

Mr. Darrin Hicks
Canada-Newfoundland & Labrador Offshore Petroleum Board
1st Floor, TD Place
140 Water Street
St. John's, NL A1C 6H6

Our Date: 2015-07-13
Our Reference: SC-CNO-0075-15
Our Contact: [REDACTED]

Reference: Revised EA Amendment – 2015 Geotechnical Soil Investigation Program

Dear Mr. Hicks:

Statoil Canada Ltd., hereby submits a revised environmental assessment (EA) amendment to address comments received during regulatory and stakeholder review and to address a revision in the proposed 2015 Survey Area.

Responses to the following comments have been incorporated into the revised EA amendment, where applicable. In addition, as discussed previously, in order to address additional data requirements geotechnical boreholes are required to be drilled in an area to the east of, and outside of the previously identified 2015 Survey Area. The enclosed Revised EA Amendment reflects the modified 2015 Survey area and includes an explanation of the modification. We have provided information regarding the change in the 2015 Survey area to the stakeholders previously consulted (FFAW-Unifor, One Ocean, Association of Seafood Producers, Ocean Choice International, and Nature NL). We have also provided information to the Department of Fisheries and Oceans regarding the modifications to the survey area and asked them to provide the information to the North Atlantic Fisheries Organization.

C-NLOPB Comment:

Some clarification is needed to understand what is being left in the Seabed. On page 10 it is stated that: "The standpipe assembly (Figure 3) will be cut as close as possible to the seafloor. No equipment will extend above or remain on the seafloor. Once the data storage unit is cut and retrieved, the remainder of the standpipe assembly (including borehole casing and the filter tip) will remain in the seabed (20 to 100 meters)." Whereas on page 18 it is stated: "Furthermore, the standpipe assemblies will be removed leaving nothing protruding above the seafloor within 6 to 12 months of their installation once data collection is complete." Is the assembly removed or cutoff at the sea bed or removed from the seabed?

Statoil Response:

The standpipe assembly will be cut, as close as possible, to the seafloor. The text in the revised EA Amendment has been clarified.

C-NLOPB Comment:

What is proposed to remain in the sea bed after the cutting the standpipe assembly is the casing, filter tip and remnants of the flexible coupling, is this correct?

Statoil Response:

The borehole casing, filter tip and any remnants of the flexible coupling will remain in the seabed, as depicted in Figure 3 in the EA amendment.

C-NLOPB Comment:

Once the standpipe assemble is cut the bore hole will be opened to the ocean, the possible effects of the open hole are not mentioned. Are there any effects resulting from the bore holes being left open?

Statoil Response:

After the boreholes are drilled and abandoned and, similarly, after the removal five piezometer standpipes the remaining boreholes will be left to infill naturally with sediment. There is no expectation or evidence that by drilling up to 150m into the marine clays that are of interest that oil will be encountered. Shallow gas of any significant volume is extremely unlikely to accumulate within the the150 meter depth range, especially in these deep water marine clays, without venting to the seabed over time. Such escapes of any volume can be expected to leave some geophysical evidence such as pockmarks or conical craters that typically show up on the shallow seismic trace as bright spots that can be easily identified if the volume is significant. Analysis of the survey data obtained during the recent geophysical survey has not shown the presence of shallow subsurface hazards that will influence the geotechnical program. Furthermore, in the history of Statoil's exploration programs to date, the presence of shallow gas within the shallow subsurface (<150m) has not been observed or reported. There is no predicted environmental effect associated with the open boreholes.

Fisheries and Oceans Canada Comment:

Last sentence Page 12 – Figure 4 does not depict the NAFO fishing "footprint".

Statoil Response:

The figure has been modified to include the NAFO fishing "footprint".

Fisheries and Oceans Canada Comment:

Section 4.2.3.1 page 21 - last sentence notes that "... Statoil will share results of coral surveys with interested researchers." Please add Fisheries and Oceans Canada to the "interested researchers".

Statoil Response:

The text has been changed to include Fisheries and Oceans Canada. Fisheries and Oceans Canada will be provided with a copy of the coral survey.

FFAW/Unifor Comment

We strongly suggest soliciting feedback from the larger fishing fleet as their activities may require additional communication between the proponent and the fleet for mitigation purposes.

Statoil Response:

Statoil Canada Ltd. met with the Association of Seafood Producers (ASP) and Ocean Choice International, who have larger fishing fleets in the Flemish Pass area. As stated in the EA Amendment, SCL will provide information to OCI and ASP at the start of survey operations to inform them of vessel locations. In addition, SCL informed NAFO

through DFO regarding the survey. A fisheries liaison officer will be onboard the vessel during the survey to maintain communication with fishing vessels in the area.

For enquiries related to the above responses and the enclosed revised environmental assessment update, please contact

Yours truly,

Project Manager
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Statoil Canada Ltd.