

Steve Bonnell, AMEC Environment and Infrastructure  
133 Crosbie Road, St. John's NL, A1B 4A5

December 19, 2012

Dear Mr. Bonnell,

I recently attended an information session held in Cow Head, Newfoundland by Shoal Point Energy in regards to its plans to begin drilling for oil, starting in 2013, using hydraulic fracturing (fracking) methods. The area in which they are planning to drill, Sally's Cove is dangerously close to Gros Morne National Park, a UNESCO World Heritage site. I am writing to share with you my concerns regarding this plan, as the most recent SEA does not address specifically hydraulic.

A significant issue is the preservation of Gros Morne as a World Heritage Site and the impact that the development of this project would have on the tourism industry. Currently, the tourism industry is valued at 35 million dollars yearly. Tourism in the area does not stop at the park boundaries. Visitors come to this area for the appeal of rural life, hiking, camping, and sea sports. Hydraulic Fracturing would be to the detriment of many of the unique qualities that the park offers as a draw to the area. There are many jobs within the nearby communities that would be threatened if the image of the park is tarnished. Property values could also fall as a result, especially if water and soil became contaminated.

As people choose whether or not to travel up the coast, they will consider what is happening in Sally's Cove as well as on the highway in terms of the area's aesthetics and safety on the roads which will be impacted by the large number of trucks required to transport contaminated water, oil and other fracking fluids. As a corollary to this point, the infrastructure in and around of the park is not conducive to the size and quantity of trucks required to undertake such a project. The roads are narrow and winding with many hills. Therefore the risks of accidental spills would be increased greatly. The bridges in the park are nearing the end of their lifespan.

My final area of concern is in regards to the environment and health of those living in the area. These practices are extremely controversial and have been known to cause significant damage to every component of nearby ecosystems including plant life, animal life, air, soil and water:

- 1)The impacts of this project on climate change would need to be considered, especially taking into light the Government of Newfoundland and Labrador's commitment to reducing its' impact.
- 2) Gros Morne National Park is home to endangered species such as the Newfoundland pine marten and harlequin duck, so the protection of these animals must be taken into account.

- 3) Many of the chemicals used in the process are known to cause health problems such as cancer and disruptions to the endocrine, nervous, immune and cardiovascular systems. These chemicals are also known to cause issues with the eyes, skin and respiratory systems.
- 4) Given the close proximity of the proposal to the ocean, any spills taking place on or near the drilling site as well as during the transportation phase would be extremely damaging to the aquatic life, upon which people rely for food and which provides a living for many in this region.
- 5) Chemicals leaking into the ground would also cause problems for those who farm and grow vegetables for personal use. As a mother, this is extremely concerning, as the health of my daughter would be at risk.

Shoal Point Energy has not been forthright about its plans. Many people had to rely on word of mouth to find out about the meeting and plans of the company, and there has been no formal proposal presented to the public. In the two page document circulated prior to the meeting, the company was very vague about its intentions "using either gas or waterless technology or by injection of a mixture of treated sea water (90.5%), sand (9.5%) and chemicals (0.5%)", (see attached document). At the meeting, company representatives promised to collect "every drop of contaminated rainwater". This is unfair as the company is glossing over risks to present the project as a financial boon in low-income area without adequate analysis of the inherent dangers associated with fracking, as well as the transportation and storage of chemicals.

At this point, the risks involved in this undertaking far outweigh the potential benefits. Many areas, such as Quebec and Nova Scotia have imposed moratoriums because of the inherent risks of hydraulic fracturing. In light of these dangers, and given the fact that currently there is no regulatory framework for fracking in place, I believe that it is imperative a moratorium be placed on hydraulic fracturing in the Gulf of St. Lawrence until such a time that it can be thoroughly investigated and safety guaranteed.

