

C-NLOPB Issues Administrative Monetary Penalty to ExxonMobil Canada Ltd. for Not Meeting Operations Authorization Commitments

September 23, 2021

The C-NLOPB has applied an Administrative Monetary Penalty (AMP) of \$40,000 to ExxonMobil Canada Ltd. (EMCL), for not meeting Condition 20 of its 2019 Operations Authorization (OA) issued by the C-NLOPB. Condition 20 requires EMCL to comply with the conditions in the Decision Statement issued under Section 54 of the *Canadian Environmental Assessment Act, 2012*, to EMCL for its Eastern Newfoundland Offshore Drilling Project. Condition 4.3.1 of the Decision Statement required EMCL to conduct seabird observations on a daily basis using the Mobile Offshore Drilling Unit (MODU) *West Aquarius*, during exploratory drilling activities on the Harp L-42 and Hampden K-41 wells, spud on October 11, 2019 and May 2, 2020, respectively.

During review of EMCL's Seabird Monitoring Results report which was submitted at the end of the drilling program as required, C-NLOPB staff noted that data regarding daily bird monitoring from the MODU *West Aquarius* was not included in the report. C-NLOPB staff immediately followed up with EMCL, initiating contact on July 22, 2020. EMCL acknowledged the violation orally in August 2020 and sent confirmation to the C-NLOPB in writing in October 2020. In addition to EMCL's non-compliance with Condition 20 of their OA, the C-NLOPB has also determined that EMCL did not promptly report the violation to the C-NLOPB.

EMCL has since provided a root cause analysis and identified the following five corrective actions:

1. Ensure all project requirements and timelines are communicated and understood by contractors directly responsible for the scope of work, in the field or otherwise;
2. Enhance vendor contracting strategies to ensure all expectations, deliverables and commitments are clearly articulated in third-party vendor job scopes translated directly from the OA and other agency conditions, including setting expectations for periodic verification;
3. Require future exploration project team members to review all lessons learned during the onboarding process;
4. Ensure stringent adherence to existing hand-over protocols to ensure that thorough documentation and communications occur during personnel changes; and
5. Ensure that regulatory compliance plans and tools are reviewed periodically throughout the duration of future exploration programs and verified in the field.

Pursuant to section 202.2 of the *Accord Act*, companies are permitted to request a review of the amount of the penalty, the facts of the violation or both. EMCL did not file a Request for Review and has paid the penalty in full.

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