1.0 Introduction

ConocoPhillips Canada Resources Corporation (the "Operator") and partners Murphy Oil Corporation and BHP Billiton Limited are proposing an exploration/appraisal drilling program within Exploration Licenses EL1081, 1082, 1085, 1086 and 1087 (Figure 1.1). The proposed drilling sites are situated in the Laurentian Sub-basin over 250 km southwest of St. John's, Newfoundland and Labrador at water depths ranging from 100 to 2,300 m. Drilling operations are scheduled to commence in the second quarter of 2007, depending on regulatory approval and rig availability.

Previous environmental assessments (EAs) for the Laurentian Sub-basin include a strategic environmental assessment (SEA) conducted for the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) and the Canada-Nova Scotia Offshore Petroleum Board (C-NSOPB) (JWEL 2003), and two seismic exploration screening level EAs conducted for ConocoPhillips (Buchanan et al. 2004; Christian et al. 2005). The Study and Project areas used in this EA are shown in Figure 1.1. The Study Area boundaries were determined by assessing the potential zones of influence of accidental events (as per CEA Agency 2003) (see Section 6.0).

1.1. Relevant Legislation and Regulatory Approvals

The Project will require authorizations pursuant to Section 138 (1) (b) of the *Canada-Newfoundland Atlantic Accord Implementation Act* and Section 134 (1) (a) of the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act*. Subject to Section 5 (1) (d) of the *CEAA*, C-NLOPB (also referred to as "the Board") is a responsible authority (RA) and must undertake an environmental assessment (EA) of the Project.

Legislation that is relevant to the environmental aspects of this Project include

- Canada-Newfoundland Atlantic Accord Implementation Acts
- Canadian Environmental Assessment Act
- Oceans Act
- Fisheries Act
- Navigable Waters Protection Act
- Canada Shipping Act
- Species at Risk Act
- Migratory Birds Convention Act
- Canadian Environmental Protection Act

There is no federal funding for this Project. Federal lands are involved and they are administered by the C-NLOPB, a federal-provincial agency operating under the *Accord Acts*. A Drilling Program Authorization (DPA) and one or more Approvals to Drill a Well (ADW) are required to operate a drilling program in the east coast offshore.

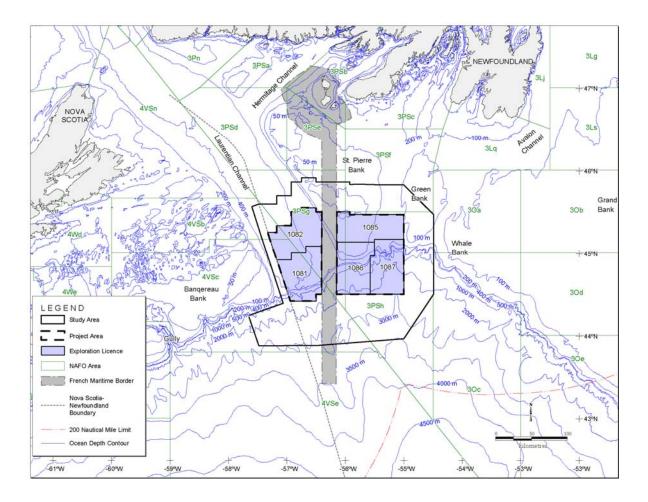


Figure 1.1. Laurentian Sub-basin Study and Project Areas used in the EA.

The EA (screening level) is coordinated among the C-NLOPB, and federal departments including Fisheries and Oceans (DFO), Environment Canada and the Canadian Environmental Assessment Agency (CEA Agency).

The exploration program has been determined to be one project as the ELs are in the same basin, and because similar activities will occur at the same time, and one company ConocoPhillips is the lead company for the purposes of the environmental assessment. The Board has officially designated ConocoPhillips to prepare the EA report on behalf of the Board.

1.2. Consultations

In preparation for the proposed exploratory drilling activities in the Laurentian Sub-basin, consultations were undertaken with relevant government agencies, representatives of the fishing industry and other interest groups. The purpose of these consultations was to describe the planned program, identify any issues and concerns, and gather additional information relevant to the preparation of the environmental assessment.

Copies of the Project Description and Scoping Document were sent to all agencies and stakeholder groups. Face-to-face meetings were subsequently arranged with several of the groups while others responded via telephone or email. At the meetings, CPC managers and their consultants provided additional information on the proposed exploration drilling program and responded to various questions and comments from agency and stakeholder group representatives.

Consultations were undertaken with the following agencies and interest groups:

- Fisheries and Oceans
- Environment Canada
- Natural History Society
- Alder Institute
- One Ocean
- Fish, Food and Allied Workers Union (FFAWU)
- Association of Seafood Producers
- Fishery Products International
- Groundfish Enterprise Allocation Council (Ottawa)
- Clearwater Seafoods Limited Partnership
- Icewater Seafoods
- Seafood Producers of Nova Scotia
- Nova Scotia Swordfish Association
- W. T. Grover Fisheries Ltd. (Torbay, NS)

1.3. Contacts

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1.4. Document Organization

The following EA is organized under the following major headings:

- Introduction
- Project Description
- Physical Environment
- Biological Environment
- Effects Assessment of Routine Activities
- Accidental Spills
- Summary and Conclusions
- Literature Cited