



May 25, 2007

Mr. Don Williams
HSEQ Manager
Husky Energy
Suite 901, Scotia Centre
235 Water Street
St. John's, NL A1C 1B6

Dear Mr. Williams:

**Re: Husky White Rose Development Project:
New Drill Centre Construction and Operations Program
Environmental Assessment**

The Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) has reviewed the environmental assessment information regarding proposed drill centre construction and operations program in the Jeanne d'Arc Basin area as described in the "*Husky White Rose Development Project: New Drill Centre Construction and Operations Program Environmental Assessment*" (September 2006), the addendum (January 2007) and supplementary information. The C-NLOPB, the Department of Fisheries and Oceans, and Environment Canada, as Responsible Authorities under the *Canadian Environmental Assessment Act*, have completed our environmental assessment determination respecting the Project. A copy of our determination is enclosed for your information.

The environmental assessment report, as referenced above and supporting information describe the Project in sufficient detail and provides an acceptable assessment of the potential environmental effects of the Project. We have considered this information and the advice of the Boards' advisory agencies and have determined, in accordance with Section 20(1)(a) of the *Canadian Environmental Assessment Act* (CEA Act) that the proposed project, following the application of mitigation measures, is not likely to cause significant adverse environmental effects.

At the time of application for subsequent program authorizations, including but not limited to construction, drilling, VSP, wellsite survey or geotechnical program authorizations, in the Study Area Husky Energy will be required to provide information to the C-NLOPB. This information should outline the proposed activities, confirm that the proposed program activities fall within the scope of the previously assessed program, and indicate if with this information, the EA predictions remain valid. In addition, Husky Energy shall provide information regarding the adaptive management of requirements of the SARA into program activities (e.g., introduction of new species or critical habitat to Schedule I; additional mitigations; implementation of recovery strategies and/or monitoring plans). If there are any

changes in the scope or information available which may alter the EA conclusions, then a revised EA will be required at the time of authorization application and/or renewal.

The following conditions are recommended to be appended to authorizations granted by the C-NLOPB for proposed the drill centres construction and operations programs, as described in the environmental assessment reports referenced above:

- *Husky Energy shall implement, or cause to be implemented, all the policies, practices, recommendations and procedures for the protection of the environment included in or referred to in the “Husky White Rose Development Project: New Drill Centre Construction and Operations Program Environmental Assessment” (LGL Limited 2006) and the “Husky White Rose Development Project: New Drill Centre Construction and Operations Program Environmental Assessment Addendum” (LGL Limited 2007).*

For Drilling (including Geotechnical Programs) and Production Operations

- *Husky Energy will be required to submit to the Chief Conservation Officer an amended EEM design that incorporates drilling and production activities associated with the five new drill centres, and tie-back to the FPSO. The amended EEM Plan should be consistent with the strategy in the White Rose Development EEM Design Report (Husky Energy 2004), discuss any changes that may be required to existing sampling stations, and consider the necessity for collection of baseline data at any or all of the new drill centre locations. Drilling or production operations at an individual drill centre will not be authorized until an acceptably amended EEM plan in respect of that location is in place.*
- *A marine mammal monitoring protocol shall be developed in consultation with the C-NLOPB at the time of application for approval to terminate the well(s) with the use of chemical explosives.*

For VSP and/or Wellsite Surveys

- *Husky Energy shall implement or cause to be implemented the mitigation measures outlined in Appendix 2 of the Geophysical, Geological, Environmental and Geotechnical Program Guidelines (C-NLOPB 2004), respecting VSP and wellsite surveys.*
- *Monitoring for marine mammals and sea turtles shall be consistent with the approach outlined in the Geophysical, Geological, Environmental and Geotechnical Program Guidelines (C-NLOPB 2004) respecting VSP and wellsite surveys, and includes monitoring during ramp-up and at all times when the airgun(s) are active.*
- *The “safety zone” defined for marine mammal protection respecting VSP and/or wellsite surveys is designated to be 500 m.*
- *During ramp-up, and/or when the airgun array is active, the airgun(s) shall be shut down, if a marine mammal or sea turtle, listed as **Endangered** or **Threatened** (as per Schedule 1 of SARA), including the North Atlantic right whale, Blue whale, and leatherback turtle, is observed within 500 m of the airgun array.*
- *During line changes, the seismic airgun array shall be reduced to a single airgun and the airgun shall remain active during the line change. If for any reason, the airgun is shut down for a period greater than 30 minutes, then ramp-up procedures shall be implemented as per the Geophysical, Geological, Environmental and Geotechnical Program Guidelines.*

If you have any questions on the attached, or wish to discuss the environmental assessment review process, I may be reached at 709-778-1431 or via email at kcoady@cnlopb.nl.ca.

Yours truly,

Original Signed by K. Coady

Kim Coady
Environmental Assessment Officer

Enclosures

cc D. Burley
G. Troke (Environment Canada)
R. Power (DFO)