

April 19, 2010

9000-8285-59240-15

Brad Bates, P.Eng.
Senior Staff Exploitation Engineer
Husky Oil
707 8th Avenue S.W.
Box 6525, Station "D"
Calgary, Alberta T2P 3G7

Dear Mr. Bates:

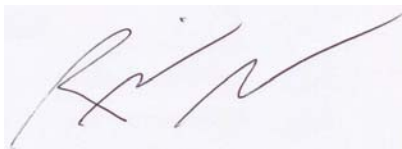
**RE: APPLICATION FOR APPROVAL OF AN EXPERIMENTAL SCHEME
CHUATSE CREEK AREA – HORN RIVER FORMATION**

Commission staff have reviewed your application dated February 8, 2010 requesting experimental scheme approval to test the gas potential of the Muskwa shale in the Horn River Basin in northeast British Columbia.

Activity in the Horn River Basin has increased significantly since the first experimental scheme approval was issued in 2005. Currently there are over 30 experimental scheme approvals in the Horn River Basin with many wells set to be released from confidentiality over the coming year. Husky's proposed completion technology is not considered unique. Several operators in the basin have utilized or are utilizing techniques comparable to those proposed by Husky.

The application submitted to the Commission has not demonstrated that the proposed methods are untried and unproved in the particular application. Consequently, Husky's application for experimental scheme approval is denied.

Sincerely,



Richard Slocomb, P.Eng.
Supervisor, Reservoir Engineering
Resource Conservation