

**Assessment Committee Comments
on
Environmental Assessment Report / Environmental Preview Report
for
Argentia Wellhead Platform for White Rose Extension**

Date: February 12, 2013

Reg. No. 1665

DEPARTMENT OF ADVANCED EDUCATION AND SKILLS

The Labour Market Development Division and the Skills Development Division of the Department of Advanced Education and Skills have reviewed the environmental assessment report provided for EA Registration #1665 by the proponent (Husky Energy). We are satisfied that the information provided in this report meets our requirements as outlined in the EA Guidelines for this project, and have no further comments on this report. In our opinion, the project may proceed.

As the project moves closer to commencement, we are requesting copies of any HR, Benefits, Diversity and/or Women's Employment plans prepared for this project, as well as quarterly employment reports as outlined in the guidelines document.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Environmental Assessment Division

Adequate justification provided on the need for a labour camp.

Regarding site decommissioning see Water Resources Management Division comments below.

Pollution Prevention Division

Further Information Required during EA:

1. Information related to all potential discharges from the activity should be provided. This includes, but is not limited to details regarding the discharge locations, expected quality, duration, monitoring and receiving areas.
2. It is stated that water removed from the graving dock will be pumped into a lined 2,700 m² settling pond, where it will be aerated and tested against applicable regulations prior to ocean disposal. Details should be provided on how the water flow into the settling pond will be managed, and how this water will then be discharged into the ocean. Is it known that the proposed settling pond will be able to hold a large enough volume of water to avoid overflow and potential ground contamination?

3. Section 2.3.2.2 indicates the material volume proposed to be disposed of in the pond would exceed the water volume but would not exceed the volume of the natural topography of the pond. If this is the case, would additional soil be brought to the site to completely level the area? Please provide further information.
4. In order for material to be disposed in the Pond, it must be demonstrated that this is a beneficial use. This has not been demonstrated thus far. It is stated that *“Sediments within the pond are contaminated and capping the contaminated sediments with cleaner sediments is a method of remediation that has previously been proposed”*. The ERA completed in 1998 indicated potential for unacceptable risks from PAHs in The Pond. However, in closure documentation provided to the Department by PWGSC, it is stated that a Risk Management Objectives (RMOs) were developed by Cantox in 2005 which concluded that further remediation was not required at the Pond. This same conclusion is referenced on page 2-33. It is therefore not evident that remediation/risk management is actually required at the Pond. In addition, based on the sediment samples collected during the recent sampling programs conducted by Husky, the pond sediment chemistry does not appear to be significantly different than that of the dredged materials and soil, with the exception of some slight PCB exceedances. The PCB results appear to be fairly consistent with those from 1997. Based on this, in order to determine if disposal in the pond is a beneficial use for excavated materials, an updated risk assessment would be required to demonstrate that risk management/capping is warranted.
5. Should dredged material be permitted to be placed in the Pond, what measures will be in place to prevent fines in the material from becoming airborne?
6. In the assessment of disposal alternatives for excavated materials, it is noted that out of area disposal is the environmentally preferred option. Clarification should be provided as to whether there is sufficient demand in the region for the excavated materials to be used as landfill cover. Section 2.3.2.3 refers to recent informal correspondence with Eastern Waste Management regarding the demand for cover material at nearby landfills. Husky should consult with the Department of Municipal Affairs to ascertain this demand, as that Department is the lead agency for the closure of landfills in this province.

Department Requirements

7. It has been suggested that Husky would like to treat any petroleum hydrocarbon and metals impacted soil on site. Note that prior to this, approvals from Service NL and Department of Environment and Conservation would be required and there may be further sampling requirements.
8. The operation of diesel generators at the site may require a Certificate of Approval from the Pollution Prevention Division, as per the Department's Guidance Document GD-PPD-061.1 (Approval of Diesel Generators).

