

September 15, 2009

4300-4980-59240-15

Gary Cole
Senior Staff Landman
Husky Oil Operations Ltd.
707 – 8th Ave. SW
Box 6525, Station “D”
Calgary, Alberta T2P 3G7

Dear Mr. Cole:

**RE: APPLICATION FOR APPROVAL OF AN EXPERIMENTAL SCHEME
GRAHAM FIELD – DOIG FORMATION**

Commission staff have reviewed your application dated May 8, 2009 requesting experimental scheme approval to evaluate the gas potential of the Doig formation in the Graham field in northeast British Columbia.

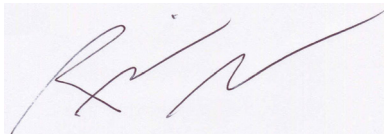
The Doig formation, although less exploited than the Montney, has seen considerable exploration in the Groundbirch and Monias areas. Husky completed three Doig intervals in the well b-10-D/94-B-9 (WA# 23359) with favorable results from each zone. In their application Husky proposes to drill and complete one horizontal well. The completion technologies proposed by Husky are considered common tight gas/shale gas operations.

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

While the Commission appreciates Husky's desire to hold the results of their core analysis confidential it does not consider experimental schemes an appropriate vehicle for this. Please note that the Commission recently proposed changes to legislation regarding the confidentiality of wells in which additional, non-standard data is collected. It has been proposed that these types of wells be designated as “Special Data Wells” garnering additional confidentiality. The Special Data Well proposal has been drafted by the Commission and has been submitted to CAPP for comments.

Should you have any questions or concerns please contact Travis Mercure at (250) 419-4448 or the undersigned at (250) 419-4421.

Sincerely,



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