISKAW K	00/11-28-080-06W4/2
CHARD	WABISKAW N	00/11-34-080-06W4/0
CHARD	MCMURRAY P	00/11-34-080-06W4/0
CHARD	MCMURRAY VV	00/10-11-080-07W4/0
CHARD	MCMURRAY VV	00/07-14-080-07W4/0
CHARD	MCMURRAY VV	00/10-23-080-07W4/0
LEISMER	MCMURRAY S	00/14-12-080-08W4/0
LEISMER	MCMURRAY S	00/12-26-080-08W4/0
HANGINGSTONE	WABISKAW-MCMURRAY D	00/12-26-080-08W4/0

SCHEDULE "B"

PET Surmont Wells - Approved for production under Surmont Decision 2000-22

Field Name	Pool Name	Well ID
NEWBY	MCMURRAY M2M	00/12-28-080-05W4/0
NEWBY	MCMURRAY M2M	00/11-30-080-05W4/0
CHARD	WABISKAW U/D - 035	00/06-22-080-06W4/0
CHARD	WABISKAW-MCMURRAY A	00/06-22-080-06W4/0
CHARD	WABISKAW K	00/11-28-080-06W4/0
CHARD	MCMURRAY P	00/11-28-080-06W4/0
CHARD	WABISKAW N	00/11-34-080-06W4/0
CHARD	MCMURRAY P	00/11-34-080-06W4/0
NEWBY	MCMURRAY B	00/10-04-081-05W4/0
NEWBY	MCMURRAY C2C	00/15-07-082-05W4/0
NEWBY	MCMURRAY C2C	00/02-18-082-05W4/0
RESDELN	WABISKAW U/D-012	00/05-07-084-06W4/0
RESDELN	WABISKAW-MCMURRAY A	00/05-07-084-06W4/0
RESDELN	MCMURRAY JJ	00/06-12-084-07W4/0
RESDELN	MCMURRAY U/D-073	00/06-12-084-07W4/0
RESDELN	MCMURRAY RR	00/03-13-084-07W4/0
RESDELN	MCMURRAY U/D-061	00/03-13-084-07W4/0
RESDELN	WABISKAW-MCMURRAY A	00/03-13-084-07W4/0