



Canadian Environmental
Assessment Agency

Agence canadienne
d'évaluation environnementale

Suite 200
1801 Hollis Street
Halifax NS B3J 3N4

Bureau 200
1801 rue Hollis
Halifax, NE B3J 3N4

August 27, 2018

Sent by E-mail

Stephen Edwards
SSHE and External Affairs Manager
ExxonMobil Canada Ltd.
Suite 1000, 100 New Gower Street
St. John's, NL A1C 6K3
stephen.c.edwards@exxonmobil.com

Dear Mr. Edwards,

SUBJECT: Agency Review of the Environmental Impact Statement Addendum for Addition of Exploratory Licence 1134

On July 31, 2018, the Canadian Environmental Assessment Agency (the Agency) received the Environmental Impact Statement (EIS) Addendum and EIS Addendum Summary, submitted by ExxonMobil Canada Ltd. (the proponent) to provide information on the addition of Exploratory Licence (EL) 1134 to the Eastern Newfoundland Offshore Exploration Drilling Project (the Project). The Agency reviewed the EIS Addendum and EIS Addendum Summary in consideration of the requirements of the *Guidelines for the Preparation of an Environmental Impact Statement* (EIS Guidelines), updated by the Agency to include EL 1134 on March 23, 2018. The Agency has also reviewed the submission with consideration of the specific information requirements outlined in the Agency's letter dated March 23, 2018.

Based on this review, the Agency has identified a number of inconsistencies and clarifications that should be addressed in order to facilitate technical review and ensure that the documents can be posted on the Canadian Environmental Assessment Registry (the Registry). The Agency is prepared to begin technical review and post the EIS Addendum and EIS Addendum Summary on the Registry upon receipt of the revised EIS Addendum and EIS Addendum Summary (English and French), which contains the following revisions:

1. Section 3, p. 18 – The final sentence of this section currently states “ExxonMobil understands that all interested Indigenous groups, stakeholder organizations and the public will be provided the opportunity to review the EIS Addendum and provide comments to CEAA.”

This sentence implies that a formal public comment period on the Addendum will be held and may be misleading. As noted in the Agency's letter dated March 23, 2018, the Agency currently intends to post the EIS Addendum and EIS Addendum Summary on the Registry.



Revise the statement in the EIS Addendum to read “ExxonMobil understands that the EIS Addendum and EIS Addendum summary will be posted on the Eastern Newfoundland Offshore Exploration Drilling Project page on the Canadian Environmental Assessment Registry, located online at: <https://www.ceaa-acee.gc.ca/050/evaluations/proj/80132?culture=en-CA>”

2. Section 3, p.18 indicates that Indigenous groups were notified in writing of the change to the Project (i.e. additional of EL 1134 to the project subject to environmental assessment) and their feedback was invited; to date, no responses have been received. Specific information on the groups contacted and dates of correspondence was not provided.

To ensure that the EIS Addendum is consistent with information already presented in the December 2017 EIS, and with the requirements of Section 5.1 of the EIS Guidelines, Section 3 of the EIS Addendum should document the correspondence pertaining to the addition of EL 1134 to the Project, including the name of each group contacted, and the date and means of engagement. Provide information in table format, consistent with that provided in Chapter 3 of the December 2017 EIS.

3. Section 4.2.1.4, p.34 makes only brief mention of Atlantic salmon, a species of key concern identified by Indigenous groups with respect to potential adverse effects of the Project. Given the level of concern, a reference to where more information can be found is warranted.

Revise the EIS Addendum and EIS Addendum Summary to include a sentence in this section, as well as in sections 5.1 and 5.5, to indicate where baseline and effects analysis specific to Atlantic salmon can be found (i.e. EIS and IR16, 16a).

4. Table 4.9, p. 42 of the EIS Addendum and Table 6.1, p. 43-44 of the EIS Addendum Summary do not include all the potential populations for Atlantic salmon that have been previously identified in relation to the Project.

Revise the above-noted tables in the EIS Addendum and EIS Addendum Summary to include Anticosti Island, and Inner and Outer Bay of Fundy Atlantic salmon populations.

