

GREYHAWK RIDGE MINERALS INC.

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By Facsimile

July 10, 2006

Mr. Paul Schafer, Project Analyst
Canadian Environmental Assessment Agency
160 Elgin Street, 22nd Floor
Ottawa, ON K1A 0H3

Dear Sir:

Re: Letter of Comment - Comprehensive Study Report for the Proposed Deep Panuke Offshore Gas Development Project.

We have reviewed the Comprehensive Study Report for the Proposed Deep Panuke Offshore Gas Development Project, and are pleased to provide the following comment and remarks respecting same:

1. The revised List of Issues to be considered by the Joint Review Panel (and in particular the NEB Member) included:

"8. The potential impact on landowners, **mineral rights holders** and communities affected by the selected route of the onshore portion of the proposed pipeline." [ref. Letter to All Parties from Debi Noye, Secretary to the Deep Panuke Coordinated Public Review Secretariat, dated 18 December, 2006].

2. Greyhawk Ridge Minerals Inc. ("Greyhawk") was then, and continues to be, a mineral rights holder whose mineral rights will be negatively impacted by the onshore portion of EnCana's proposed pipeline.

3. As an affected mineral rights holder, Greyhawk provided a Letter of Comment to the Deep Panuke Coordinated Public Review Secretariat, respecting the impact the onshore portion of EnCana's proposed pipeline would have on Greyhawk..

4. Additionally, Mr. Wayne Lockerby, P, Eng., President of Greyhawk, provided oral comment in this regard, on behalf of Greyhawk, at the Public Review Hearing of EnCana's Deep Panuke Offshore Gas Development Project Hearing GH-2-2006.

5. We note from our review of the Joint Environment Report for the proposed Deep Panuke Offshore Gas Development project, prepared by the Commissioner and the NEB Member, that, at page iv of same, "Greyhawk" is defined as being Greyhawk Ridge Minerals Inc.". We further note that paras. 5.4.3. and 5.4.4 of the Joint Environmental Report identify Greyhawk Ridge Minerals Inc. as being an Oral Statement Provider and a Letter of Comment Provided, respectively.
6. We find no reference, whatsoever, in the Joint Environment Report, to mineral rights holders. Notwithstanding that the potential impact on mineral rights holders by the selected route of the onshore portion of EnCana's proposed pipeline is an Issue which was to be considered by the Commissioner and the NEB Member, there is nothing in the Joint Environment Report which would indicate that they considered this Issue.
7. The Deep Panuke Offshore Gas Development Comprehensive Study Report, October 2002, did not meaningfully, if at all, deal with the potential impact on **mineral rights holders** of the onshore portion of the EnCana's proposed pipeline.
8. At para. 6.1.1, while the Comprehensive Study Report acknowledges that written comments were received from Greyhawk Ridge Minerals Inc., the Report does not identify Greyhawk as being a mineral rights holder. Further, we find no reference, whatsoever, in the Comprehensive Study Report, to mineral rights holders. Notwithstanding that the potential impact on mineral rights holders by the selected route of the onshore portion of EnCana's proposed pipeline is an Issue which the Commissioner and the NEB Member were required to consider, there is nothing in the Comprehensive Study Report which would indicate that this Issue was considered by them.
9. At page 131, para. 8.2.1 - Land Use, of the Comprehensive Study Report, it is stated that the zoning of the subject lands within the Industrial Park is "Industrial Resource Zone (M-3)". Minerals are an industrial resource. The Municipality of the District of Guysborough has advised that mining can be carried out on M-3 Zoned lands. In fact, mining is a matter of Provincial, not Municipal, government jurisdiction, and the granting of access to lands for mineral exploration is, under sect. 100 of the Mineral Resources Act, determined by the Minister of Natural Resources, not the landowner.
10. It is stated at page 133, para. 8.2.1 - Land Use; of the Comprehensive Study Report: "No other formal or informal uses of the land have been identified to exist within the Goldboro Industrial Park or along the RoW for EnCana's proposed pipeline." This is a most inaccurate and incorrect statement. Substantial and substantive evidence was presented to the Review Panel which clearly indicates that Greyhawk and Mr. Kevin MacAllister have long held the mineral rights to the subject lands, have carried out mineral exploration on the subject lands, desire to continue to carry out mineral exploration on the lands in the future, and, if warranted bring a mine(s) into production on the lands.

11. It is stated at page 89, para. 10.0 - Public Comments; of the Comprehensive Study Report: "In the socio-economic context, public concerns centred on interference of the pipeline with fishing activity. Other industrial land users in the Project's onshore area raised concerns about potential adverse affect on their interests. See Appendices C & D for details."

Notwithstanding that mineral exploration is a socio-economic industrial activity and long standing use of the subject lands, no mention is found in Appendices C & D of mineral rights holders and the concerns they raised at the Public Review.

12. In accordance with the revised List of Issues, the Commissioner and NEB Member were required to consider and to report upon fourteen (14) Issues, one of those Issues being "The potential impact on landowners, mineral rights holders and communities affected by the selected route of the onshore portion of the proposed pipeline."

While the Comprehensive Study Report exceeds 241 pages in length, it fails to even acknowledge that the potential impact on mineral rights holders of the onshore portion of the EnCana's proposed pipeline was one of the Issues the Commissioner and/or the NEB Member were required to consider, let alone does it address this important Issue. This, notwithstanding that in previous pipeline related Hearings, the NEB determined that the interests of mineral rights holders in Nova Scotia are interests which must be considered in relation to the activities of pipeline companies [ref. NEB Reasons for Decision MH-3-98 and MH-4-98].

This is clearly not acceptable to Greyhawk and, in our view, it should not be acceptable to the Canadian Environmental Review Agency.

The failure of the Comprehensive Study Report to address the Issue of the potential impact on mineral rights holders of the onshore portion of the EnCana's proposed pipeline may well indicate that the Commissioner and the NEB Member failed to properly consider and/or to report upon other Issues they were required to consider, and that the Comprehensive Study Report is deeply flawed. There is the appearance that EnCana's application is being "fast tracked" to meet a time line, and that due and thorough consideration of the many important issues involved has not been given.

In any event, Greyhawk respectfully asks that the Comprehensive Study Report not be accepted in its present form by the Canadian Environmental Review Agency, and that the Commissioner and the NEB Member be required to amend their Report such that the Issue of the potential impact on mineral rights holders of the onshore portion of the EnCana's proposed pipeline is openly and fully dealt with in the amended Comprehensive Study Report.

Should it assist your Agency, Greyhawk would be pleased to provide such further and additional information in this regard as you may desire.

Mr. Schafer, Greyhawk would appreciate receiving your letter in response, advising as to how your Agency is proceeding in this matter.

Yours truly
Greyhawk Ridge Minerals Inc.

A. Wayne Lockerby, P. Eng.
President

AWL:jjjs

cc. Kevin A. MacDonald, CDR