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July 9, 2018

Sahtu Land & Water Board
Box 1
Fort Good Hope, NT
X0E 0H0

SLWB LUP S13A-002

Attention: Sabrina Sturman, Regulatory Specialist

Dear Sabrina:

Re: Request for Extension of Land Use Permit S13A-002 (Slater River Drilling Program)

Husky Oil Operations Limited (Husky) is aware that Land Use Permit (LUP) S13A-002 will be expiring on July 18, 2018. At this time we are requesting a two-year extension on the LUP with a revised expiry date of July 18, 2020.

This LUP is applicable to Husky's oil and gas exploration activities associated with the Slater River project. This permit includes four leases:

- Little Bear O-41 and Little Bear G-70 (both permitted but were never drilled)
- Little Bear N-09 and Little Bear H-64 (both currently suspended)

The Little Bear N-09 and Little Bear H-64 wells were originally permitted under LUP S11A-003. In order to allow for improved efficiency and overall reporting to the Sahtu Land and Water Board (SLWB), Husky consolidated LUP S11A-003 into the new LUP S13A-002 in 2013. This LUP authorization has been focused on operation activities but is now in the decommissioning and reclamation phase. Husky will be carrying out suspension and abandonment activities necessary to keep its N-09 and H-64 wells in compliance with the Well Suspension and Abandonment Guidelines and Interpretation Notes issued by the Government of Northwest Territories Office of the Regulator of Oil and Gas Operations (OROGO). The well abandonment phase of the project is anticipated to begin in February 2019 and the decommissioning procedure is expected to require 30 days to complete. Husky is currently working on, and will submit to the Sahtu Land and Water Board, the associated documents including Project Description, Stakeholder Engagement, Spill Contingency Plan, Waste Management Plan, Closure and Reclamation Plan. No new footprint is required during the extension period; abandonment activities will be conducted on existing and approved leases.

As outlined in the engagement record attached as Schedule A, Husky has informed affected Indigenous communities, Land Corporations, Renewable Resource Councils and regulators in the Sahtu Region of its intention to request a two year extension of the LUP. No concerns have been raised to Husky regarding the request for an extension to the LUP term. Given that this extension request will not require any new land use or modifications to approved works, Husky humbly requests that this LUP extension request be exempt from Preliminary Screening.



Husky Oil Operations Limited

I trust this letter is sufficient for the Land and Water Board to grant an extension of the LUP. If you require additional information or, if you have any questions, please contact the undersigned at 403-523-2313 or by email at (jenica.vonkuster@huskyenergy.com).

Sincerely,

Husky Oil Operations Limited

Jenica von Kuster
Environmental & Regulatory Specialist – NWT

Attachment