



July 10, 2008

Mr. Jim Beresford
StatoilHydro Canada Ltd.
Suite 600
235 Water Street
St. John's, NL A1C 1B6

Dear Mr. Beresford:

**Re: StatoilHydro Canada Ltd.
Exploration and Appraisal/Delineation Drilling Program
for Offshore Newfoundland, 2008-2016**

The Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) has reviewed the environmental assessment (EA) information regarding the proposed exploration and appraisal/delineation drilling program in the Newfoundland offshore area as described in the "*Environmental Assessment of StatoilHydro Canada Ltd. Exploration and Appraisal/Delineation Drilling Program for Offshore Newfoundland, 2008-2016*" (March 2008). The C-NLOPB, as Responsible Authority under the *Canadian Environmental Assessment Act*, has completed our environmental assessment determination respecting the Project. A copy of our determination is enclosed for your information.

The EA report, as referenced above, describes 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. During review of the EA, the C-NLOPB received comments. These comments are attached for your consideration during project planning and future EAs.

At the time of application for subsequent program authorizations in the Study Area, StatoilHydro Canada Ltd. (StatoilHydro) 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, StatoilHydro 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 if new information becomes available that 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 exploration and appraisal/delineation drilling program, as described in the EA report referenced above:

For drilling/geotechnical programs:

- *StatoilHydro Canada Ltd. 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 “Environmental Assessment of StatoilHydro Canada Ltd. Exploration and Appraisal/Delineation Drilling Program for Offshore Newfoundland, 2008-2016 (LGL 2008).*
- *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.*
- *Drilling activities, including moorings, shall not occur within 100 m of coral colonies without the prior approval of the Chief Conservation Officer. A coral colony is defined as:*
 - *Lophelia pertusa reef complex; or*
 - *5 or more large corals (larger than 30 centimeters in height or width) within a 100 square metre area.*

For VSP and/or Wellsite Surveys

- *StatoilHydro Canada Ltd. 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 “Environmental Assessment of StatoilHydro Canada Ltd. Exploration and Appraisal/Delineation Drilling Program for Offshore Newfoundland, 2008-2016 (LGL 2008).*
- *StatoilHydro Canada Ltd. 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.*

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