

July 29, 2010

Kathy Penney
Shell Canada Energy
400 4th Avenue S.W.
P.O. Box 100 Station M
Calgary, Alberta T2P 2H5

Dear Ms. Penney:

Thank you for your letter of July 12th, 2010. I understand that Shell Canada Limited will be conducting an Environmental Impact Assessment (EIA) report for the Quest Carbon Capture and Storage Project; however as per our discussion on June 18th, 2010, I am only requiring Shell to prepare and submit an EIA report pursuant to the *Environmental Protection and Enhancement Act* (EPEA) for the storage component of the Quest Project. This requirement will be reflected in the final terms of reference issued by Alberta Environment.

The EIA report is to be prepared in accordance with the provisions of Division 1 of Part 2 of EPEA.

If you have any questions or require further direction about the Environmental Assessment process please contact Michelle Camilleri at (780) 427-8411.

Sincerely,



Dallas Johnson
Environmental Assessment Team Leader
Northern Region
(Designated Director under the Act)

cc: S. Flint (AENV)
P. Marriot (AENV)
A. Loyola (AENV)
S. Sigurdson (CEAA)

B. Austin (ERCB)