

February 20, 2017

Canadian Environmental Assessment Agency
200-1801 Hollis Street
Halifax, Nova Scotia
B3J 3N4

Doc. No.: HUS-CEA-ED-LTR-00004

Attention: Ms. Emily Gregus

Dear Ms Gregus;

Subject: Information Requirements for Inclusion of Husky Energy's New Parcels into the Husky Energy Exploration Drilling Project

The Canadian Environmental Assessment Agency (the Agency) accepted the Project Description submitted by Husky Oil Operations Limited (Husky) on September 2, 2016, for the proposed Husky Energy Exploration Drilling Project (the Project). As outlined in the Project Description, Husky participated in the 2016 Call for Bids (NL16-CFB02) on parcels in the Jeanne d'Arc Basin, so the components and activities detailed in the Project Description, anticipated the inclusion of new parcels. On November 9, 2016, Husky was notified by the Canada-Newfoundland Offshore Petroleum Board (C-NLOPB) of its successful bid on Parcels 1 and 2.

The Environmental Impact Statement (EIS) Guidelines issued for the Project by the Agency on December 9, 2016 contemplates the addition of new exploration licences and indicates corresponding information is to be submitted to the Agency in consideration for inclusion into the EIS, prior to submission of the EIS. A letter from the Agency detailing the information requirements for the new parcels was received by Husky on December 23, 2016. The information below is in response to this request.

On January 15, 2017, the C-NLOPB issued exploration licences to Husky, as 100 percent owner and operator for NL16-CFB02-01 (Parcel 1) as EL 1151 and for NL16-CFB02-02 (Parcel 2) as EL 1152. Accounting for possible extensions, ELs 1151 and 1152 expire on January 15, 2026. EL 1151 is 138,339 hectares, and EL 1152 covers 73,235 hectares, as detailed in Table 1.

In relation to other licences included in the EIS, EL 1151 is adjacent and to the east of EL 1121 and 34 km to the west of EL1134. EL 1152 is 18.5 km to the south of EL 1121 and 69 km to the west of EL1134 (Figure 1).

As the drilling on ELs 1151 and 1152 will constitute the first drilling program on these ELs, section 10 of the Regulations Designating Physical Activities will apply. The physical activities on EL1151 and EL1152 will be the same as those described within the Project Description, namely:

- Wellsite/geohazard/geotechnical surveys;
- Drilling by mobile offshore drilling unit (MODU), drillship, or jack-up;
- Vertical seismic profiling (VSP);
- Well testing, well completions, workovers/data logging;
- Decommissioning and abandonment of wells; and
- Vessel and helicopter operations.

The details of each activity as described in the Project Description will apply to ELs 1151 and 1152. The maximum number of wells to be drilled for the Project is 10 and does not change as a result of the inclusion of ELs 1151 and 1152. The frequency of transit of support vessels and helicopters does not change as a result of the inclusion of ELs 1151 and 1152. An average of five helicopter trips per week from St. John's is expected and one additional trip per week for the vessel responsible for transporting supplies to the MODU will be required per drilling program. Additional trips may be required seasonally for ice management. As with all other exploration wells, wells within 1151 and 1152 may be suspended. Well abandonment will follow industry standard abandonment procedures and practices in accordance with C-NLOPB regulations.

The only modification from the Project Description is a slight extension of the temporal scope to cover the entire duration of the new licences, ELs 1151 and 1152. Since the licences were not officially issued to Husky until January 15, 2017, a nine year term will expire on January 15, 2026, instead of the November 30, 2025 expiry indicated in the Project Description. This change of a few weeks will extend the temporal scope of the Project into 2026.

Potential effects from the Project are not expected to be different from those described in the Project Description. ELs 1151 and 1152 are adjacent to existing Husky licences within the Jeanne d'Arc Basin, where water depth range between approximately 100 and 200 m. The area is well understood in terms of commercial fishing activity, biota and physical oceanography. As with EL1121, a portion of EL1151 does overlap with the Northeast Shelf and Slope Ecologically and Biologically Significant Area (EBSA). ELs 1151 and 1152 are not closer to traditional use by Indigenous peoples, than other ELs within the Project Area.

Husky therefore requests the incorporation of exploration licences 1151 and 1152 into the scope of the environmental assessment for the Husky Energy Exploration Drilling Project.

Yours sincerely,

HUSKY OIL OPERATIONS LIMITED

<Original signed by>

Gareth Igløforte,
HSEQ Manager

DP/GI/pk

cc: David Pinsent, Steve Bettles, Kathy Knox, Nick Crosbie, Margaret Allan - Husky

Table 1 - Land Description of ELs 1151 and 1152

| EL 1151 | LATITUDE* | LONGITUDE* | SECTIONS | HECTARES |
|----------------|------------------|-------------------|--|-----------------|
| | 47°30'N | 47°45'W | 41, 42, 51, 52, 61, 62, 71, 72, 81, 82, 91, 92 | 4 200 |
| | 47°20'N | 47°30'W | 47-49, 56-59, 61, 62, 66-69, 71-100 | 15 064 |
| | 47°20'N | 47°45'W | 1-100 | 35 040 |
| | 47°20'N | 48°00'W | 1-50 | 17 520 |
| | 47°10'N | 47°30'W | 49, 50, 59, 60, 69, 70, 79, 80, 87-90, 97-100 | 5 616 |
| | 47°10'N | 47°45'W | 1-39, 41-48, 51-57, 61-66,76,86,96 | 22 148 |
| | 47°10'N | 48°00'W | 6-10, 16-20, 26-30, 36-40, 46-50 | 8 775 |
| | 47°00'N | 47°45'W | 1-77 | 27 152 |
| | 46°50'N | 47°45'W | 10, 20, 30, 40, 50, 60, 70, 80 | 2 824 |
| | | | Hectares | 138 339 |

| EL 1152 | LATITUDE* | LONGITUDE* | SECTIONS | HECTARES |
|----------------|------------------|-------------------|--|-----------------|
| | 47°00'N | 48°15'W | 21-25, 31-35, 41-45, 51-55, 61-65, 71-75, 81-85, 91-95 | 14 120 |
| | 46°50'N | 48°00'W | 22, 23, 32-36, 42-47, 51-56, 61-64, 71-74, 81-84, 91-100 | 14 511 |
| | 46°50'N | 48°15'W | 1-50, 52-60, 63-70, 77-80, 88-90, 100 | 26 522 |
| | 46°40'N | 48°00'W | 59, 60, 68-70, 71-73, 77-83, 86-100 | 10 636 |
| | 46°40'N | 48°15'W | 3-10, 13-20, 27, 29, 30, 37, 40 | 7 446 |
| | | | Hectares | 73 235 |

*North American Datum 1927

Figure 1 - Location of ELs 1151 and 1152 in Proximity to ELs 1121 and 1134

