

Appendix A

Environmental Assessment Registration and EA Bulletin Announcing Decision

**REGISTRATION PURSUANT
TO THE ENVIRONMENTAL PROTECTION ACT
(Part 10, Environmental Assessment)**

NAME OF UNDERTAKING:

Access Road and drill sites for two Petroleum Exploration Wells.

PROPONENT:

- | | | |
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| | | |
| iv) | Principal Contact Person | |
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THE UNDERTAKING:

- i) To build a new 10.4 kilometer access road and two sites for drilling exploration oil and gas wells. The route and locations are shown on the attached maps.
- ii) The wells are being drilled under oil and gas Exploration Permits No. 03–102 and 03-103 to evaluate the hydrocarbon potential of the Ordovician platform sediments.

DESCRIPTION OF THE UNDERTAKING:

i) Geographical Location:

General Location - The access road and wellsites will be located on Crown Lands in western Newfoundland to the east of the village of Parson's Pond. Access to the new road is via an existing trail commonly called Five Mile road which leaves highway 430 south of the Arches Provincial Park and runs to the east. At about km 4.3, the new road will run south for about 5.8 km to the north drill site and then another 4.6 km to the south drill site.

The south location will be about 400 meters, and the north location about 4.4 kilometers, north of Parsons Pond. The south location will be about 5.9 kilometers north of the boundary of Gros Morne National Park. The drilling locations will be about 120 m square, an area of about 1.44 hectares.

The access road and drill sites are shown on the attached 1:50,000 National Topographic map (Map sheet Portland Creek 12 I/4) (attachment #1) and on the attached air photos of the area (attachment #2 -7). The north location (marked #3 on

the topo) is at approximately 50° 02.868' W and 57°37.386 ' N and the south location (marked #2 on the topo) is at approximately 50° 00.500' W and 57° 38.039' N.

Alternate Route - Straight east from Highway 430 just north of Parsons Pond was Investigated as an alternate route, however it is much wetter, and although it is slightly shorter, would be a much more costly alternative.

ii) Physical Features:

There is no existing development in the area proposed for the new road, except some firewood salvage and an existing cabin on the shore of Parsons Pond about 350 m south of the south location.

The new road will be about 10.4 km long by about 6 m wide (a 4 m wide road and 1 m on each side for the ditch). The route has been selected by investigations from the ground and from the air. Most of the route can utilize high dry ground, however it will be necessary to cross several low wet areas. Most of the trees are too small to log commercially or salvage for firewood, but will be salvaged wherever possible. Small creeks at 0.3 km and at about 7.7 km south of Five Mile Road will be crossed by installing 1.2 m diameter culverts. A creek at about 5.6 km south will be crossed using a bailey bridge or equivalent. The north location is on a shallow wet bog, but the south drill location is on high, dry, ground covered in spruce that will be salvaged.

iii) Construction:

The new construction is proposed to commence the first week of May 2009 and take about one month to complete. Construction through the dry sections will consist of salvaging the trees, then digging drainage ditches on the sides of the road with an excavator. Through the wet sections the equipment will knock down the shrubs and cover them with the material from the ditches to establish the road. It may be necessary to haul some fill material to the low wet spots. Investigations are underway to determine if wooden mats can be found and used to cross the wet areas. The small creeks will be crossed by installing 1.2 m diameter culverts. The larger stream will be crossed using a bailey bridge or equivalent. The north drill site is in a shallow wet bog and investigations are underway to determine if the wooden mats can be used to support the drilling rig. Otherwise it will be necessary to haul material onto the site to build up a pad for the rig. The south drill location itself is on high, dry ground that will need to be logged and levelled.

The drill locations will be bermed to ensure that no fluids can escape from the site without prior testing and approvals. It may be necessary to line the drill site (and the berm) to ensure that an impermeable barrier exists to prevent fluids from leaking off the drill site.

The major equipment for road construction will be a tracked excavator, dozer, dump truck and loader. There will be the normal fuel requirements and emissions from the equipment.

There are no major apparent resource conflicts in the area of the new road or the drill locations. The terrain and wet, boggy sections have restricted other users from this area. The existing road is quite reasonable and is utilized in the summer to access a number of cabins, but is very difficult in the winter except by snowmobile.

