



Backgrounder

New Licences in Laurentian Sub-basin

Traditionally, Exploration Licences in Newfoundland & Labrador waters are issued following a competitive bidding process as outlined in the Atlantic Accord legislation. In this case however, the area in question was already held under exploration permits issued directly by the federal government in the 1960's and 1970's. The permits were placed under a moratorium during the period of negotiation between Canada and France of the maritime boundary around Saint-Pierre and Miquelon.

In 1986, the Accord legislation came into effect; section 130 of the Accord Acts provides that the permit owners enter into negotiations with the Board to convert these permits into exploration licences. The arbitrated international maritime boundary around Saint-Pierre and Miquelon took effect on July 26, 1992. However, a demarcation line between Newfoundland & Labrador and Nova Scotia jurisdiction had not been determined so the moratorium on the permits was extended by governments and negotiations on conversion were again deferred.

On May 29, 2003 the demarcation line was promulgated into law, allowing negotiation of these permits into licences pursuant to the Accord Implementation Acts. The ConocoPhillips/Murphy Oil consortium and Imperial Resources, who held the 99 permits on the Newfoundland & Labrador side of the demarcation line entered into negotiations with C-NOPB to convert the permits to licences.

Agreement has been reached with the both the ConocoPhillips/Murphy Oil consortium and Imperial Oil Resources.

The negotiated agreement and the ultimate terms and conditions of the new licences are considered fundamental decisions under the Act and required approval of both the federal and provincial governments which has been granted.