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April 18, 2005

Alberta Energy and Utilities Board
Resources Application Group
640-5 Avenue S.W.
Calgary, AB, T2P 3G4

**ATTENTION: Terry Abel, Manager
Resource Applications**

Dear Mr. Abel;

**RE: Encana Corporation
Application to produce gas from the oil sands strata for the 100/14-31-68-4W4/0
and 100/06-32-68-4W4/0 wells within the Colony A and Upper Clearwater B
Formation in the Fisher Field.**

Encana Corporation ("Encana"), in a letter dated March 29, 2005, has applied for approval to produce gas from the oil sands strata from the Colony A and Upper Clearwater B Formation in the wells and zones listed here.

100/14-31-068-04W4/0	Upper Clearwater B
100/14-31-068-04W4/0	Colony A
100/06-32-068-04W4/0	Colony A

Husky Oil Operations Limited ("Husky") hereby objects to EUB approval of the Encana application for gas production from the Upper Clearwater B in 100/14-31-068-04W4/0. Husky has no objection to the application to produce gas from the Colony A in either 100/14-31-068-04W4/0 or 100/06-32-068-04W4/0.

The Upper Clearwater B Net Gas Pay Isopach provided by Encana in their application (Attachment 4b) to produce gas shows that the 14-31 gas pool does not appear to extend onto Husky oil sands leases. The pool as mapped is immediately adjacent to Husky oil sand leases. Recent drilling (Q1 2005) in sections 5 and 6-069-04W4 and section 1-069-05W4 at the northern limit of the pool supports this interpretation.

Husky's drilling of 10 wells in Q1 2005 in Township 69 Ranges 4 and 5W4 is the first step in the evaluation of the thermal bitumen potential of these oil sands leases.

Locations drilled include;

1AA/01-05-069-04W4/0
1AA/04-05-069-04W4/0

1AA/09-05-069-04W4/0
1AA/07-06-069-04W4/0
1AA/16-06-069-04W4/0
1AA/08-07-069-04W4/0
1AA/13-08-069-04W4/0
1AA/16-08-069-04W4/0
1AA/02-01-069-05W4/0
1AA/03-23-069-05W4/0

Development of a stratigraphic model and the results of core analysis will determine drilling activity in 2006 and beyond. At this time potential thermal recovery processes are being evaluated.

Husky's objection to gas production from the Upper Clearwater B is based upon the fact that we have yet to determine the recovery process or processes that would be used in bitumen production. The proximity of the gas cap to future thermal operations is of concern to Husky. Production of gas that is in direct contact with the bitumen negatively impacts bitumen recovery. Husky will not support Clearwater gas production until the recovery process has been selected and development plans are in place.

If you require more data in support of this objection letter please feel free to call me at 298-6341.

Yours truly;

HUSKY OIL OPERATIONS LIMITED

Original Signed By

Keith Reed
Manager, Geology and Geophysics
Oil Sands Business Unit