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August 13, 2008

CONFIDENTIAL

Mr. Patrick Honess
Box 70,
Lomond, Alberta, T0L 1G0

Attention: Mr. Patrick Honess

**Re: SUMMARY OF ENVIRONMENTAL ACTIVITIES
01-18-017-18 W4M, ARMADA GAS PLANT**

Dear Mr. Honess,

Husky commissioned a third party consultant to conduct a soil sampling program during the summer of 2008 to address your concerns regarding pesticide application and water runoff from the Armada Gas Plant. Details of the investigation are provided in the Draft copy of the report titled "*Surface Soil Sampling, 01-18-017-18 W4M, Lomond, Alberta, dated July 15, 2008*"; and attached to this letter.

Further to our meeting on July 18, 2008, the following letter details Husky Oil Operations Limited (Husky) proposed activities for the above noted project site. The work plans are currently under development and it is expected that the work would be implemented during the 2008 field season, unless otherwise specified.

- Husky Environment intends to implement a supplemental sampling program during the fall, pending access agreements.
- Husky Environment and Operations intends to install a north-south culvert under the Armada Gas Plant approach and construct a berm north-south along Range Road 18-5, south of the facility approach, to the RM ditch at Secondary Highway 539. Exposed soil east of the facility fence and south of the approach will be seeded in 2008, or 2009 if necessary, pending soil conditions.
- Husky Environment has notified the Land Department that you have requested compensation for crop loss in 2006 and 2008, recognizing that 2007 was summer fallow.

Husky trusts the information provided is sufficient for your needs at this time. If you require further information please contact Sonia Glubish (403.298.7344).

Sincerely,
Husky Oil Operations Limited

A handwritten signature in black ink, appearing to read "Sonia Glubish", written over the company name.

Sonia Glubish, A.Ag.
Area Environmental Coordinator

cc. Ryan Cox, Northshore Environmental Ltd.
Brad Batten, Surface Land
Lorna Hatton, Production Engineer
Al Fefchak, Area Foreman