



July 10, 2008

Darlene Davis
Geophysical Service Inc.
176 Water Street
Windsor, Nova Scotia
B0N 2T0

Dear Ms Davis:

Re: CEAA Screening – ELs 1097, 1098, 1103 & 1104 Geophysical Surveys Program

I am writing in response to your July 08, 2008 letter concerning the disposition of the CEAA screening for the proposed geophysical survey program on Exploration Licenses (ELs) 1097, 1098, 1103 and 1104.

Under the *Canadian Environmental Assessment Act* (CEAA), the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB), as Responsible Authority (RA) must ensure that an environmental assessment (EA) is carried out for any work or activity it authorizes. In addition, the CEAA enables the C-NLOPB to delegate the preparation of the EA report to another party. However, the C-NLOPB cannot delegate its authority respecting an EA determination.

With respect to the proposed geophysical survey program on ELs 1097, 1098, 1103 and 1104, the C-NLOPB designated the preparation of the environmental assessment to NWest Energy Inc., as stated in the Scoping Document (C-NLOPB 2007).

The C-NLOPB intends that the environmental impact statement submitted with any supporting documents, as may be necessary, will fulfill the requirements for a Screening. The C-NLOPB, therefore, pursuant to Section 17 (1) of the CEAA, formally delegates the responsibility for preparation of an acceptable Screening environmental assessment to NWest Energy Inc., the project proponent. The C-NLOPB will prepare the Screening Report, which will include the determination of significance.

As stated in your letter, Geophysical Service Inc. (GSI) is assuming the role of Operator for the geophysical survey program, and project proponent. Therefore, pursuant to Section 17(1) of the CEAA, the C-NLOPB formally delegates the responsibility for the preparation and completion of the Screening environmental assessment to Geophysical Service Inc. A copy of the Scoping Document is attached for your information.

The review of the NWest Energy Inc. EA report generated various comments (see attached) which must be addressed by GSI prior to the C-NLOPB completing the Screening Report. Upon receipt of a document, which addresses these comments, the C-NLOPB will determine if further information is required or if it has sufficient information to complete the Screening Report. The C-NLOPB cannot issue the authorization until it has completed its Screening Report.

If you have any questions or wish to discuss these comments, please contact Elizabeth Young by email at eyoung@cnlopb.nl.ca or 709-778-4232.

Yours truly,

Original signed by K. Coady

Kim Coady
Environmental Assessment Officer

cc D. Burley
D. Hawkins
J. Andrews
C. Flanagan