

**LEGAL GROUP**

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Date:

March 3, 2005

Company:

State of Alaska
Department of Environmental Conservation

Attention:

Emily Youcha
Environmental Specialist

Fax:

(907) 451-5105

From:

Cheryl Ann Merchant
Tel. (403) 298-6209

Subject:

Camp Lonely Landfill
Our File No. 11700 CAM

Notes:

Please see attached.

Fax Pages:

6 pages, including cover sheet

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March 3, 2005

State of Alaska
Department of Environmental Conservation
Division of Spill Prevention and
Response Contaminated Sites Program
610 University Avenue
Fairbanks, AK
U.S.A. 99709-3643

Attention: Emily Youcha
Environmental Specialist

Dear Madam:

Re: Husky Oil NPR Operations, Inc. – Camp Lonely Landfill
Potentially Responsible Party – Request for Information
Our File No. 11700(A).01 CAM

This letter is in response to your correspondence dated January 13, 2005 regarding the Camp Lonely Landfill (the "Site") located on the Alaskan North Slope, adjacent to the Beaufort Sea.

We confirm that Husky Oil Operations Limited is the successor in interest to Husky Oil NPR Operations, Inc. ("Husky NPR"). Husky Oil Operations Limited ("HOOL") is a corporation from the jurisdiction of the Province of Nova Scotia, Canada, and is a wholly owned subsidiary of Husky Energy Inc. Husky Energy Inc. is a corporation from the jurisdiction of the Province of Alberta, Canada, and is listed on the Toronto Stock Exchange (Symbol - HSE).

Records Review

HOOL has conducted a good faith review of documents in its possession relating to the Site, but has found very little relevant information concerning the Site.

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Husky NPR operated under a five year contract with the U.S. government (the "Contract") with respect to oil and gas exploration activities in the National Petroleum Reserve - Alaska ("NPR-A"). The Contract was executed in December 1975 and Husky NPR utilized Camp Lonely as a logistics operations base for activities during the 1976 to 1981 exploration period. After the Contract was closed out, the government of the United States of America ("the Government") had the option to take possession of all of Husky NPR's records related to the Contract. As well, Husky NPR had no obligation to the Government to maintain those records after November 1986. Therefore if the Government chose not to exercise the option to take possession of the records, then it is possible that documents were not retained by Husky NPR after 1986.

However, HOOL is continuing to look through its records and will forward any further relevant material it locates.

Request for Information

1. *Provide name and company affiliation of the person answering the questionnaire.*

Cheryl Ann Merchant, Counsel for HOOL.

2. *Provide information of who placed, stored, or disposed of wastes at the site, the types and volumes of wastes placed, stored, or disposed of at the site, and when these activities occurred.*

Based on a review of available HOOL information, HOOL was unable to locate any records with respect to any individuals who may have placed, stored or disposed of wastes at the Site.

3. *Provide copies of all studies, reports, and supporting information (including pre-acquisition assessments and work done on behalf of other Parties) which you have knowledge of which address past and/or present environmental conditions at the site. Identify the name, title, address, and phone number of the party(s) who are responsible for preparing the studies or information. Information which has been previously submitted need not be submitted again (unless specifically requested in a subsequent communication) if you can provide the name of the office (and name and title of the ADEC representative, if known) to whom the report was previously provided.*

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HOOL was unable to locate any records regarding environmental assessment or investigation work completed and/or environmental findings regarding the Site.

4. *Provide a description of any ongoing or planned investigations or cleanup work at the site. Identify the names, titles, and phone numbers of the individuals responsible for preparing the studies or information.*

HOOL was unable to locate any records of any planned investigations or cleanup work regarding the Site. There was reportedly rehabilitation work completed, involving debris removal, land reclamation and revegetation, but this is suspected to have occurred in locations other than Camp Lonely, such as the seismic lines and/or well sites linear disturbances that were a consequence of Husky NPR's exploration activities completed in the NPR-A.

5. *Provide a description of known releases at the site (date of occurrence, quantity released, type of substance released, etc.) and a description of corrective measures that were taken. Provide information on any suspected releases, which may have occurred or are occurring.*

HOOL is not aware of any known releases at the Site prior to receiving ADEC's Request for Information letter.

6. *Describe the nature of past and present operations at the site, in particular, any actions that may have caused the release or threat of release at the site.*

Husky NPR conducted activities at Camp Lonely during the period from the Spring of 1976 when the Camp was constructed, until December 1981 when the Camp was abandoned. Husky NPR operated under a five year contract with the U.S. Navy executed in December 1975, and later, following the *Naval Petroleum Reserve Production Act* of 1976, acted on behalf of the U.S. Geological Survey and completed oil and gas exploration activities in the NPR-A. Camp Lonely was utilized as a logistics operations base for Husky NPR's activities during the 1976 to 1981 exploration period. Exploration activities consisted of the drilling of test wells at remote locations and the completion of seismic surveys. There were no wells drilled at the Camp Lonely location itself. Material stored at the Camp would likely have consisted of drilling supplies, fuel and equipment for the exploration activities, and fuel and materials required for the Camp operation.

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Husky NPR sent ADEC a letter dated April 20, 1977 outlining updated disposal plans for solid waste at Camp Lonely and the various drilling camps, as originally proposed in the Husky NPR letter dated February 4, 1977. In the April 1977 letter, Husky NPR requested a permit to be issued to dispose of ashes, residual burned metal, some glass, and larger metal pieces (as base located construction materials) for the proposed landfill facility, located on the western edge of the Camp Lonely gravel pad (i.e. the Site). The April 1977 letter indicated that the landfill Site was to be for the exclusive use of the U.S. Navy and NPR-4 Operator. Putrescible and combustible wastes were to be incinerated, as previously proposed in the February 1977. As well, rubber tires were to be back-hauled to Anchorage or cut up and burned in the incinerator.

7. *Identify persons to whom you leased all or a portion of the property and describe the nature of their operations.*

To the best of HOOL's knowledge, Husky NPR did not lease any of the property to a third party.

8. *Provide a list of persons, and their phone numbers and addresses, who have knowledge about the use, storage or disposal of hazardous materials at the site.*

HOOL is not aware of any individuals who have knowledge about the use, storage or disposal of hazardous materials at the Site.

9. *Provide other relevant information on the site history, operations, cleanup work, or agreements that may be applicable to this matter.*

HOOL is not aware of any other relevant information on the site history, operations, cleanup work, or agreements.

10. *Provide information regarding the existence of insurance coverage for damages resulting from releases of hazardous substances and copies of all such insurance policies, both currently in effect and in effect during the periods of activity in question.*

HOOL is continuing to search for insurance policies that are relevant to the Site.

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If you have any questions concerning the above, please do not hesitate to contact me at (403) 298-6209 or e-mail cheryl.ann.merchant@huskyenergy.ca.

Yours truly,

HUSKY OIL OPERATIONS LIMITED



Cheryl Ann Merchant

CAM:cag

cc: Chris Meloche, Husky (via e-mail)
Lois Garrett, Husky (via e-mail)
Paul Peacock, Marathon Oil Company (via fax)