



September 21, 2009

Mr. Robert Dunphy  
Senior Environment Advisor  
Hibernia Management and Development Company Ltd.  
Suite 1000  
100 New Gower Street  
St. John's, NL A1C 6K3

Dear Mr. Dunphy:

**Re:                   Hibernia Drill Centres Construction and Operations Program  
                          Environmental Assessment**

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The Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) has reviewed the environmental assessment information regarding the proposed drill centre construction and operations program in the Jeanne d'Arc Basin area as described in the "*Screening Report Hibernia Drill Centres Construction and Operations Program Hibernia Management and Development Company (HMDC)*" (December 16, 2008), and the revised final report "*Screening Report Hibernia Drill Centres Construction and Operations Program Hibernia Management and Development Company (HMDC)*" (July 24, 2009) and supplementary information. The C-NLOPB, Fisheries and Oceans Canada, and Environment Canada, as Responsible Authorities under the *Canadian Environmental Assessment Act*, have completed the 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 in the Study Area, including but not limited to construction, drilling, VSP, wellsite survey or geotechnical program

authorizations, HMDC 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, HMDC 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 1; 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 the proposed drill centres construction and operations program, as described in the environmental assessment reports referenced above.

#### **For any authorizations issued by the C-NLOPB**

- *HMDC 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 “Screening Report Hibernia Drill Centres Construction and Operations Program Hibernia Management and Development Company (HMDC)” (JW revised in 2009).*

#### **For Drilling (including Geotechnical Programs) and Production Operations**

- *HMDC will be required to submit to the Chief Conservation Officer an amended EEM design that incorporates drilling and production activities associated with the six new drill centres, and tie-back to the GBS. The amended EEM Plan should be consistent with the strategy in the Hibernia Development EEM Design Report, 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**

- *HMDC shall implement or cause to be implemented the mitigation measures outlined in the Geophysical, Geological, Environmental and Geotechnical Program Guidelines (C-NLOPB 2008), respecting VSP and wellsite surveys.*
- *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.*

For authorizations issued by the Department of Fisheries and Oceans, it is recommended that the following conditions be appended, if the Project is approved.

**For Glory Hole Construction/Subsea Equipment Installation**

- *HMDC 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 “Screening Report Hibernia Drill Centres Construction and Operations Program Hibernia Management and Development Company (HMDC)” (JW revised in 2009).*
- *To compensate for the loss of productive fish habitat associated with the excavation of glory holes and deposition of glory hole dredge spoils associated with the proposed expansion and operation of the Hibernia offshore oil development on the Grand Banks, HMDC will agree to terms as presented in its subsection 35(2) Fisheries Act Authorization as well as carry out compensation and monitoring measures as outlined in any Fish Habitat Compensation Agreement related to the project.*

For permits issued by Environment Canada, it is recommended that the following conditions be appended, if the Project is approved.

- *HMDC 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 “Screening Report Hibernia Drill Centres Construction and Operations Program Hibernia Management and Development Company (HMDC)” (JW revised in 2009).*

If you have any questions on the attached, or wish to discuss the environmental assessment review process, I may be reached at 709-778-4232 or via email at [eyoung@cnlopb.nl.ca](mailto:eyoung@cnlopb.nl.ca).

Yours truly,

*Original Signed by E. Young*

Elizabeth Young  
Environmental Assessment Officer

Enclosure

cc D. Burley  
G. Troke (Environment Canada)  
C. Grant (DFO)