

Corridor Resources Inc. Exploratory Drilling  
Program on the Old Harry Prospect, Exploration  
Licence 1105

Scoping Document

Prepared by:  
Canada-Newfoundland and Labrador Offshore Petroleum Board  
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ISBN: 978-1-927098-02-8

## 1 Purpose

This document provides scoping information for the environmental assessment of the proposed exploration drilling program (the Project) in the Gulf of Saint Lawrence on EL 1105 over the period 2012 through 2014. Corridor Resources Inc. (Corridor) is the project proponent. A Project Description was submitted to the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) on February 21, 2011. The proposed project is located offshore western Newfoundland, approximately 80 kilometres west-northwest of Cape Anguille, Newfoundland and Labrador.

Included in this document is a description of the scope of the project that will be assessed, the factors to be considered in the assessment, and the scope of those factors.

The document has been developed by the C-NLOPB in consultation with the federal and provincial fisheries and environment departments, and the public.

## 2 CEA Act Regulatory Considerations

The Project will require authorizations pursuant to Section 138 (1) (b) of the *Canada-Newfoundland Atlantic Accord Implementation Act* and Section 134(1) (b) of the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act*.

The C-NLOPB has determined, in accordance with paragraph 3(1)(a) of the *Regulations Respecting the Coordination by Federal Authorities of Environmental Assessment Procedures and Requirements* (FCR), that an environmental assessment (EA) of the project under Section 5 of the *Canadian Environmental Assessment Act* (CEA Act) is required.

Pursuant to paragraph 12.4 (2) of the CEA Act, the C-NLOPB will be assuming the role of the Federal Environmental Assessment Coordinator (FEAC) for this screening and in this role will be responsible for coordinating the review activities by the expert government departments and agencies that participate in the review.

The C-NLOPB intends that the environmental assessment submitted with any supporting documents, as may be necessary, will fulfill the requirements for a Screening. The C-NLOPB, therefore, pursuant to paragraph 17(1) of the CEA Act, formally delegate the responsibility for preparation of an acceptable Screening environmental assessment report to Corridor Resources Inc., the project proponent. The C-NLOPB will prepare the Screening Report, which will include the determination of significance.

## 3 Scope of the Project

The project to be assessed consists of the following components.

- 3.1 Drilling of a single exploration well, inclusive of routine activities such as pre-setting of anchors, vertical seismic profiling (VSP), geotechnical borehole drilling, and seabed sampling (coring, grabs, ROV surveying).

- 3.2 Operation of support craft associated with the above activities, including but not limited to mobile offshore drilling units (MODU), anchor handling tug supply (AHTS) vessels, supply/standby vessels, and helicopters.
- 3.3 Drilling activities are likely to commence in 2012, are scheduled to last between 20 to 50 days, and may occur year-round depending on ice conditions. Well testing activities, if conducted, will require several additional weeks. Depending on the type of drilling unit used (*i.e.*, semi-submersible, drill ship), drilling activities may occur throughout the year up to 2014. The well will either be suspended or abandoned by the end of 2014.

#### **4 Factors to be Considered**

The environmental assessment shall include a consideration of the following factors in accordance with Section 16 of the CEA Act.

- 4.1 The purpose of the project.
- 4.2 The environmental effects<sup>1</sup> of the Project, including those due to malfunctions or accidents that may occur in connection with the Project, and any change to the Project that may be caused by the environment.
- 4.3 Cumulative environmental effects of the Project that are likely to result from the project in combination with other projects or activities that have been or will be carried out.
- 4.4 The significance of the environmental effects described in 4.2 and 4.3.
- 4.5 Comments from the public that are received in accordance with the CEA Act and the regulations.
- 4.6 Measures, including contingency and compensation measures as appropriate, that are technically and economically feasible and that would mitigate any significant adverse environmental effects of the project.
- 4.7 The significance of adverse environmental effects following the employment of mitigative measures, including the feasibility of additional or augmented mitigative measures.
- 4.8 The need for, and the requirements of, any follow-up program in respect of the Project consistent with the requirements of the CEA Act and the *Species at Risk Act* (SARA).
- 4.9 Report on consultations undertaken by Corridor Resources with interested parties who may be affected by program activities and/or the public respecting any of the matters described above.

#### **5 Scope of the Factors to be Considered**

Corridor will prepare and submit to the C-NLOPB an EA for the physical activities as described in the project description “*Project Description for the Drilling of an*

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<sup>1</sup> The term “environmental effects” is defined in Section 2 of the *CEA Act*, and Section 137 of the *Species at Risk Act*.

