

September 29, 2005

Alberta Energy and Utilities Board  
640-5<sup>th</sup> Avenue S.W.  
Calgary, Alberta  
T2P 3G4

Attention: Keith Sadler

Re: CNRL Request to Shut-In Clearwater Gas Production in the Fisher & Moore  
Areas, Application No.1394112, dated June 30, 2005.  
CNRL Amendment Request, dated August 5, 2005

Dear Mr. Sadler:

Husky Energy is the holder of two oil sand leases (Nos. 718811A344 and 7188110343) immediately north of CNRL's Primrose leases in Twp's 68-4W4M and 68-5W4M. The bitumen bearing sand trends as described in CNRL's application continue north on our leases based on our current geological interpretation. Husky drilled 10 delineation wells in 2005 and has plans for 15 in Q1 2006. Husky currently has no bitumen production from these leases however the leases are currently being evaluated for potential development in the Clearwater Formation. Based on our review of CNRL's application and subsequent amendment, Husky is concerned that continued gas production of nearby Encana gas wells will negatively impact the bitumen production potential of the Clearwater Formation on Husky leases. Specifically, Husky is concerned about continued production of the Fisher D Pool (10-33-68-4W4, 5-10-69-4W4 and 103/8-3-69-4W4) as described in CNRL's amendment. As a result Husky will be installing peizometers in 7 of the 15 delineation wells planned for 2006. These instruments will monitor pressures in the Clearwater Formation over the next several years and will provide useful data on pressure trends in the Clearwater Formation on our lease.

Husky Energy is concerned about the continued production of Clearwater gas and support CNRL's application to shut in gas production. We plan to collect field data in support of our technical evaluation of the impact of gas production as it relates to our leases.

For further information and or questions, please contact John Eubank at 750-5021 or myself at 298-6051

Yours truly,

Leon Ramler  
Reservoir Engineering Manager, Oil Sands  
Husky Oil Operations Ltd.

Attachments

cc: Cam Buss, Development Group Lead, Encana,  
Daryl Youck, Exploitation Manager, Canadian Natural