5. Section 4.3.3, p.122 refers to the EIS (Section 7.3) for baseline socioeconomic information on the Indigenous groups in Eastern Canada. It is not stated whether or not there are any additional communal-commercial fishing licences that overlap with EL1134.

Revise the EIS Addendum and EIS Addendum Summary to add a statement about whether or not there are any additional fishing licences that overlap with EL 1134, and indicate how this information was obtained.

6. Effects of the environment on the Project are not included in the EIS Addendum.

Revise the EIS Addendum and EIS Addendum Summary to include a discussion of the potential effects of the environment on the Project that could occur in EL 1134. Or, if potential effects are the same as those described in the EIS, include a clear statement to this effect and a reference to the relevant EIS section.

7. Follow-up and monitoring programs are only briefly mentioned in the Addendum (Section 6.1.7). Assuming that no additional follow-up or monitoring is proposed, the EIS Addendum should include

clear statements that direct the reader to relevant sections of the December 2017 EIS that address these requirements. Also, it should be confirmed that all follow-up and monitoring described in the EIS will also be applied to activities in EL 1134.

Revise the EIS Addendum and EIS Addendum Summary to include statements indicating where required information on follow-up and monitoring plans can be found in the December 2017 EIS, and confirm that all follow-up and monitoring described in the EIS will also be applied to activities in EL 1134.

8. In the analysis of potential effects of an oil spill on marine and migratory birds, Section 7.2.2, p.193 states that “no oil is predicted to make contact with the eastern shore of Nova Scotia and Sable Island”. The spill scenario being referred to in this statement is unclear. Later, Section 7.2.5, p. 197 states that “In the extremely unlikely event that a blowout occurs...there is a low potential for oil to make contact with the shoreline areas of Newfoundland and Labrador, Sable Island, and the eastern shore of Nova Scotia (depending on the time of the spill).”

Revise the EIS Addendum and EIS Addendum Summary to ensure information on oil contact with shorelines is consistent.

In addition, although not required, the following questions were raised during conformity review. Clarification is not required for conformity, but providing further clarity on these items within the revised EIS Addendum and EIS Addendum Summary may proactively address potential information requirements raised during technical review.

- Table 2.1, p. 15 indicates there is no change to the total of up to 35 wells that may be drilled for the Project. IR-66 indicated that up to five exploratory wells may be drilled on each of EL 1135 and 1137.
 - What number of exploratory wells could be expected on EL 1134 (i.e. another five, for a total of 15, or would the ten exploratory wells indicated in IR-66 be spread over the three exploratory licences)?
 - How many delineation wells are expected? Give the total of 35 maximum wells, would the number of delineation wells be determined by subtracting the total number of exploration wells from 35?
- Table 6.1 p. 174 mentions other marine vessel traffic in “identified shipping lanes”. This is inconsistent with the responses to IR-25 and IR-26, which state there are no defined shipping lanes in offshore Newfoundland and Labrador. Provide clarification on this inconsistency.

Please note that proceeding to a technical review does not imply that the information provided is adequate to support the completion of the environmental assessment. The Agency may issue Information Requirements (IRs) to you based on the results of the technical review conducted by federal authorities, and on any input offered by Indigenous groups and the public following the posting of the documents on the Registry.

The federal timeline continues to be paused until all required information is submitted to the Agency (e.g. revised EIS Addendum and Summary, outstanding responses to Information Requirements).

This letter may be posted on the Canadian Environmental Assessment Registry Internet Site:
<https://www.ceaa-acee.gc.ca/050/evaluations/proj/80132?culture=en-CA>

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@canada.ca.

Sincerely,

<Original signed by>

Shauna O'Brien
Project Manager
Canadian Environmental Assessment Agency

Cc: Elizabeth Young, Canada - Newfoundland Labrador Offshore Petroleum Board
Dave Burley, Canada - Newfoundland Labrador Offshore Petroleum Board
Kimberley Keats, Fisheries and Oceans Canada
Glenn Troke, Environment and Climate Change Canada
Allison Denning, Health Canada
Jason Flanagan, Transport Canada
Veronica Mossop, Natural Resources Canada
Carla Stevens, Major Projects Management Office