9. Pending a review of the additional information to be provided by the proponent, a Certificate of Approval may be required from the Pollution Prevention Division for this project.
10. Any use of regulated substances, for example in cooling systems and fire suppression systems, associated with this proposed activity is subject to Halocarbon Regulations.
11. Any discharge from the proposed site is subject to compliance with the Environmental Control Water and Sewage Regulations. Analyses completed for the purposes of compliance will be subject to the Accredited Laboratory Policy (PD:PP2001-01.2).
12. White Rose has an Environmental Effects Monitoring (EEM) program in place for the offshore operations and this program will be re scoped to include the expansion. If there is a federal requirement for EEM at the Argentia site during construction, copies of the study designs and reports should be provided to the Department.

Other Comments

13. As a condition of release from Environmental Assessment, the Proponent should be required to prepare an acceptable Environmental Protection Plan that includes proposed effluent monitoring programs.
14. During a site visit by Department officials in the fall of 2012, several coils of razor wire were noted just to the east of The Pond. These should be removed and disposed of safely.
15. There is indication of groundwater monitoring at the site to determine site suitability. The groundwater monitoring should continue throughout the proposed activity to ensure that there are no impacts as a result of the activity.

Water Resources Management Division

General Comments

1. The requested information on groundwater flow and groundwater quality monitoring and treatment has not been provided in sufficient detail for WRMD to provide any recommendation. The proponent should provide the requested information.
2. As per information provided, the Pond has been contaminated by previous users, does not have any fish, has no surface connections to other water bodies and is not accessible to the public because it is surrounded by private land. As such, the proponent must obtain a permit under Section 48 of the Water Resources Act prior to

infilling the Pond and ensure that water discharged from the Pond meets all regulatory requirements.

3. Pg2-2: the proponent indicates that the graving dock could be constructed as a permanent facility with gates or single-use facility that will be left flooded. The EA document does not confirm whether the proponent has chosen an option or not at this time.

Permitting Requirements

The proponent must apply for a non-domestic drilled well permit under Section 58 of the Water Resources Act for the proposed drilled well(s)

Contact: Manager, Groundwater Section (709) 729-2539.

The proponent must obtain a Water Use License from this Division for the use of any volume of water from any water source. As part of this licence the proponent will be required to provide a water use or diversion monitoring and reporting plan for all groundwater and surface water sources.

Contact: Manager, Water Rights Section (709) 729-4795

The proponent will require approval from this Division under Section 48 of the *Water Resources Act* before starting construction activities within 15 metres of any water body (including wetlands). Construction activities include all stream crossings, dams, drainage works, fording and any other work such as landscaping, clearing or cutting of any natural vegetation within 15 metres of a body of water.

Contact: Manager, Water Investigations Section (709) 729-5713

Any effluent or runoff leaving the site will be required to conform to the requirements of the Environmental Control Water and Sewage Regulations, 2003.

Department of Natural Resources

On behalf of Natural Resources (Mines and Energy), we have reviewed the EPR report for the Argentia Wellhead Platform Project and have found that the Operator failed to include comments requested in the Guideline.

Thus, we reiterate the need for the Operator to include in the EPR document the following commitments:

- All benefit amendment components including local benefit capture, and Gender Equity and Diversity Plans (including Business Access Strategies) with the Province for the construction, operations and decommissioning phases of the project will be finalized and approved by the Minister of Natural Resources, and for Gender Equity and Diversity, the Minister responsible for the Status of Women prior to the start of construction,
- The Operator must agree to address any additional benefit concerns identified by the province arising from the Wellhead project, and

- Any Benefit Amendments will be submitted to the CNLOPB as an amendment to the Benefits Plan, and will also be amended in the overall White Rose Benefit Framework if deemed necessary by the Province.

Executive Council, Women's Policy Office

The Women's Policy Office is in agreement with the assessment provided by Natural Resources.

The Operator failed to include comments requested by WPO in the Guidelines and we reiterate the need for the Operator to include in the EPR document the following commitment:

- All benefit amendment components including Gender Equity and Diversity Plans (including Business Access Strategies) with the Province for the construction, operations and decommissioning phases of the project will be finalized and approved by the Minister of Natural Resources, and for Gender Equity and Diversity, the Minister responsible for the Status of Women prior to the start of construction.