*Exploration Well on the Old Harry Prospect – EL 1105*” (Corridor Resources Inc. February 2011), and as described above.

In preparing its EA, the Proponent shall consult with potentially affected groups and individuals, in consideration of comments submitted during the public consultation period for the February 25, 2011 draft scoping document. The EA will describe the results of these consultations and how they are to be addressed; address the factors listed in Section 4; and address the issues identified in Section 5.2..

Program activities are proposed for the Old Harry area, which has been studied in recent environmental assessments and the Western Newfoundland Strategic Environmental Assessment (LGL 2005) and Amendment (LGL 2007). For the purposes of the present assessment, the information provided in these environmental assessment documents for offshore oil and gas activities in this area can be used and/or referenced as supporting information, where applicable.

If the “valued ecosystem component” (VEC) approach is used to focus its analysis, a definition of each VEC (including components or subsets thereof) identified for the purposes of environmental assessment, and the rationale for its selection, shall be provided.

The scope of the factors to be considered in the environmental assessment includes the components identified in Section 5.2, “Summary of Potential Issues”, setting out the specific matters to be considered in assessing the environmental effects of the project and in developing environmental plans for the project and the defined “Boundaries” (see below). Considerations relating to definition of “significance” of environmental effects are provided in the following sections.

Discussion of the biological and physical environments should consider the data available for the project and Affected area. Where data gaps exist, the EA should clearly identify the lack of data available.

### **5.1. Boundaries**

The EA will consider the potential effects of the proposed drilling program activities within spatial and temporal boundaries that encompass the periods and areas during and within which the project may potentially interact with, and have an effect on, one or more VEC. These boundaries may vary with each VEC and the factors considered, and should reflect a consideration of:

- the proposed schedule/timing of the drilling program and its additional activities;
- the natural variation of a VEC or subset thereof;
- the timing of sensitive life cycle phases in relation to the scheduling of proposed physical activities;
- interrelationships/interactions between and within VECs;
- the time required for recovery from an effect and/or return to a pre-effect condition, including the estimated proportion, level, or amount of recovery; and

- the area within which a VEC functions and within which a project effect may be felt.

The Proponent shall clearly define and provide the rationale for the spatial and temporal boundaries used. The EA report shall clearly describe the spatial boundaries (i.e. Affected Area, Project Area), and shall include figures, maps and the corner-point coordinates.

Boundaries should be flexible and adaptive to enable adjustment or alteration based on field data and/or modeling results. The Affected Area and associated boundaries will be described based on consideration of potential areas of effects as determined by modeling (spill trajectory and cuttings dispersion), the scientific literature, and project-environment interactions (including transportation corridors). A suggested categorization of spatial boundaries follows.

### **5.1.1. Spatial Boundaries**

Defining the spatial boundaries should take into consideration the potential for project activities, including accidental hydrocarbon spill events, which could affect sensitive areas, including coastlines.

#### Project Area

The area in which Project activities are to occur.

#### Affected Area

The area which could potentially be affected by project activities beyond the “Project Area”.

#### Regional Area

The area extending beyond the “Affected Area” boundary. The “Regional Area” boundary will also vary with the component being considered (e.g., boundaries suggested by bathymetric and/or oceanographic considerations).

### **5.1.2. Temporal Boundaries.**

The temporal scope should describe the timing of project activities. Scheduling of project activities should consider the timing of sensitive life cycle phases of the VECs in relation to physical activities.

## **5.2. Summary of Potential Issues**

The EA report for the proposed drilling program should contain descriptions of the physical and biological environments, as identified below. Where applicable, information may be summarized from existing environmental assessment reports. However, where new information is available, (e.g., fisheries data) the new information should be provided. Where information is summarized from existing environmental assessment reports, the environmental assessment reports should be properly referenced and the EA report should specifically reference the section of the completed EA report summarized.

The EA will contain descriptions and definitions of EA methodologies employed in the assessment of effects. Where information is summarized from existing EA reports, the sections referenced should be clearly indicated. Effects of relevant project activities on those VECs most likely to be in the Affected Area will be assessed. Discussion of cumulative effects within the Project and with other relevant marine projects will be included. Issues to be considered in the EA will include, but not be limited to, the following.

