

Ernie

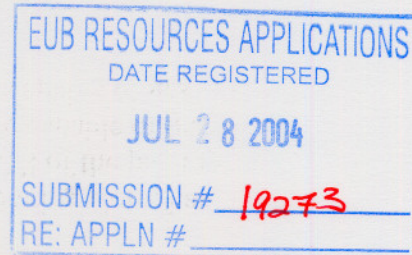
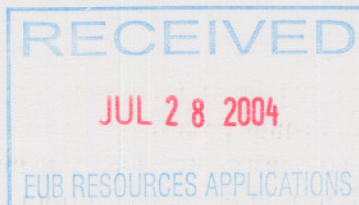


July 27, 2004

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

Attention: Mr. Ernie Smith

Dear Mr. Smith:



**RE: Alberta Energy and Utilities Board Decision 2004-045
Phase 3 Proceedings Under Bitumen Conservation Requirements
Interim Shut-In Orders 04-001 and 04-002**

As per my conversation with you this morning, Paramount Energy Operating Corp. has complied with the EUB's Interim Shut-In Orders 04-001 and 04-002. All of the pay top depth to pay base depth intervals that the EUB ordered shut-in that were capable of gas production were shut-in by July 1, 2004. Those intervals that were not capable of gas production remain shut-in.

If you have any questions, please contact the writer at (403) 269-4448.

Yours truly,

A handwritten signature in blue ink, appearing to read "L. Martinuzzi".

Larry Martinuzzi
Senior Reservoir Engineer
Technical Regulatory Advisor