



May 26, 2006

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 Energy – Jeanne d’Arc Basin Exploration/Delineation Drilling  
Environmental Assessment Update**

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The Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) has reviewed the environmental assessment information regarding proposed exploration/delineation drilling program in an area of the Jeanne d’Arc Basin as described in the March 2006 “*Husky Delineation/Exploration Drilling Program for the Jeanne d’Arc Basin Environmental Assessment Update*” (LGL 2006). The C-NLOPB has completed our environmental assessment determination respecting the Project. A copy of our determination is enclosed for your information.

The environmental assessment report, as reference above and supporting information describe the Project in sufficient detail and provides an acceptable assessment of the potential environmental effects of the Project from 2006 to 2010. 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 drilling, VSP, wellsite survey or geotechnical program authorizations, in the Study Area up to 2010, 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 the authorizations granted by the Canada-Newfoundland and Labrador Offshore Petroleum Board for proposed drilling, geotechnical, and/or wellsite/geohazard survey programs as described in the environmental assessment report referenced above:

***For drilling/geotechnical programs:***

- *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 Delineation/Exploration Drilling Program for Jeanne d’Arc Basin Area Environmental Assessment (LGL. 2005) and addendums, and the “Husky Delineation/Exploration Drilling Program for Jeanne d’Arc Basin Area Environmental Assessment Update” (LGL 2006).*
- *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, all the policies, practices, recommendations and procedures for the protection of the environment included in or referred to in the “Husky Delineation/Exploration Drilling Program for Jeanne d’Arc Basin Area Environmental Assessment (LGL. 2005) and addendums, and the “Husky Delineation/Exploration Drilling Program for Jeanne d’Arc Basin Area Environmental Assessment Update” (LGL 2006).*
- *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 I 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.*

Enclosed are comments from the federal and provincial fisheries and environmental review agencies and Board staff from the review of the environmental assessment report. These comments should be addressed and submitted along with the information requirements outlined above.

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.nf.ca](mailto:kcoady@cnlopb.nf.ca)

Yours truly,

*Original Signed by K. Coady*

Kim Coady  
Environmental Assessment Officer

Enclosures

cc D. Burley