### **5.2.1. Physical Environment**

Provide a summary description of the following:

- Meteorological and oceanographic characteristics in the Affected Area, including extreme conditions;
- Circulation and the factors influencing it;
- Summary of sea ice and iceberg conditions, including iceberg scour of the seabed;
- Overview of physical environmental monitoring, observation and forecasting programs that will be in place during the project;
- Magnitude and frequency of earthquakes;
- Evidence for and consequences of climate change for meteorology and oceanography;
- Summary of natural hazards affecting the seafloor (e.g., submarine landsliding) including events occurring outside the affected area that may affect the affected area;
- Ice management/mitigation procedures to be implemented, and any change to the Project that may be caused by the environment; and
- Effects of the environment on the Project (e.g., vessel and drilling platform icing, helicopter icing, turbulence, and cloud ceiling heights), including cumulative effects. The effects assessment should pay specific attention to effects of environmental factors on deep water rigs and mitigations that may be implemented to reduce these effects.

### **Marine Resources**

#### **5.2.2 Marine and/or Migratory Birds using the Affected Area**

Provide a summary description of the following:

- Spatial and temporal species distributions (observation/monitoring data collected during ongoing petroleum activities should be included);
- Species habitat, feeding, breeding, and migratory characteristics of relevance to the Affected Area;
- Physical displacement as a result of vessel presence (e.g. disruption of foraging activities);
- Exposure to contaminants from accidental spills (e.g., fuel, oils) and operational discharges (e.g., deck drainage, grey water, black water);
- Attraction of birds to vessel lighting and flares and potential effects and mitigations;
- Noise disturbance from equipment including both direct effects (physiological), or indirect effects (foraging behaviour or prey species);
- Attraction of, and increase in, predator species as a result of waste disposal practices (i.e., sanitary and food waste);
- Procedures for handling birds that may become stranded on drill rigs or support vessels;

- Means by which bird mortalities associated with project operations may be documented and assessed;
- Means by which potentially significant effects upon birds may be mitigated through design and/or operational procedures;
- Effects of hydrocarbon spills from accidental events; and
- Environmental effects due to the Project, including cumulative effects (e.g., hunting, fishing (long line by-catch), shipping).

### **5.2.3 Marine Ecosystem**

Provide a summary description of the following:

- Description of coral communities likely present in the Affected Area, and potential for coral communities to exist based on local habitat conditions;
- Characterization, including quantification to the degree possible, of the spatial area of seabed that is predicted to be affected by drill cuttings and other discharges, and subsea structures and the extent of impact on benthic communities (e.g., fish, shellfish, corals);
- Water column biota and their productivity including seasonality;
- Description of plankton communities, in particular zooplankton accumulation and aggregation zones that can be important for higher trophic level species (e.g., fish, marine mammals);
- Characterization of potential effects of the project on pelagic community and mitigation options;
- Means by which potentially significant effects upon benthic communities, (eg. corals and kelp forests), may be mitigated through design and/or operational procedures;
- Effects of hydrocarbon spills from accidental events; and
- Assessment of effects, including cumulative effects (e.g., bioaccumulation).

### **5.2.4 Marine Fish and Fish Habitat**

Provide a summary description of the following:

- Distribution and abundance of marine fish and invertebrate species utilizing the Affected Area with consideration of critical life stages (e.g., spawning areas, overwintering, juvenile distribution, migration);
- Description, to the extent possible, of location, type, diversity and areal extent of marine fish habitat in the Affected Area. In particular, those indirectly or directly supporting traditional, aboriginal, historical, present or potential fishing activity, and including any essential habitats(e.g. spawning, feeding, overwintering);
- Description of benthic and pelagic habitat in the region and the affected area;
- Critical seasons and timing of habitat occupation;
- The means by which potentially significant effects upon fish and fish habitat (including critical life stages) may be mitigated through design, scheduling, and/or operational procedures;
- Effects of hydrocarbon spills from accidental events; and
- Environmental effects due to the Project, including cumulative effects.

### **5.2.5 Marine Mammals and Sea Turtles**

Provide a summary description of the following:

- Spatial and temporal descriptions (observation and monitoring data collected during exploration activities operated by Corridor Resources should be discussed);
- Description of marine mammal and sea turtle lifestyles/life histories relevant to Affected Area;
- Means by which potentially significant effects upon marine mammals and sea turtles (including critical life stages) may be mitigated through design, scheduling, and/or operational procedures;
- Effects of hydrocarbon spills from accidental events; and
- Environmental effects due to the Project, including cumulative effects.