Decommissioning - Once the drilling project is completed the new access road will be cross - ditched to prevent unauthorized use. If the well is abandoned the culverts and bridge will be removed and the creek areas restored.

iv) Operation:

The drilling operation is proposed to commence in July with a small water well rig for about 10 days and a drilling rig for about 60 days, a total of about 70 days. The water well rig will be the same type as used for residential water well drilling and the drilling rig will be a modern conventional oil well drilling rig (attachment #7 is a general rig layout). There will be the associated vehicle traffic to service the drilling operation, including personal transportation and various technical oilfield equipment.

The fuel and motor emissions from the trucks and drilling rig are similar in nature. The drilling fluids will be biodegradable and completely recycled within steel tanks during the drilling operation. After drilling, the fluids will be tested for approval for onsite disposal or hauled to an approved disposal site.

The fuel and oils will be stored in containers approved for use as site storage and fuel transfer operations will follow procedures as designed by the fuel distributor and the drilling contractor. In any event all such transfers will take place on the drill site within the impermeable barrier. Any contaminated fluids collected within the berm will be recovered by a vacuum truck and hauled to an approved site for disposal.

The program of modern well drilling is designed to seal off the shallow ground water from the drilling fluids and any possible hydrocarbon contamination. The water well rig will set a conductor pipe and then set surface pipe to about 125 m depth. The surface casing will be cemented in place and thus seal off the ground water from contact with the drilling operation.

v) Occupations:

During the one month construction phase there will be an estimated 4 workers; one supervisor (NOC 7217) and two heavy equipment operators (NOC 7421) and one truck driver (7411).

During the water well drilling operation there will be a total of about 5 workers on the rig, including a supervisor (NOC 8222), two drillers (NOC 7373) and two assistants (NOC 7373).

The drilling rig operation will employ a total of about 10 workers, including a Leprechaun drilling foreman (NOC 8222), rig manager (NOC 8222), two drillers (NOC 8232) and six roughnecks (NOC 8412).

There will also be a number of technical specialists on the drill site as required, including electricians, welders, cementers, open hole loggers, truck drivers and other labourers. Total drilling time is estimated to be about 70 days.

vi) Project Related Documents:

There has been no environmental work done on this project to date and no formal applications have yet been submitted to government. Preliminary drilling design and cost estimates, along with site inspections, have been completed.

APPROVAL OF THE UNDERTAKING:

The principal approvals required for this project are:

- i) applications will be submitted to the Department of Mines and Energy under the Petroleum Exploration Referral System for approvals from the various government departments; as well as applications for a Drilling Licence and approval of the Drilling Program
- ii) an application will be submitted to Crown Lands for surface use approval
- iii) permits from Department of Government Services and Lands (GSC) for fuel storage, Waste Water and Solid Waste Disposal, as necessary
- iv) permits from the Water Resources Management Division Department of Environment for stream crossing
- v) permits as required from DFO for stream crossing and to protect nearby rivers.
- vi) various other miscellaneous approvals as necessary

SCHEDULE:

It is proposed that road construction start about May 1, 2009. The surface casing would be set in about June, 2009. The drilling operation will commence about July 15, 2009 and take about 60 days per well.

FUNDING:

