



Canadian Environmental
Assessment Agency

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Sent by E-mail

Hanna Janzen
Safety, Security, Health and Environment Manager
ExxonMobil Canada Ltd.
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Dear Ms. Janzen,

SUBJECT: Agency Review of the Environmental Impact Statement

On November 24, 2017, the Canadian Environmental Assessment Agency (the Agency) received the Environmental Impact Statement (EIS) and EIS Summary for the Eastern Newfoundland Offshore Exploration Drilling Project (the Project) from ExxonMobil Canada Ltd. (the proponent). The Agency reviewed the EIS and EIS Summary in consideration of the requirements of the *Guidelines for the Preparation of an Environmental Impact Statement* (EIS Guidelines), issued to the proponent by the Agency on December 23, 2016.

Based on this review, the Agency has identified a number of issues and inconsistencies that should be addressed in order to facilitate technical review and ensure that the documents can support meaningful consultation with Indigenous communities and the public. The Agency is prepared to begin a public comment period as early as January 4, 2018, provided that these changes are made and a revised EIS and EIS Summary are submitted by January 2, 2018. If the revised EIS is not received by January 2, 2018, the 365-clock will be paused on that day.

These revisions are as follows:

1. The EIS Summary (p.15) states "the probability of a well blowout or other large release (more than 100 L) is very low (less than 0.70%)". The source of this number is unclear; it does not appear to be reflected in Table 15.12 in the EIS.
 - o Revise the summary to clarify the risk of a large spill or blowout, ensuring the number stated is clearly reflected in the more fulsome discussion within the EIS (Section 15.0).



2. The Executive Summary of the EIS states that drilling on ELs 1135, 1137, 1139, 1140, 1141, and 1142 constitute a “designated project” under Section 10 of the Regulations Designating Physical Activities, however, the Eastern Newfoundland Offshore Exploration Drilling Project subject to EA includes only ELs 1135 and 1137.
 - o Update the Executive Summary to distinguish the drilling projects proposed by ExxonMobil Canada Ltd and Statoil Canada Ltd.
3. Table 3.2 and Section 7.3 provide contradictory information on the number of Indigenous Groups that hold commercial-communal swordfish licenses (i.e. 6 versus 13 groups)
 - o Ensure the number of Indigenous Groups that hold commercial-communal swordfish licenses is consistently and correctly presented throughout the document.
4. The EIS should be revised to ensure that information on Atlantic salmon populations is consistent throughout the document. For example, Tables 6.20 and 8.12 and Section 12.3.2.2.3 all provide different information on at-risk populations of Atlantic salmon that could occur in the Project Area.
5. Section 8.4.4 includes inconsistent information on the migration route of Atlantic Salmon. The first paragraph on p. 840 states that “...the Flemish Pass area would likely be included as a migration route along the northeastern edge of the Grand Bank”, while the last paragraph states “(h)owever, because migration routes for Atlantic salmon and American eel do not primarily traverse the Project Area, interactions may be limited and overall risk is considered low to these species.” This should be clarified.
6. Information on overwintering areas for Atlantic salmon is inaccurate. In Figure 6-38, the legend identifies the blue shaded areas as Atlantic salmon overwintering areas, implying that these are the only areas in the Northeast Atlantic where salmon overwinter. The reference provided for this figure is Reddin and Friedman 1993. This figure is not presented in the Reddin and Friedman 1993 paper, which actually indicates different potential salmon overwintering areas than presented in the EIS. The figure should be removed or clarification should be provided in the figure title and legend as to the areas representing potential overwintering areas. Furthermore, the origin of the figure should be appropriately referenced, or if modified based on existing data this should be detailed.
7. The EIS presents two points of origin for spill modeling, but does not provide a rationale for their selection either in the EIS or in the related trajectory modelling appendix.
 - o Provide a full rationale for selection of the Jeanne d’Arc Basin and Southern Flemish Pass points of origin and how these represent a worst-case analysis. Include information on how water depth, special areas, species at risk, concentrations of marine birds or fish, areas important for reproduction, and any other relevant factors were considered in the selection of points of origin.
8. Maps with modeled blowout locations (Figure 15-1 -15-24) do not indicate their location within ExxonMobil’s proposed drilling areas (i.e. the two exploratory licenses that constitute the Project).

While including the EL in the site name is helpful in confirming that points of origin are located within the ELs operated by ExxonMobil, it should be clear to reviewers and the public where the selected sites are located relative to the Project subject to assessment under CEAA 2012.

- Provide mapping to clearly show where the spill points of origin are in relation to the boundaries of ELs 1135 and 1137.

Please note that proceeding to a technical review and public comment period does not imply that the information provided is adequate to support the completion of the environmental assessment (EA). The Agency will be issuing Information Requirements (IRs) to you based on the results of the technical review conducted by federal experts, and on input received from public and Indigenous participants during the comment period. In accordance with subsections 27(6) and 23(2) of the *Canadian Environmental Assessment Act, 2012* (CEAA 2012), the period that is taken by a proponent to respond to the IRs, when there is not sufficient information available for the purposes of conducting the EA, is not included in the calculation of the time limit within which the Minister's decision must be made.

Federal authorities have provided a number of comments that may be developed into IRs following the technical review of the EIS. These will be forwarded for your consideration in a separate e-mail.

If the revised EIS and associated summary are received by January 2, 2018, the Agency will confirm that the submission is complete before commencing the comment period. Commencement of the comment period includes posting the documents on the Agency's website for public comment; Indigenous groups' review and comment; and review by subject matter experts in federal departments. Following that wider review, the Agency would then consider comments received, and request additional information, as required, until it has sufficient information to prepare the Environmental Assessment Report to inform the Minister of Environment and Climate Change's decisions under the *Canadian Environmental Assessment Act, 2012* (CEAA 2012).

This letter may be shared with Indigenous groups and posted on the Canadian Environmental Assessment Registry Internet Site: <http://www.ceaa.gc.ca/050/details-eng.cfm?evaluation=80132>.

Given the similarity between EIS documents for this Project and Statoil's Flemish Pass Exploration Drilling Project, the Agency intends to coordinate the technical review and comment periods for the two projects in order to maximize efficiencies for Indigenous groups, the public, technical reviewers, and proponents, providing complete submissions for both projects are received by January 2, 2018.

The Agency would be available to further discuss the questions outlined in this letter. Please contact Shauna O'Brien at 902-426-9460 or via email at CEAA.ExxonMobil.ACEE@ceaa-acee.gc.ca.

Sincerely,

<Original signature removed>

Mike Atkinson
Regional Director – Atlantic Region
Canadian Environmental Assessment Agency

Cc: Kimberly Coady, Statoil Canada Ltd.
Elizabeth Young, Canada - Newfoundland Labrador Offshore Petroleum Board
Dave Burley, Canada - Newfoundland Labrador Offshore Petroleum Board
Kimberley Keats, Fisheries and Oceans Canada
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