#### **5.2.6 Species at Risk (SAR):**

Provide a summary description of the following:

- A description, to the extent possible, of SAR and their habitat as listed in Schedule 1 of the *Species at Risk Act (SARA)*, and those under consideration by the Committee on the Status of Endangered Wildlife in Canada (COSEWIC) in the Affected Area, including fish, marine mammals, sea turtles and seabird species. It is advised that the SARA Registry and COSEWIC website be referred to for the most recent information;
- A description of critical habitat (as defined under SARA), if applicable, to the Affected Area;
- Monitoring and mitigation, consistent with recovery strategies/action plans (endangered/threatened) and management plans (special concern);
- A summary statement stating whether project effects are expected to contravene the prohibitions of SARA (Sections 32 (1), 33, 58(1));
- Means by which adverse effects upon SAR and their critical habitat may be mitigated through design, scheduling, and/or operational procedures;
- Effects of hydrocarbon spills from accidental events; and
- Assessment of effects (adverse and significant) on species and critical habitat, including cumulative effects summary statement stating whether project effects are expected to contravene the prohibitions of SARA (Sections 32 (1), 33, 58 (1)).

#### **5.2.7 Sensitive Areas**

The information should include:

- A description, to the extent possible, of any “Sensitive” Areas in the Affected Area, including coastal areas, deemed important or essential habitat to support any of the marine resources identified;
- Effects of hydrocarbon spills from accidental events;
- Environmental effects due to the project, including cumulative effects, on those “Sensitive” Areas identified; and
- Means by which adverse effects upon “Sensitive” Areas may be mitigated through design, scheduling, and/or operational procedures.

### **Marine Use**

#### **5.2.8 Noise/Acoustic Environment**

Provide a description of the following:

- Noise and acoustic issues in the marine environment that may be generated from drilling operations (drill rig, thrusters-equipped vessels, VSP, and geohazard/wellsite



survey programs) and abandonment (wellhead severance), including the geographical extent of elevated noise levels;

- Disturbance/displacement of VECs and SAR associated with drilling activities;
- Means by which potentially significant effects may be mitigated through design and/or operational procedures; and
- Assessment of effects of noise/disturbance on the VECs and SAR, including cumulative effects.

#### **5.2.9 Presence of Structures and/or Operations:**

Provide a description of the following:

- Size and location of temporary or project-life exclusion zones;
- Description of project-related traffic (e.g., support aircraft and vessels), including routings, volumes, scheduling and vessel types;
- Effects upon access to fishing grounds;
- Means by which potentially significant effects may be mitigated through design, scheduling and/or operational procedures; and
- Effects of physical presence of structures upon access to fishing grounds, fish research surveys and upon general marine traffic/navigation; including cumulative effects.

#### **5.2.10 Discharges and Emissions**

Provide a description of planned project discharges to the marine environment, including:

- Drilling muds, fluids, and cuttings, bilge water, grey water, black water, cooling water, deck drainage, blow out preventer fluid, ballast water;
- Characterization, quantification and modelling of expected discharges and the timing of discharges, including a description of the trajectory models employed; and
- Environmental effects of discharges, including cumulative effects.

#### **5.2.11 Air Quality**

Provide a description of the following:

- Annual estimates of rates and quantities of emissions (e.g. as reported through Environment Canada's National Pollutant Release Inventory and the Board's *Offshore Waste Treatment Guidelines*), and a description of potential means for their reduction and reporting;
- Implications for health and safety of workers that may be exposed to them;
- Implications for health and safety of other marine users (e.g., fishers) that may be exposed;
- Implications for health and safety of coastal communities;
- Mitigation and monitoring; and
- Assessment of effects, including cumulative effects.

#### **5.2.12 Commercial Fisheries**

Provide a description of commercial fisheries in the Affected Area. The most recent data should be included, if available. The information should include:

- A description of fishery activities (including traditional, existing and potential commercial, recreational and aboriginal/subsistence and foreign fisheries) in the Affected Area;

- Consideration of underutilized species and species under moratoria that may be found in the Affected Area as determined by analyses of past DFO research surveys and Industry GEAC survey data, with emphasis on those species being considered for future potential fisheries, and species under moratoria;
- An analysis of the effects of Project operations and accidental events upon the foregoing;
- Fisheries liaison/interaction policies and procedures;
- Program(s) for compensation of affected parties, including fisheries interests, for accidental damage resulting from project activities;
- Effects of hydrocarbon spills from accidental events;
- Means by which adverse effects upon commercial fisheries may be mitigated through design and/or operational procedures; and
- Environmental effects of the Project, including cumulative effects.