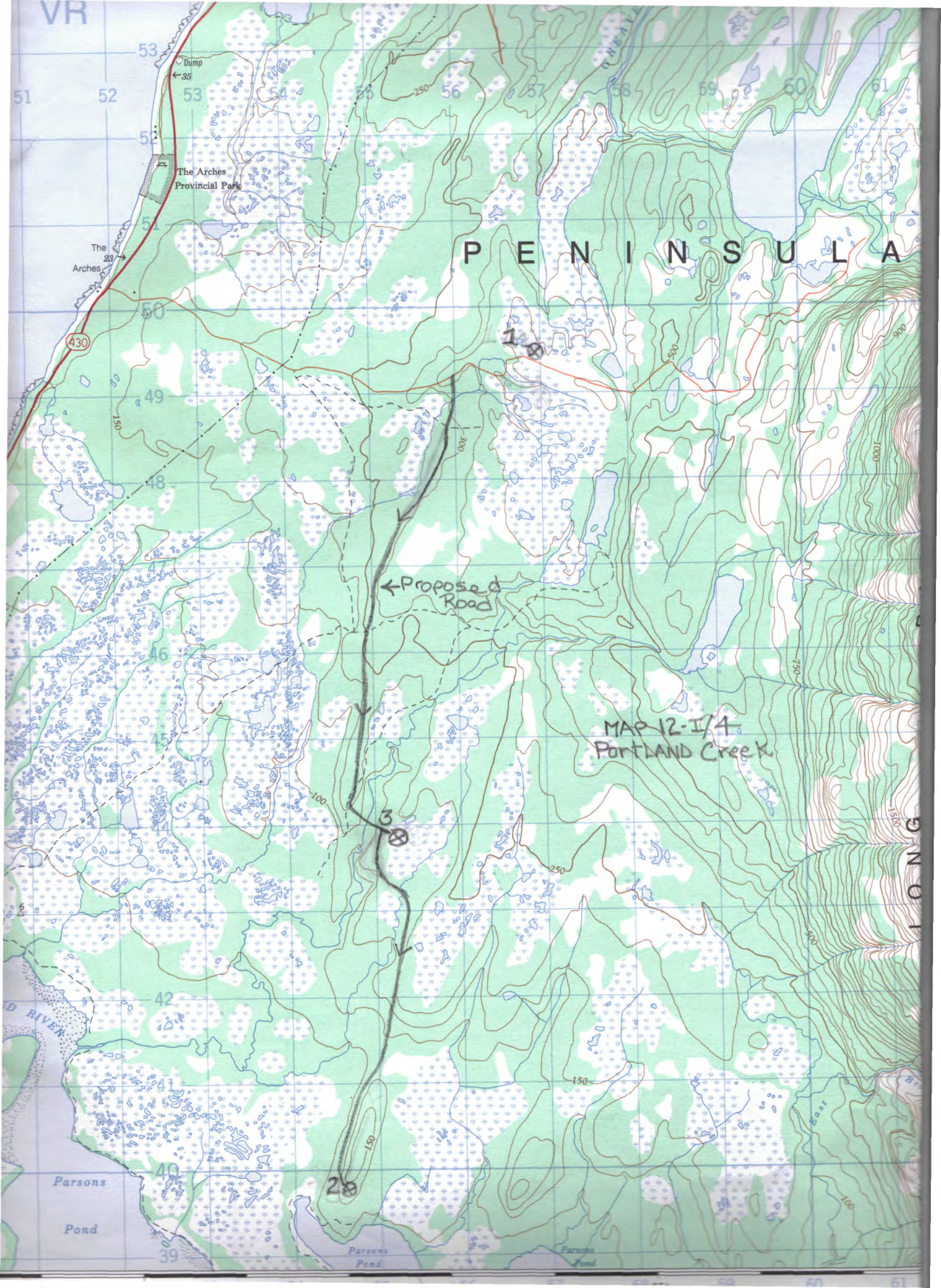
The total cost for the road construction is estimated to be about \$750,000 and total drilling costs per well are estimated to be about \$4.0 – 4.5 million to be paid by Leprechaun Resources Ltd. and their partners. No government funding is anticipated.

