



September 28, 2010

G. Karpat
Sierra Club of Canada, Quebec Chapter
1222 Mackay, Suite 303,
Montreal, Quebec
H3K 2H4

Dear Mr. Karpat:

I am writing on behalf of the Board of the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) in response to your letter.

I want to begin by addressing inaccuracies in your interpretation of the Board's mandate. The C-NLOPB does not 'promote' the offshore oil and gas industry. The C-NLOPB oversees operator activities for compliance with legislative and regulatory requirements. Our mandate with respect to 'maximum hydrocarbon recovery and value' refers to our responsibility for overseeing good oil field practice to reduce waste. Therefore, it is not, as you suggest, irreconcilable with our safety and environmental protection mandate and there are no inherent conflicts of interest in our mandate. In fact, worker safety and environmental protection are and will remain our highest priorities.

Your request for a moratorium on offshore oil and gas activity, even if focused on a particular area with the Newfoundland and Labrador Offshore Area, is best directed to governments. Such a policy decision would have to be made jointly by the Government of Canada and the Government of Newfoundland and Labrador. The C-NLOPB was established in 1986 to regulate and manage the emerging offshore oil and gas industry. Governments, through legislation, set the policies and the C-NLOPB, through its oversight activities, holds industry responsible for adherence to those policies.

The Board has a responsibility to review applications for offshore activity from license holders and will only issue authorizations to companies that meet regulatory and Board requirements. Before issuing an authorization or approval to conduct activity offshore, the Board undertakes a robust review process involving an assessment of safety and operations, environmental assessment and good oil field practice.

I assure you that the C-NLOPB takes its responsibilities seriously. Our decisions are made based on expert advice, public and stakeholder consultations and a long term vision for what is best for the future of the oil and gas industry and the people of Canada, particularly Newfoundlanders and Labradorians.

Sincerely


Max Ruelokke, P. Eng
Chairman & CEO

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