

**CANADA – NOVA SCOTIA OFFSHORE PETROLEUM BOARD**

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File No.: 30,008.8 / CP54,011

July 13, 2004

Mr. James Spurr  
EnCana Corporation  
Suite 700, Founders Square  
1701 Hollis Street  
Halifax, Nova Scotia  
B3J 3M8

Dear Mr. Spurr:

**Re: Cohasset Project Phase II Decommissioning**

Please reference your July 8, 2004 letter to Andy Parker, respecting the comments that the Canada-Nova Scotia Offshore Petroleum Board (the Board) received on the proposed Cohasset Project Phase II Decommissioning project.

In your letter, your reference was limited to the CEAA process. Please note that the Board requested public comment on both the application to amend the Development Plan and the environmental assessment (EA) under CEAA. Many of the comments received are outside the scope of the EA but within the scope of the application to amend the Development Plan. Please provide a response on the topics directly related to the EA. You are also welcome to respond to the comments outside the scope of the EA if you have information that you think will be of assistance to the Board in its deliberations.

In addition to the public comments and those provided by DFO and EC, the Board requests that you provide additional information on the estimated costs of the following options:

- complete removal;
- abandonment of flowlines, cable and mattresses insitu (PLEMs removed);  
and
- abandonment of flowlines, cable, mattresses and PLEMs insitu.

This information will also be used in the Board's deliberation.

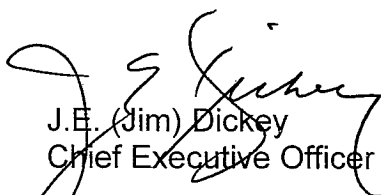
Definitive direction from the Board in authorizing and permitting EnCana to proceed with its decommissioning and abandonment work can only be provided once the Board has completed the CEAA process and made its final determination with respect to EnCana's application to amend the approved Cohasset – Panuke Development Plan. The CEAA process is scheduled to be complete by late September 2004 and the Board is currently scheduled to consider the application to amend the Development Plan at its October 2004 meeting. Should the Board approve the amendment application, it would be considered a fundamental decision under the Accord Acts which would then be subject to a 30 day government review period. Definitive direction could only be provided to EnCana after such review. If the Board were to reject EnCana's application to amend the Development Plan, definitive direction could be provided shortly after the October Board meeting.

As a further note, EnCana had once inquired about the possibility of proceeding with the partial abandonment of the remaining facilities whilst the application to amend the Development Plan was under review. Such work could not be authorized by the Board until after the CEAA process has been completed.

To enable staff to complete the CEAA process and prepare a recommendation for the Board for its October meeting, I request that the response to the comments be provided by July 26, 2004.

Please advise if you have any questions regarding this matter

Yours truly,



J.E. (Jim) Dickey  
Chief Executive Officer  
CAP/kh

cc A. Parker, CNSOPB  
S. Pinks, CNSOPB