



April 4, 2013

Mr. Derek Sullivan
Black Spruce Exploration Corp.
3rd Floor, 189 Water Street
St. John's NL A1C 1B4

Dear Mr. Sullivan:

Subject: Environmental Assessment for the
Western Newfoundland Drilling Program, 2013-2019

Black Spruce Exploration Corp. (BSE) submitted on March 6, 2013 to the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB), the *Project Description for Western Newfoundland Drilling Program, 2013-2019* (LGL Limited March 2013). This report, along with a draft Scoping Document, was forwarded to government departments and agencies for their information and comment on January 10, 2013. Since then, the Newfoundland and Labrador Department of Environment and Conservation (NLDEC) has notified Shoal Point Energy (SPE)/BSE that upon review of the proposed activities, which includes near-wellbore stimulation to produce radial fractures, it has determined that both the Lark Harbour and Sally's Cove proposed onshore to offshore exploration wells require environmental review pursuant to the *Environmental Protection Act, SNL 2002, cE-14.2* and that they should be registered under that Act.

We believe that we will not be in a position to finalize the Scoping Document for the proposed project until the NLDEC process has advanced further.

Please do not hesitate to contact me if you have any questions regarding this matter.

Yours truly,

Original signed by E. Young

Elizabeth Young
Environmental Assessment Officer

Cc D. Burley
B. Cleary