### **5.2.13 Accidental Events**

The discussion should not be limited to crude oil or condensate, but should consider accidental releases of drilling fluids, drilling muds, and other hydrocarbons. The information should include:

- Quantification of blowout risk;
- Quantification of risk of petroleum/chemical spills of all volumes associated with the Project;
- Discussion of the potential for spill events from drilling activities to enter the marine environment;
- Modelled physical fate of hydrocarbon spills, including descriptions of models and/or analyses that are employed and the physical data (e.g. circulation) upon which they are based;
- The effect of the physical environment on spills (e.g., ice)
- Description of the marine area likely to be affected by hydrocarbons from a spill event that enters the marine environment;
- Mitigations to reduce or prevent such events from occurring;
- Contingency plans, including relief wells and subsea intervention to shut in or cap well, to be implemented in the event of an accidental release;
- Description of activities associated with emergency response (e.g., dispersant use, burning or cleaning operations); and
- Environmental effects of any accidental events on all VECs identified, including those listed above. Cumulative effects should be included.

### **5.2.14 Environmental Management**

Provide a general overall description of Corridor Resources' environmental management system and its components. It should include, but not be limited to:

- Pollution prevention policies and procedures;
- Fisheries liaison/interaction policies and procedures;
- Program(s) for compensation of affected parties, including fisheries interests, for accidental damage resulting from project activities; and
- Emergency response plan(s).

**5.2.15 Biological and Follow-up Monitoring**

Discuss the need for and requirements of a follow-up program (as defined in Section 2 of CEAA) and pursuant to the SARA. The discussion should also include any requirement for compensation monitoring (compensation is considered mitigation).

Detailed description of the monitoring and observation procedures to be implemented regarding marine mammals, sea turtles, and seabirds (observation protocols should be consistent with those described in Appendix 2 of the C-NLOPB “*Geophysical, Geological, Environmental and Geotechnical Program Guidelines*” (2011)).

**5.2.16 Abandonment/Decommissioning**

Plans for abandonment and/or decommissioning of the Project area and associated facilities following termination of drilling, including any anticipated requirement for post-abandonment monitoring.

**5.3 Significance of Adverse Environmental Effects**

The Proponent shall clearly describe the criteria by which it proposes to define the “significance” of any residual adverse effects that are predicted by the EA. This definition should be consistent with the May 2007 CEAA reference guide “*Determining Whether a Project is Likely to Cause Significant Adverse Environmental Effects*”, and be relevant to consideration of each VEC (including components or subsets thereof) that is identified. SARA species shall be assessed independent of non-SARA species. The effects assessment methodology should clearly describe how data gaps are considered in the determination of significance of effects.

**5.4 Cumulative Effects**

The assessment of cumulative environmental effects should be consistent with the principles described in the February 1999 CEAA “*Cumulative Effects Assessment Practitioners Guide*” and in the November 2007 CEAA operational policy statement “*Addressing Cumulative Environmental Effects under the Canadian Environmental Assessment Act*”. It should include a consideration of environmental effects that are likely to result from the proposed project in combination with other projects or activities that have been or will be carried out. These include, but are not limited to:

- Proposed and potential oil and gas activities under EA review (listed on the C-NLOPB Public registry at [www.cnlopb.nl.ca](http://www.cnlopb.nl.ca));
- Seismic activities;
- Marine management and protected areas;
- Commercial tourist activities;
- Fishing activities, including Aboriginal fisheries; and
- Marine transportation.

**6 Projected Timelines for the Environmental Assessment Process**

The following are estimated timelines for completing the EA process. The timelines are offered based on experience with recent environmental assessments of similar project activities and do not include proponent time.

**Corridor Resources Inc. Exploratory Drilling Program on the Old Harry Prospect, Exploration  
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<b>ACTIVITY</b>	<b>TARGET</b>	<b>RESPONSIBILITY</b>
Proponent submits EA to C-NLOPB	-	N.A.
C-NLOPB assess completeness of EA and requests further information from proponent [ <i>if required</i> ]	2 weeks	C-NLOPB
<i>Proponent submits additional information [if required]</i>		<i>Proponent</i>
C-NLOPB files EA documents with Independent Reviewer	0.5 weeks	C-NLOPB
Technical review of EA	8 weeks	C-NLOPB, Government Agencies, Public
Compile comments on EA and provide to Proponent	2 weeks	C-NLOPB
<i>Submission of EA Addendum/Response to EA Comments</i>		<i>Proponent</i>
Review of EA Addendum/Response Document	3 weeks	C-NLOPB & Government Agencies
Preparation of Draft Screening Report	3 weeks following submission of Independent Reviewer's report	C-NLOPB
Review of Draft Screening Report	4 weeks	Public
Finalize Screening Report (Determination of Significance of Project Effects)	2 weeks	C-NLOPB