



December 20, 2007

Ms. Vanessa Pennell
PDI Production Inc.
Suite 201
Baine Johnston Centre
10 Fort William Place
St. John's, NL A1C 1K4

Dear Ms. Pennell:

**Re: Port au Port Bay Exploration Drilling Program
Environmental Assessment**

The Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) has reviewed the environmental assessment information regarding the proposed exploration drilling program in the Port au Port Bay area as described in the "*Port au Port Bay Exploration Drilling Program Environmental Assessment*" (June 2007), and "*Port au Port Bay Exploration Drilling Program Environment Assessment Addendum*" (November 2007). 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 environmental assessment report and addendum, as referenced above, describe 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.

At the time of application for subsequent program authorizations in the Study Area, PDI Production Inc. (PDIP) 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, PDIP 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 condition is recommended to be appended to authorizations granted by the C-NLOPB for the exploration drilling program, as described in the environmental assessment reports referenced above:

- *PDI Production Inc. 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 “Port au Port Bay Exploration Drilling Program Environmental Assessment”(LGL 2007) and the “Port au Port Bay Exploration Drilling Program Environmental Assessment Addendum” (LGL 2007).*

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

Enclosure

cc D. Burley