

CANADA – NOVA SCOTIA OFFSHORE PETROLEUM BOARD

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File No. 30,008.14 / BA50,001

November 15, 2004

Mr. Roger Hunka
Netukulimkewe'l Commission
P.O. Box 1320
Truro, NS
B3N 5N2

Dear Mr. Hunka:

**Re: BEPCo Canada Company – Environmental Assessment Report
Exploratory Drilling on EL2407**

We acknowledge receipt of your letter dated October 15, 2004, and the additional comments you have made regarding the environmental assessment for the proposed exploratory drilling program by BEPCo Canada on EL2407.

The CNSOPB, along with other responsible authorities (RAs) under the Canadian Environmental Assessment Act (CEAA), is undertaking and preparing a comprehensive study of the drilling program project. The sole purpose of the study is to determine whether the project is likely to cause significant adverse environmental effects as defined under CEAA. Socio-economic conditions may play a part in determining whether there are significant adverse effects if those conditions are caused by a change in the environment due to the drilling program project.


Should the comprehensive study indicate that the project will have no significant adverse effects on the environment, BEPCo would then be in a position to make an application to the CNSOPB for a work authorization to commence the drilling program pursuant to section 142 of the *Canada-Nova Scotia Offshore Resources Implementation Act* and its provincial mirror (*Accord Acts*). This application would entail the submission of a scope of work, safety plan, Canada-Nova Scotia benefits plan, proof of financial responsibility and other documentation as required by the *Accord Acts*. It should be noted that an application for a work authorization for the drilling of an exploratory well is a different process than that of a development plan application for an offshore production project.

At the stage when an application for a work authorization is made by BEPCo, the comprehensive study report will be utilized by the CNSOPB in determining whether the application should be approved and under what conditions. Mitigation measures that may be identified in the report and those identified in the documents for the application of the work authorization, would be used to formulate conditions on the drilling activity.

As referenced in our letter of September 24th, 2004, your comments regarding the environmental assessment of the proposed project will be considered in the Comprehensive Study Report. There is no public review of other documents required for a work authorization application. However, your comments that reference other regulatory matters are on the public registry, and will be considered by the CNSOPB should it receive an application from BEPCo Canada to drill an exploration well on EL2407.

If you have further questions, may I suggest you contact me to arrange a meeting to discuss the use of the CEAA to conduct environmental assessments required by the CNSOPB for all authorization applications for proposed petroleum work in the Nova Scotia Offshore Area.

Sincerely,



C. Andrew Parker
Manager, Environment

c.c. The Honourable R. John Efford
The Honourable Cecil Clark
The Honourable Stephane Dion
Chief and President Grace Conrad, NCNS
Mr. J.E. (Jim) Dickey, CNSOPB
Mr. Derek McDonald, CEAA
Mr. Peter Bedrossian PFP/CEAA