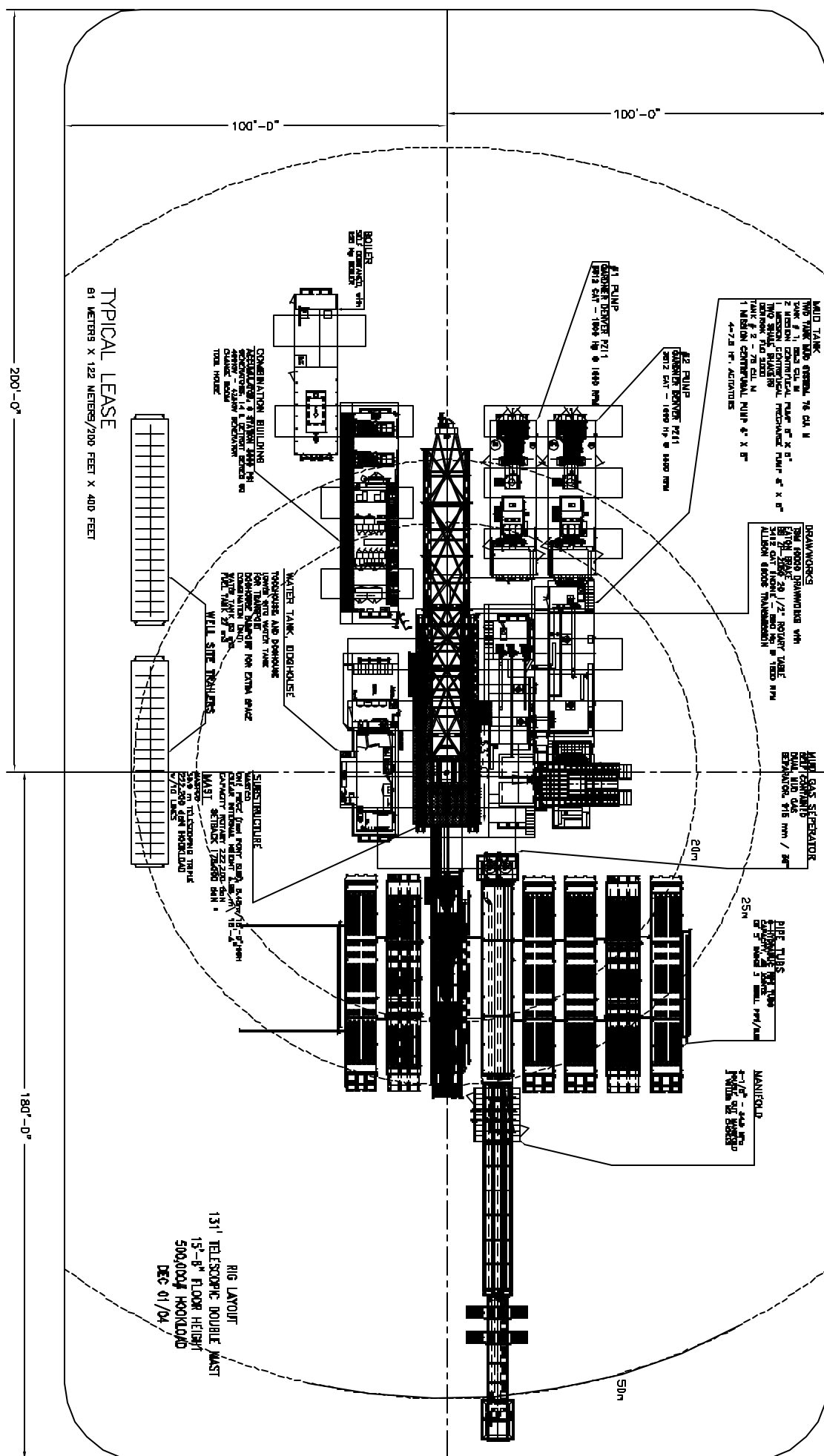
February 9, 2009

Date

Original signed by John Maher

Signature of CEO











ENVIRONMENTAL ASSESSMENT BULLETIN

The Honourable Charlene Johnson, Minister of Environment and Conservation, has announced the following events relative to Part 10 Environmental Assessment of the Environmental Protection Act.

ENVIRONMENTAL PREVIEW REPORT REQUIRED:

Parsons Pond Oil Exporation and Access Road
Proponent: Leprechaun Resources Ltd.

(Reg. 1411)

The Minister has advised the proponent that an Environmental Preview Report (EPR) is required for this project. The EPR is necessary to address issues and concerns brought forward by agency comments and public submissions during the review of the undertaking. An Environmental Assessment Committee will be appointed to provide advice to the Minister on guidelines for the proponent on the preparation of the EPR and the adequacy of the EPR when it is received from the proponent. The proponent is permitted to proceed with up-grading and surfacing of the existing Five Mile Road, and development of a drill site adjacent to that road, as well as development and re-drilling of the old Contact drill site south of Parson's Pond, subject to obtaining all necessary permits and approvals including a rehabilitation plan. The public will be invited to provide comments on the EPR upon its submission. For further information on this project contact Milton Crewe (committee chairperson) at (709) 637-2375 or email at miltoncrewe@gov.nl.ca.

ENVIRONMENTAL ASSESSMENT COMMITTEE APPOINTED:

St. Lawrence Fluorspar Mine Reactivation
Proponent: Canada Fluorspar (NL) Inc.

(Reg. 1418)

The following agencies have been appointed to the Environmental Assessment Committee for the above undertaking and will provide the Minister with scientific and technical advice on the Environmental Preview Report (EPR).

- Environmental Assessment Division, Dept. of Environment & Conservation
- Pollution Prevention Division, Dept. of Environment & Conservation
- Water Resources Management Division, Dept. of Environment & Conservation
- Mines Branch, Dept. of Natural Resources
- Dept. of Human Resources, Labour & Employment
- Transport Canada
- Fisheries & Oceans Canada
- Environment Canada

For further information on this project contact (committee chairperson) Paul Carter at (709)729-0188 or email at PCarter@gov.nl.ca.

UNDERTAKINGS REGISTERED: