



P.O. Box 1006
Dartmouth, Nova Scotia
B2Y 4A2

Your file / Votre référence

September 13, 2004

Our file / Notre référence
File No. 03-FCR-409

Mr. Andy Parker
Environment Manager
Canada-Nova Scotia Offshore Petroleum Board
6th Floor, TD Centre
Halifax, NS
B3J 3K9

CNSOPB Rec'd			
Date:			
	TO	A	BY
1	CAP/ET/BV/BBP		
2	copy to file		
3			
Doc. Reg. No.:		5207	
File No.:		30,008.8 / CP54,011	

Dear Mr. Parker:

RE: Cohasset Phase II Decommissioning

On July 2, 2004 Fisheries and Oceans Canada (DFO) provided comments on the technical merits of EnCana's environmental assessment for the decommissioning of the Cohasset project. The environmental assessment proposes two possible options for the decommissioning. One option is a total removal of all material associated with the project as per the original Development Plan Application (DPA). The other option proposed is the removal of the platforms with the abandonment of the flow lines and manifolds. DFO's review found that neither option would likely pose a significant environmental effect.

However, there is potential for the partial removal option to negatively impact other ocean users and activities. There are significant quahog resources (16-26 tonnes) within the approximately 42 km square area of anchoring restriction zone around the flow lines, mattresses and pipeline manifolds. Although quahogs constitute the major fisheries resource in the area, snow crab, offshore lobster, silver hake and scallop and future groundfish fisheries may also be impacted. Conflicts with ongoing and future fisheries would be avoided under the total removal option.

If the option of partial removal is chosen, DFO's recommendation is that a long term monitoring and reporting program be put in place to monitor the impending burial and uncovering process of the flow lines. Therefore, cost/benefit analysis of the options should include the costs for the operator (EnCana) to undertake this

.../2



Mr. Parker

-2-

September 13, 2004

long term monitoring. Additionally, if partial removal is considered, further discussion on liability/indemnification issues would be required with other potential users of the area. This is particularly important in the event that the owner of the abandoned infrastructure ceases to exist.

With this being the first decommissioning of an offshore oil and gas production field, it could be seen as setting a precedent for future decommissioning activities. Given this and the fact that the two options under consideration represent significantly different approaches to ocean use, DFO strongly recommends that these options (and other possible scenarios for decommissioning of offshore oil and gas operations) be considered in development of a "decommissioning policy" for offshore oil and gas operators by responsible authorities.

Yours sincerely,



Carol Ann Rose

Regional Director
Oceans and Habitat Branch

c.c: D. McDonald (CEA Agency)
I. Travers (EC)
P. Zamora

NO
HABITAT
NO FISH

Fisheries and Oceans
Habitat Management
Division
Maritimes Region

Pêche et Océans
Division des gestion de
l'habitat
Région des Maritimes

Pages to follow : 2

Date : Sept 14/04

From Fax : 1-902-426-1489

From Voice # :

Habitat Management
Division, DFO
P.O. Box 1006
1 Challenger Drive,
5th Fl, Polaris Bldg.
Dartmouth, Nova Scotia
B2Y 4A2

From: Phil Zamora

To: Andy Parker

Fax # 422-1799

Notes:

Andy Re Cohasset. Decommissioning
Please find attached letter
you have been waiting for.
Please also inform Beth that the
quahog estimate in the draft Screening Report
should be revised to 16-20 tonnes. Thank
Phil