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**Doc. No.: HUS-GOV-AR-LTR-00123**

Dear Sir or Madam:

**RE: Review of The Draft Agreement to Conduct a Regional Assessment of Offshore Oil and Gas Exploratory Drilling East of Newfoundland and Labrador.**

Husky Energy is one of Canada's largest integrated energy companies, with operations in Canada, the United States and the Asia Pacific region. In Canada, we have operations and more than 4,200 permanent employees across Canada, including approximately 400 permanent employees in Newfoundland and Labrador supporting our Atlantic offshore business.

The Atlantic offshore is a key business driver for Husky. In 2017 we announced capital spending of \$2.2 billion to 2022 to advance our share of the West White Rose Project. We are active explorers in the region and aspects of Bill C-69 related to panel review of offshore exploration wells has a significant potential impact on execution of Husky exploration plans.

Husky believes the economy and the environment can go hand in hand if policy maintains focus on key environmental and economic principles that ensure Canadian companies can compete both nationally and internationally, continue to attract investment, and maintain and create jobs.

While there is no purpose or objective stated within in the Draft Agreement to Conduct a Regional Assessment of Offshore Oil and Gas Exploratory Drilling East of Newfoundland and Labrador, Husky Energy supports the initiative to conduct a RA as a basis for exemption of exploration drilling projects from the requirement for impact assessment as proposed under the draft Impact Assessment Act. However, we are concerned by the lack of detail in the Draft Agreement. Husky has identified areas of concern and proposed solutions that will improve the Regional Assessment as a regulatory tool and provide greater certainty to potential explorers.

As a Crown-led initiative, Indigenous and stakeholder consultation is critical to the successful completion of a Regional Assessment. The Draft Agreement does not reference either the process or scope for consultation, leaving a completion date of Fall 2019 in doubt. The Agreement should set expectations for a consultation plan that are achievable in the allotted time.

In addition to the need for greater clarity around consultation expectations, requirements related to the Government of Canada's commitment to climate change and the effect on intersection of sex and gender with other identity factors need clarification. Current lack of definition of how these requirements apply is a significant barrier to successful completion of the RA by Fall 2019.

A meaningful RA of exploration drilling must include the geophysical surveys associated with each well. Wellsite surveys are required by the Canadian-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) as a safety measure to identify potential hazards for each exploration well. Vertical seismic profiles (VSP) are commonly used to delineate the specific petroleum resource targeted by each well. Wellsite surveys and VSPs are standard activities assessed as part of every offshore drilling environmental assessment.

Although delineation drilling is not an activity listed under the Regulations Designating Physical Activities, we recommend it be considered within the scope of activities assessed within the RA since there is no distinction between activities or potential environmental effects for an exploration well. Inclusion of delineation wells into the RA would avoid the duplication of consultation and assessment for subsequent wells, within each exploration license.

Provisions for updates should be included in the terms of reference for the RA, as there are for environmental assessments under the C-NLOPB. Changes in species at risk, protected areas and commercial fishing for example, must be reconsidered periodically to ensure mitigation and monitoring requirements are appropriate. Likewise, we can anticipate changes in drilling technology that may require an update to mitigations or monitoring requirements. Periodically, proponents should demonstrate they have considered any new information and whether the mitigations proposed in the RA are appropriate. If new data are continually added to the RA, the document will continue to be fit for purpose.

Completion of the RA by Fall 2019 is crucial to avoiding multiple, simultaneous review panel assessments for exploration drilling, should the Impact Assessment Act come into force by then, as it is currently drafted. To realize this deadline, there must be clear expectations set amongst all stakeholders and rightsholders.

Thank you for the opportunity to provide comments on the Review of The Draft Agreement to Conduct a Regional Assessment of Offshore Oil and Gas Exploratory Drilling East of Newfoundland and Labrador. We look forward to further consultation as the Draft Agreement advances. Please feel free to reach out to me directly by email ([trevor.pritchard@huskyenergy.com](mailto:trevor.pritchard@huskyenergy.com)) phone (709-724-6599), or to Husky Government Relations at 403-750-1503.

Sincerely,

HUSKY OIL OPERATIONS LIMITED

<Original signed by>

Trevor Pritchard  
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