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courtesy Oct. 21 '04

CANADA - NOVA SCOTIA OFFSHORE PETROLEUM BOARD

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File No.: 30,008.14 / BA50,001

October 20, 2004

Mr. Patrick Blanchard
Division Drilling Superintendent
Bass Enterprises Production Co.
Two Lakeway Center - Suite 1900
3850 N. Causeway Boulevard
Metairie, LA, 70002

Dear Mr. Blanchard:

Re: Environmental Assessment – Exploratory Drilling on EL 2407

The Canada-Nova Scotia Offshore Petroleum Board (the Board) has reviewed the document entitled *Environmental Assessment Report Exploratory Drilling on EL 2407*, submitted to the Board by BEPCo. Canada Company on July 20, 2004. The review of the environmental assessment document (EA) includes comments from Department of Fisheries and Oceans (DFO), Environment Canada and views received from the public. Public comments were received from the Netukulimkewe'l Commission, Ecology Action Centre, Seafood Producers Association of Nova Scotia, and World Wildlife Fund Canada. All comments received are provided in the Appendices.

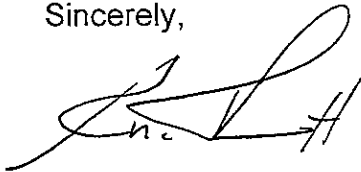
In general, the EA provides a reasonable overview of the potential impacts of the proposed exploratory drilling program. Many of the comments received are outside the scope of the EA. It is expected that BEPCO will give consideration to all topics that are specific to the environmental assessment and will prepare a response/position to the comments.

In regards to the Project Study Area, the current boundary extends beyond the expected zone of impact of the proposed drilling activities and, therefore, acts as a cautionary boundary that has a very high probability of encompassing all impacts (significant or otherwise). However, the impact assessment portion of the EA document requires supplementary information. Additional baseline information for valued ecosystem components needs to be provided to the Study

Area boundary and the impact analysis needs to be expanded to reflect the potential for impacts to extend beyond the spill trajectory model. For example, while the Study Area rationale identifies an intent to assess impacts that could potentially extend throughout the Haddock Box, the spatial boundary for this valued ecosystem component, as defined within the impact assessment, is limited to its south-western edge. Please refer to DFO's comments and Science Expert Opinion for further details on information and impact analysis requirements.

We look forward to receiving an addendum to the current environmental assessment document that address the issues raised respecting the environmental assessment. Please do not hesitate to contact me at 496-0742, if you wish further discussion or clarification of our comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eric L. Theriault', written in a cursive style.

Eric L. Theriault
Advisor Environmental Affairs

ELT/jls

Attachments

cc: J. Dickey, CNSOPB
A. Parker, CNSOPB
D. MacDonald, CEAA
B. Jeffrey, EC
P. Zamora, DFO
Joy Dube, DFO
Katherine Fleet, JWEL