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CANADA – NOVA SCOTIA OFFSHORE PETROLEUM BOARD

6th Floor TD Centre 1791 Barrington Street Halifax Nova Scotia B3J 3K9 Tel 902-422-5588 Fax 902-422-1799 www.cnsopb.ns.ca

File No.: 30,008.14 / BA50,001

June 17, 2004

Mr. Roger Hunka
Netukulimkewe'l Commission
P.O. Box 1320
172 Truro Heights Road
Truro, Nova Scotia
B2N 5N2

Dear Mr. Hunka:

Re: BEPCo Project Description for Exploratory Drilling on EL 2407

We acknowledge the receipt of your comments, received June 1, 2004, on the Project Description for BEPCo's proposed exploratory drilling program and will consider these comments in our review of the proposed program.

The purpose of the project description in the federal environmental assessment process is to determine the need for an environmental assessment, and to promote efficient coordination of the environmental assessment among the federal authorities. Under the *Federal Coordination Regulations*, upon receipt of a project description the Canada-Nova Scotia Offshore Petroleum Board (CNSOPB) uses the information to determine whether we are likely to require an environmental assessment of the project in accordance with the *Canadian Environmental Assessment Act (CEAA)* and, if so, which other federal authorities may also have a responsibility or interest and need to be notified under the *Federal Coordination Regulations*. In addition, we circulate the project description to our Fisheries Advisory Committee to provide them with notification of a proposed activity.

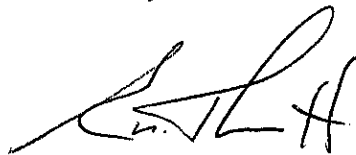
Operators are encouraged to make contact with parties who may be affected by a proposed drilling program. This would entail consultation with all fisheries operating within the vicinity of a drilling program and generally would occur prior to the writing of the environmental assessment, with any additional follow-up after such parties have had an opportunity to review the environmental assessment document.

Regarding BEPCo, I have had several discussions with them and their consultants and it is my understanding the environmental assessment will include an examination of the potential environmental effects the drilling program may have respecting the current use of lands and resources for traditional purposes by aboriginal peoples. They have indicated to me that they have initiated discussions with various aboriginal groups and individuals and that they plan on meeting with your organization.

Please note that every activity conducted offshore Nova Scotia has an associated benefits plan. Under the Accord legislation, these plans must be filed and approved prior to the granting of an activity or work authorization. They are subject to a separate review process and therefore are not included in the environmental assessment under CEAA.

Thank you for your comments.

Sincerely,

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

Eric Theriault
Advisor, Environmental Affairs

ET/kh

cc P. Zamora, DFO
D. MacDonald, CEA Agency
F. Kirstein, EC
A. Parker, CNSOPB