



Canada's Largest Offshore  
Industry Association

April 4, 2014

Elizabeth Young  
Canada-Newfoundland and Labrador Offshore Petroleum Board  
5th Floor, TD Place  
140 Water Street  
St. John's, NL  
A1C 6H6

(Via email: [information@cnlopb.nl.ca](mailto:information@cnlopb.nl.ca))

Dear Ms. Young,

Thank you for the opportunity to comment on the Draft Eastern Newfoundland Strategic Environmental Assessment (SEA) Report. Please accept the attached submission on behalf of Noia's Board of Directors and membership.

Please forward this submission to AMEC Environmental and Infrastructure and post on the SEA website as appropriate.

If you wish to discuss this submission or have any questions, please contact me. I can be reached by telephone at 709-758-6616 or by email at [rcadigan@noia.ca](mailto:rcadigan@noia.ca).

Sincerely,

[Redacted signature]

[Redacted name]

President and CEO

Attachment: Noia submission on the Draft Eastern Newfoundland Strategic Environmental Assessment Report



## **Noia Submission**

### **Draft Eastern Newfoundland & Labrador Strategic Environmental Assessment Report**

**April 4, 2014**

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The Newfoundland and Labrador Oil & Gas Industries Association (Noia) welcomes the opportunity to comment on the Draft Eastern Newfoundland & Labrador Strategic Environmental Assessment Report issued in March of this year.

Founded in 1977, Noia is Canada's largest offshore oil & gas association. With more than 600 member companies, our core members provide products and services for the petroleum industry and our associate members represent operators, trade associations, education institutions and government bodies. Our mission is to promote safe and sustainable development of East Coast Canada's hydrocarbon resources and to facilitate our membership's participation in global oil and gas industries.

Noia supports the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) in its efforts to develop Strategic Environmental Assessments (SEAs) for each of the designated regions in the NL Offshore Area. We recognize the purpose of an SEA is to gather information and identify potential risks and data gaps to assist the C-NLOPB in determining whether exploration rights are offered in whole or in part in offshore regions. We also believe SEAs serve as a comprehensive resource – laying the groundwork that guides and facilitates future environmental assessments of specific petroleum activities in the Newfoundland & Labrador Offshore Area.

The ongoing SEA for the Eastern region will update a portion of a previous SEA for the Orphan Basin completed in 2003 and also cover new areas to the west and south. The Eastern region is currently the centre of offshore petroleum activity in the waters off Newfoundland & Labrador. Petroleum is produced from the Hibernia, Terra Nova, White Rose and North Amethyst fields. Additional production is anticipated from ongoing oilfield expansions at Hibernia Southern Extension, South White Rose and West White Rose. As well, there have also been a number of significant discoveries on the Grand Banks and, more recently, petroleum discoveries have been made in the Flemish Pass.

#### **Regulatory Oversight**

Petroleum exploration and production has taken place in the Newfoundland & Labrador Offshore Area for decades under the careful oversight of Canada's regulatory regime. Exploration started in 1964 with the first seismic surveys off Newfoundland & Labrador and production began in late 1997 with first oil at Hibernia. Modelled on countries such as Norway, our robust regime has evolved over the years through careful regulatory review and improvements in technology.

Companies operating in the Newfoundland & Labrador Offshore Area work diligently to prevent spills through best drilling practices and well design; management systems that identify and reduce risks; constant monitoring during drilling and production activities; control shutdown systems and



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backup systems; and preventative maintenance that ensures equipment is in good working order. As well, companies develop and regularly maintain world-class response plans in case of spills.

All companies seeking to drill an offshore well must file detailed applications with the C-NLOPB, the lead regulatory authority which co-ordinates assessments of all offshore activity with other agencies and departments. Applications to conduct offshore activities must outline a Safety Plan, Environmental Response Plan and a Contingency Plan that includes an Oil Spill Response Plan. Oil spill preparedness and response programs must identify and assess potential spill scenarios, define the roles and responsibilities of the response management structure offshore and onshore, and have agreements in place with other companies to provide emergency assistance.

These documents are thoroughly reviewed by the offshore petroleum board, which has the authority to require that companies conduct environmental studies and baseline-data collection prior to carrying out offshore petroleum activity. As well, companies operating in the Newfoundland & Labrador Offshore Area regularly assess their plans and practices to improve environmental, health and safety performance, and spill prevention and response.

Companies must also demonstrate that they have the financial resources to respond to a spill and provide compensation, that their personnel are trained and qualified for the work at hand, and that all equipment to be used in drilling activity meets Canadian standards and is available, maintained and certified as fit for purpose. In January, the federal government introduced new legislation to update Canada's oil spill liability rules, raising the financial capacity requirements for offshore petroleum activities. Both the governments of Newfoundland & Labrador and Nova Scotia, which have joint-management of the oil and gas industries under the offshore petroleum boards, worked with the federal government in designing the new legislation that raises liability limits to \$1 billion.

All offshore petroleum activities are subject to environmental assessment and oversight by the C-NLOPB and this will continue under the new liability legislation. Noia believes this regulatory regime has proven to be robust to date. Through effective regulatory oversight, industry best practices and responsible development of resources, Canada continues to lead the way in ensuring offshore petroleum activities are conducted in a safe and environmentally responsible manner.

### **Co-existing marine industries**

The petroleum industry works diligently to ensure minimal impact on the environment and on other ocean users, such as the commercial fishing industry and the marine transportation sector. The commercial fishing and petroleum industries currently co-exist in the Eastern SEA Area, where three



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fields currently produce oil, expansions of existing fields are underway and petroleum exploration continues.

As well, the liaison organization One Ocean play roles in ensuring the fishing and petroleum industries continue to co-exist in our marine environment. Created in 2002, One Ocean liaises between the province's commercial fishing and petroleum sectors. Its mandate is to facilitate co-operation and communication between the two sectors – enabling each industry to understand the other's operational activities. One Ocean has established protocols for joint-industry consultation and for effective communication between offshore fishing vessels and petroleum production installations, drill rigs, supply vessels and specialized vessels working in the Newfoundland & Labrador Offshore Area.

As well, seismic surveys conducted under the jurisdiction of the C-NLOPB follow best practices and fish harvesters are notified of future survey activity in fishing zones. A fisheries liaison officer is assigned to seismic vessels to communicate directly with fish harvesters and assist in avoiding disruptions to fishing activity. During recent data-acquisition programs off Newfoundland & Labrador, seismic companies, fish harvesters and their representatives worked together to map out fishing and surveying activities – ensuring both industries achieve their objectives without conflict.

### **Conclusion**

Overall, Noia believes the Newfoundland & Labrador offshore petroleum industry has a strong track record of safe and environmentally responsible operations and good communications with other marine users. We believe this will continue as our industry adapts and grows, develops new technology and is guided by an effective regulatory regime that has evolved in the more than four decades of petroleum activity in the waters off Newfoundland & Labrador.

Noia and its members appreciate this opportunity to participate in the C-NLOPB's public-review process and we look forward to the Eastern NL SEA final report.