



February 06, 2009

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

Dear Ms. Pennell Mercer:

**Re: PDI Production Inc. Port au Port Peninsula
Ocean Bottom Cable Seismic/VSP Program, 2009 - 2014
Environmental Assessment**

The Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) has reviewed the environmental assessment (EA) information regarding the proposed ocean bottom cable (OBC) seismic and VSP program offshore western Newfoundland as described in the *“Environmental Assessment of the PDI Production Inc. Port-au-Port Peninsula Ocean Bottom Cable Seismic/VSP Program 2009-2014”* (LGL October 2008) and *“Responses to Comments by Reviewers of the Environmental Assessment of the PDI Production Inc. Port-au-Port Peninsula Ocean Bottom Cable Seismic/VSP Program 2009-2014”* (LGL January 2009). 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 document, 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, as well as information provide by PDIP on January 26 responding to C-NLOPB inquires, 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 outlined in the EA report, and those included in the C-NLOPB screening report, is not likely to cause significant adverse environmental effects.

The 2008 Geophysical, Geological, Environmental and Geotechnical Program Guidelines (C-NLOPB) incorporated the “Statement of Canadian Practice with Respect to the Mitigation of

Seismic Sound in the Marine Environment (see Appendix II) as the recommended mitigations to be implemented during marine seismic programs. Included in these recommendations are planning considerations respecting the size of the energy source required to achieve the desired operational objective (see Part 1, Section 3).

At the time of application for subsequent program authorizations in the Study Area, 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 of the project, 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 C-NLOPB Screening Report has identified the following conditions, which will be recommended as conditions to the 2009 authorization.

- *PDIP 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 the PDI Production Inc. Port-au-Port Peninsula Ocean Bottom Cable Seismic/VSP Program 2009-2014” (LGL October 2008) and the “Responses to Comments by Reviewers of the Environmental Assessment of the PDI Production Inc. Port-au-Port Peninsula Ocean Bottom Cable Seismic/VSP Program 2009-2014” (LGL January 2009).*
- *PDIP shall implement or cause to be implemented the mitigation measures outlined in the Geophysical, Geological, Environmental and Geotechnical Program Guidelines (C-NLOPB 2008) respecting 2D/ 3D seismic surveys and VSP surveys.*
- *During ramp-up, or when the airgun array is active, 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.*
- *That PDIP, as committed in the 2008 EA report, be required to design and implement a monitoring program respecting potential effects of its proposed seismic survey on lobster in the general survey area. The program should be designed in consultation with staff of DFO and C-NLOPB's Environmental Affairs department, and in consideration of fisheries interests in the associated area. PDIP must submit its proposed study design to the C-NLOPB at least 3 months prior to the planned survey commencement.*

The following mitigations are recommended by the C-NLOPB for OBC seismic/VSP activities.

- *For project activities that may occur near the two Black-legged Kittiwake colonies on the southwestern tip of the Port au Port Peninsula, additional mitigations (i.e. avoidance during the sensitive breeding season May to mid August) may be required. As well mitigations provided by the CWS and committed to by PDIP in the “Responses to Comments by Reviewers of the Environmental Assessment of the PDI Production Inc. Port-au-Port Peninsula Ocean Bottom Cable Seismic/VSP Program 2009-2014” may be required.*
- *For project activities that may occur in the nearshore shallow areas where the inshore lobster fishery occurs, additional mitigations (i.e., avoidance) may be required.*
- *For project activities that may occur near the Cod Spawning Box, additional mitigations (i.e. avoidance during the important spawning time (i.e. April-June)) will be required.*

If you have any questions 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