

July 16, 2013

Sahtu Land and Water Board
P.O. Box 1
Fort Good Hope, NT
X0E 0H0

Via email: angela.love@slwb.com

Attention: Angela Love

Dear Angela,

Re: Husky Oil Land Use Permit S13A-002 and Water License S13L1-005 Applications – Letter of Comment from Environment and Natural Resources

We have reviewed the comments and recommendations provided by Environment and Natural Resources in the correspondence to the Board dated July 5, 2013. Husky's responses are provided below and follow the format contained in the ENR review letter.

Topic 1

1. Agreed. Husky's incinerators will meet these requirements.

Topic 2

1. Agreed. Husky will identify the additives uses in the surface hole drilling fluid.
2. Husky will perform the necessary laboratory testing.
3. Acknowledged
4. Acknowledged
5. Acknowledged
6. Acknowledged
7. Husky requests that the reference to Alberta or British Columbia be omitted. This allows the flexibility to use new facilities that may be established in the NWT during the life of the permit and licence.

Topic 3

1. Husky is using dehydration technology, which steams off the water molecules in contaminated water. This leaves the contaminant in it's concentrated liquid form which is disposed of at an approved facility.

Topic 4

1. These are standard practices already employed by Husky and are described in the application. Leak detection is managed through daily visual inspection.

Topic 5

1. Acknowledged.

Topic 6

1. Husky has a Land Use Permit S12X-006 that has terms and conditions associated with the ongoing groundwater investigation.
2. This is a requirement of S12X-006.
3. Husky currently tracks all water use with vehicle logs and transfers them to a tracking sheet. The tracking sheet specifies daily volume by water source and is available for inspection.

4. Husky currently follows this practice.
5. Husky is in discussion with regulators regarding water withdrawal impacts and differences in impact of seasonal water use.

Topic 7

1. Husky currently provides the SLWB with shape files for its proposed activities upon request.

Topic 8

1. Husky's wildlife mitigation plans are included in the Environmental Protection Plan that accompanies the permit application.
2. Husky believes the section on wildlife in the EPP is sufficient to describe the mitigation plan.

Regards,

Husky Oil Operations Limited



R.M. (Bob) Raina, P.Geo.
Operations Environmental Advisor
Canol Shale Project

cc. Ken Hansen – Project Manager, Canol Shale Project
Jenica von Kuster – Environmental Advisor
Darren Heck - MWH