



September 19, 2013

Mr. Don Williams
Health, Safety, Environment and Quality Lead, Projects
Husky Energy
Suite 901, Scotia Centre
St. John's, NL
A1C 1B6

Dear Mr. Williams:

Re: White Rose Extension Project Environmental Assessment

The Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) has reviewed the environmental assessment (EA) information regarding the proposed extension of the White Rose field using a wellhead platform as described in the *White Rose Extension Project Environmental Assessment* (Husky, 2012) and *Response to Review Comments on the White Rose Extension Project Environmental Assessment* (Husky, 2013). The C-NLOPB, Fisheries and Oceans Canada, Environment Canada, and Transport Canada, as Responsible Authorities under the Canadian Environmental Assessment Act (*S.C. 1992, c. 37*), have completed the screening report respecting the Project. A copy of the report is enclosed for your information.

The EA Report, EA Addendum and supporting documents, as referenced above, describe the Project in sufficient detail and provide 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 that the proposed project, following the application of mitigation measures, is not likely to cause significant adverse environmental effects.

On October 30, 2012, Husky were informed by the Newfoundland and Labrador Department of Environment and Conservation (NLDEC) that the project activities associated with the Argientia Peninsula and Placentia Bay portion of the project were subject to an Environmental Preview Report. In order to fulfill the requirements of both the *Environmental Protection Act* and the *Canadian Environmental Assessment Act*, an agreement was reached between the C-NLOPB, as the Federal Environmental Assessment Coordinator (FEAC) for the Screening level EA, and the NLDEC that a single harmonized environmental assessment process could accommodate the Province's information and review process requirements.

The scope of the provincial EA was confined to project details regarding the Argentinia Peninsula and activities in Placentia Bay and required approval of the Minister of Environment and Conservation under Section 54 of the *Environmental Protection Act* and Section 7 of the *Environmental Assessment Regulations*.

The Minister of Environment and Conservation, following review of comments from the public and recommendation from the Assessment Committee, determined on August 21, 2013 that the EA Report and Addendum was considered satisfactory and that the project was released from further environmental assessment, subject to the following conditions:

- A Groundwater Monitoring Plan must be submitted to and approved by the Minister of Environment and Conservation prior to the start of dewatering of the Graving Dock site.
- The 2007 White Rose Expansion Project Framework Agreement must be amended to include benefit requirements for the Wellhead Platform Project as negotiated with the Province. These amendments must be finalized and approved by the Minister of Natural Resources prior to the commencement of any construction activities.

At the time of application for subsequent program authorizations in the Project Area, Husky Energy 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, Husky Energy 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 White Rose Extension Project, as described in the environmental assessment reports referenced above:

For any authorizations issued by the C-NLOPB:

- *Husky Energy 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 “Husky Energy White Rose Extension Project Environmental Assessment” (Husky December 2012), and supporting documents, and the “Husky Energy White Rose Extension Project Response to Review Comments on the White Rose Extension Project Environmental Assessment” (Husky 2013).*

For Drilling and Production Operations:

- *Husky Energy will be required to submit to the Chief Conservation Officer, no later than 12 months prior to the scheduled commencement of offshore drilling activities associated with*

the Project, an amended EEM design that incorporates drilling and production activities associated with the proposed activities, and tie-back to the SeaRose. The amended EEM Plan should be consistent with the strategy in the Husky EEM Design Report, discuss any changes that may be required to existing sampling stations, and consider the necessity for collection of baseline data at any or all of the new drill centre and CGS locations. Drilling operations associated with the Project will not be authorized until an acceptably amended EEM Plan is in place. Drill cutting dispersion model predictions will be validated in situ by monitoring the thickness of cutting piles on the seafloor once the White Rose EEM program is revised to accommodate operation of the WREP.

- *Husky Energy will be required, prior to commencement of offshore construction activities, to collect any field data required to inform the design of its EEM program.*
- *Husky Energy will design a drill cuttings particle size sampling plan to be executed at the next opportunity. The samples will be analyzed for particle size and those data will be compared to the data used for input into the WREP environmental assessment cutting dispersion model (AMEC 2012). If the particle size data sets are not comparable, the cutting dispersion model(s) will be re-run and the results used to re-assess and adjust the associated environmental assessment predictions, as necessary.*

For VSP and/or Wellsite Surveys

- *The Operator, or its contractors, shall shut down the seismic air gun array if a marine mammal or sea turtle listed as Endangered or Threatened (as per Schedule 1 of SARA) is observed in the safety zone during ramp- up procedures and when the array is active. The safety zone shall have a radius of at least 500 m, as measured from the centre of the air source array(s).*

For authorizations issued by Fisheries and Oceans Canada, it is recommended that the following conditions be appended, if the Project is approved.

- *Husky Energy (the Operator) 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 “Husky Energy White Rose Extension Project Environmental Assessment” (Husky December 2012), and supporting documents, and the “Husky Energy White Rose Extension Project Response to Review Comments on the White Rose Extension Project Environmental Assessment” (Husky 2013).*

For Near Shore Activities (Graving Dock)

- *To compensate for the loss of productive fish habitat associated with the excavation and dredging of the seabed adjacent to the graving dock, Husky Energy will agree to conditions related to mitigations, fish habitat compensation measures and monitoring as presented in its subsection 35(2) Fisheries Act Authorization.*

For VSP and/or Wellsite Surveys

- *The Operator, or its contractors, shall adhere to the “Statement of Canadian Practice with respect to Mitigation of Seismic Sound in the Marine Environment”, which specifies the mitigation requirements that must be met during the planning and conduct of marine seismic surveys, in order to minimize impacts on life in the oceans.*

For permits issued by Environment Canada, it is recommended that the following conditions be appended, if the Project is approved.

- *Any effluents discharged to the marine environment at Argentia during CGS construction must meet the requirements of the general provisions of the Fisheries Act Section 36(3).*

If you have any questions on the attached, or wish to discuss the environmental assessment review process, I may be reached at 709-778-4232 or via email at eyoung@cnlopb.ca

Yours truly,

Original signed by Darren Hicks for

Elizabeth Young
Environmental Assessment Officer

Enclosure

cc. D. Burley
Jeffrey Corkum, Environment Canada
Tilman Bieger, Fisheries and Oceans Canada
Kevin Leblanc, Transport Canada
Bill Coulter, Canadian Environmental Assessment Agency
Bas Cleary, NL Department of Environment and Conservation