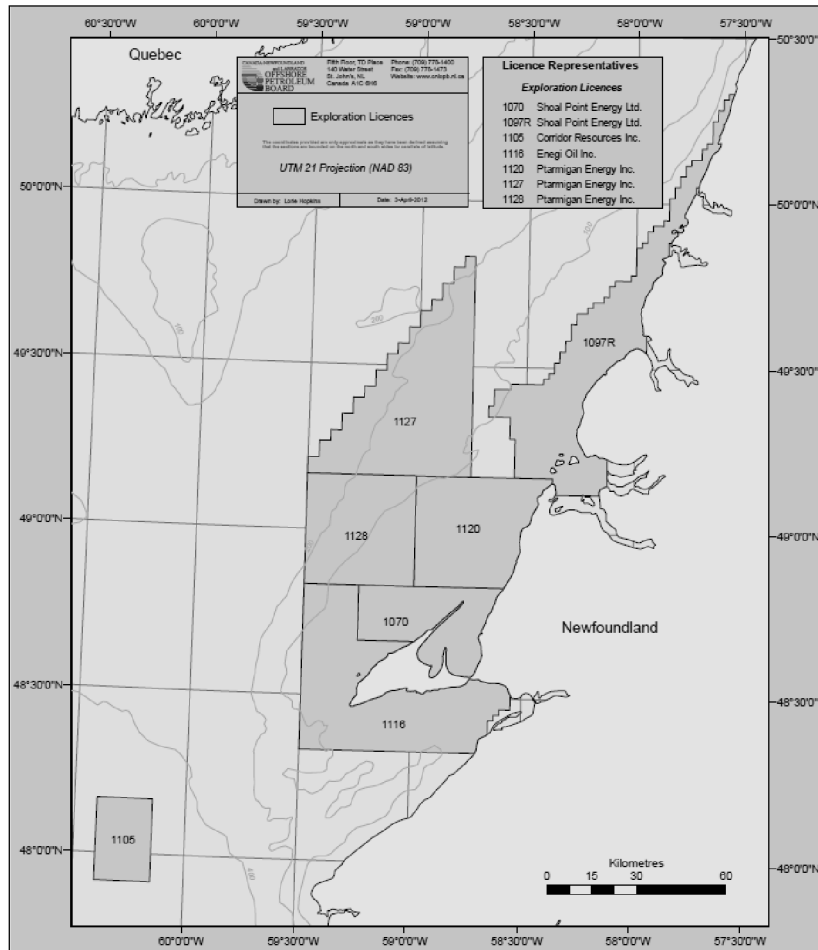
Thank you for your time and consideration of my concerns.

Sincerely,

Joanne Babstock

## Consultations for Shoal Point Energy's Proposal to Conduct an Exploration and Delineation Drilling Program on the West Coast of Newfoundland, 2012-2019.

Between 2012 and 2019, Shoal Point Energy Ltd. (SPE) plans to conduct an exploration and delineation drilling program within its current Exploration Licences (ELs) 1070, 1120 and 1097R on the west coast of Newfoundland (Figure 1). SPE owns a 100% working interest in EL's 1070 and 1097R; on EL 1120, SPE has a right to earn an 80% interest within a 7 km band adjacent to the shoreline.



**Figure 1.** Locations of Exploration Licences 1070, 1120 and 1097R.

During 2013, SPE plans to conduct a land-based exploration drilling program on a minimum of three wells; one at Shoal Point on EL1070, one near Lark Harbour on EL1120, and one near Sally's Cove on EL1097R. Additional wells in these licence areas could potentially be drilled between 2014 and 2019.

SPE proposes to drill directionally year-round from onshore locations into an offshore geological target. Typical wells will drill to a depth of about 2500 metres subsea. Activities associated with the proposed drilling program would include drill site preparation such as earthworks to construct bermed containment areas for the drilling operations, storage of drilling fluids and fuel,

installation of drilling waste handling equipment and tankage, construction of temporary access roads, and the acquisition of vertical seismic surveys. Vertical seismic surveys are used to accurately map the location of the well bore relative to the drilling target, and use truck mounted vibrators as a source of energy that is received and recorded by geophones in the well bore.

Due to the nature of the hydrocarbon-containing formations on its leases, SPE anticipates the need to use near wellbore stimulation technology, using either gas or waterless technology or by injection of a mixture of treated sea water (90.5%), sand (9.5%) and chemicals (0.5%) under high pressure to fracture the target reservoir formations to allow the hydrocarbons therein to be recovered. Rather than using local surface or ground freshwater sources of water to support this operation, SPE intends to use seawater obtained at site. Stimulation of the formation will be subsea, well below any freshwater aquifers.

Favourable results at any of the exploration wells will likely result in further exploration and delineation drilling, and perhaps even production drilling. Any drill site not to be used in further operations will be restored to a stable environmental condition, which includes re-vegetation.

SPE is proposing to hold consultation meetings at Piccadilly, Lark Harbour and Cow Head during the week of 12 November 2012 to answer any questions about the proposed drilling program and to discuss any issues that may arise from the floor. Experts on wellbore stimulation will be present at all consultation meetings.