CANADA-NEWFOUNDLAND and LABRADOR OFFSHORE PETROLEUM BOARD

December 15, 2006

Mr. Urban Williams
Senionr Advisor, Environment and Emergencies
Petro-Canada
235 Water Street, Scotia Centre
St. John's, NL A1C 1B6

Dear Mr. Williams:

Re: Petro-Canada Terra Nova VSP Program
Environmental Assessment

The Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) has reviewed the environmental assessment information regarding the proposed VSP program for the Terra Nova Field as described in the November 2006 *"Environmental Assessment of Petro-Canada's Vertical Seismic Profiling Program at the Terra Nova Development"* (LGL 2006) and supporting documentation. The C-NLOPB has completed our environmental assessment determination respecting the Project. A copy of our determination is enclosed for your information.

The environmental assessment report, as referenced above and supporting information describe the Project in sufficient detail and provides an acceptable assessment of the potential environmental effects of the conduct of vertical seismic profiling over the lifetime of the Terra Nova 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.

Prior to commencement of VSP programs in any given year, Petro-Canada will be required to provide project 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, the Operator shall provide information regarding the adaptive management of requirements of the *Species at Risk Act (SARA)* into program activities (e.g., introduction of new species or critical habitat to Schedule I; additional mitigations; implementation of recovery strategies and/or monitoring plans). If there are any changes in the scope of the project, or information is available which may alter the EA conclusions, then a revised EA may be required at the time of authorization application and/or renewal.

The following conditions are recommended to be appended to the authorizations granted by the Canada-Newfoundland and Labrador Offshore Petroleum Board for the proposed, VSP program as described in the environmental assessment report referenced above:

- *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 ""Environmental Assessment of Petro-Canada's Vertical Seismic Profiling Program at the Terra Nova Development" (LGL 2006).*
- *The Operator shall implement or cause to be implemented the mitigation measures outlined in Appendix 2 of the Geophysical, Geological, Environmental and Geotechnical Program Guidelines (C-NLOPB 2004) respecting VSP surveys.*
- *The "safety zone" defined for marine mammal and sea turtles is designated to be 500 m.*
- *During ramp-up, and/or when the airgun array is active, the airgun(s) shall be shut down, if a marine mammal or sea turtle, listed as **Endangered** or **Threatened** (as per Schedule I of SARA), including the North Atlantic right whale, Blue whale, and leatherback turtle, is observed within 500 m of the airgun array.*
- *In the conduct of VSP surveys that require line changes, the airgun array shall be reduced to a single airgun and the airgun shall remain active. If at anytime the airgun is shut down for a period of time exceeding 30 minutes, then ramp-up procedures as outlined in Appendix 2 of the Geophysical, Geological, Environmental and Geotechnical Program Guidelines (C-NLOPB 2004) shall be implemented.*

The Canadian Wildlife Service has developed a protocol for seabird monitoring from fixed and moving platforms and should be referenced when developing the marine mammal and seabird observation program. Contact Jeannette Goulet at 709-772-7500 for the most recent version of the protocol.

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. Gover