

NORTH AMETHYST

DEVELOPMENT PLAN APPLICATION

**CANADA-NEWFOUNDLAND AND LABRADOR
OFFSHORE PETROLEUM BOARD**

DECISION REPORT 2008.03

ISBN

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The Canada-Newfoundland and Labrador Offshore Petroleum Board (the Board) met on February 28, 2008 to consider the “Canada-Newfoundland and Labrador Benefits Plan North Amethyst Satellite Tie-back, August 2007” and the “Development Plan - North Amethyst Satellite Tie-back to SeaRose FPSO, August 2007”, as submitted by Husky Energy on August 14, 2007, as well as supplemental information submitted in November 6, 2007. The Board was guided in its deliberation by a staff analysis of each document.

The Board hereby approves the “Development Plan - North Amethyst Satellite Tie-back to SeaRose FPSO, August 2007”, subject to the following conditions:

Condition 2008-03.01

The Proponent, prior to commencing drilling operations at the North Amethyst drill centre, shall submit for the approval of the Chief Conservation Officer an amended Environmental Effects Monitoring program design.

Condition 2008-03.02

The Proponent shall not initiate oil production from the North Amethyst Field until the Proponent submits and the Board approves a Gas Storage Strategy report.

Condition 2008-03.03

The Proponent provide to the Board, as soon as possible, ideally not later than commencement of detail design, a report assessing the potential opportunities for de-bottlenecking of the facilities to accommodate any restrictions to oil production and the pace of deferred development.

Condition 2008-03.04

The Proponent shall submit to the Board within two years following initiation of production from the North Amethyst Field an updated evaluation of the full field (White Rose and North Amethyst) gas resources along with a description of activities to be undertaken and a drilling schedule and locations for delineation or pre-development wells.

Condition 2008-03.05

Prior to initiation of production from the North Amethyst development area, the Proponent shall notify the Board’s Chief Conservation Officer that the commercial agreements with interest owners of PL 1006, PL 1007 and PL1008 are in place and that the royalty owners concur with the commercial agreements.