



Husky Oil Operations Limited

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May 17, 2013

Sahtu Land and Water Board

P.O. Box #1
Fort Good Hope, NT
X0E 0H0

Attention: Paul Dixon, Executive Director

Dear Paul:

**Re: Land Use Permit and Water Licence Applications for Husky Oil Operations Limited
Slater River O-41 and G-70 Drilling, Completions and Testing Program.**

Please find enclosed applications and supporting documentation for a Land Use Permit (LUP) and Water Licence (WL) for the Husky Oil Operations Limited (Husky) Slater River O-41 and G-70 Drilling, Completions, and Testing Program that is proposed for the summer/fall of 2013. Husky is applying for a five-year Type A Land Use Permit under Section 4 of the Mackenzie Valley Land Use Regulations and a Type B Water Licence under Section 8 of the Northwest Territories Water Regulations for the same five-year period.

The Slater River program area is located approximately 40 kilometres (km) south southeast (SSE) of the Town of Norman Wells on the west side of the Mackenzie River (see Program Map in Appendix 2). The two exploratory wells are being proposed in order to test the hydrocarbon potential of features within EL462 and EL463. The well locations are as follows (NAD 83 datum):

Location Name	Coordinates (NAD83 Zone 9)			
	Latitude	Longitude	Northing (m)	Easting (m)
Little Bear O-41	65.014770° N	126.389651° W	7212640.90	622999.98
Little Bear G-70	64.991234° N	126.453664° W	7209896.51	620090.65

The project requires the following land use area for the new drilling leases and access:

O-41 (130x200m) = 2.6ha
G-70 (150x 110m) = 1.65ha
Access to O-41 (~1400m x 20m) = 2.8ha
Access to G-70 (~1400m x 20m) = 2.8ha
Total 9.85ha – Round Up to 10ha
2ha included in initial fee = 8 ha

This program will utilize the existing barge landing/staging area, base camp, all-weather airstrip, and main all-weather access road under existing LUP S12F-007 and WL S11L3-002 and S12L8-007. Additionally, in order to allow for improved efficiency and overall reporting to the Sahtu Land and Water Board and Aboriginal Affairs and Northern Development Canada, Husky proposes to:

- Consolidate LUP S11A-003 (as amended), along with the LUPs Terms and Conditions outlined into the LUP for this proposed program.



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- Consolidate WL S11L1-003 along with the WLs Terms and Conditions outlined into the WL for this proposed program.

A description of the project activities approved under LUP S11A-003, WL S11L1-003 and S11L3-002 are not included within this application but can be referred to under the original application submission.

Two cheques made out to the Receiver General for Canada are enclosed to cover the land use permit fee (\$550.00) and one cheque to cover the water licence application fee (\$30.00). Should you have any questions regarding this application please contact the undersigned by telephone at (403) 298-6655, by fax at (403) 750-1722, or by email ken.hansen@huskyenergy.com.

Sincerely,
HUSKY OIL OPERATIONS LIMITED

Ken Hansen
Project Manager – Slater River, NWT

Encl.