

January 16, 2012



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Dear Mr. Ruelokke:

I am writing to you to express my concern over the proposed hydraulic fracturing (fracking) by Shoal Point Energy in the Green Point area. I was one of the people who attended their meeting at Cow Head on November 15, 2012, and found that most of their answers did not address the questions asked.

Shoal Point Energy is a fairly new company, and while some of their executives have had experience in other oil patches, none of them seem to have had any experience in hydraulic fracturing. Yet here they are proposing to start onshore-offshore hydraulic fracturing in the Green Point area. From an interview by Lauren Krugel, *Canadian Press*, with CEO George Langdon last September, it says that Shoal Point has amassed more than 280,000 hectares across three blocks of land. It goes on to say that they have drilled two exploratory wells so far, and that they are hoping to apply to CNLOPB for a significant discovery licence if the Green Point shale tests prove successful. It is my understanding that a full project description has not been submitted to CNLOPB and that when SPE does submit one, more public meetings will be the order of the day.

The Krugel article goes on to say that Green Point may have high-quality light, sweet crude that sells at a premium price. One can just see all those officials in town and city offices with visions of dollar signs dancing in their heads. But hold on a minute! How are they going to get that light, sweet crude to market? There's a port at Stephenville, not far from Shoal Point's operations and oil could be trucked up the coast and loaded onto tankers and shipped to lucrative Atlantic markets, says Mr. Langdon. But this is where things get sticky.

Highway 430 (the Viking Trail) is a two lane highway and it is the only highway running from the drilling site to Stephenville. There are one or two smaller roads, but only Hwy. 430 goes from the Green Point area to Stephenville. Traffic on this road consists of locals, delivery trucks, logging trucks, tourists, and some caribou and moose that often cross this highway as part of their range. While one of the people at the Shoal Point Energy meeting on November 15, said that they would help with improving the road, you and I both know that highway expansion and maintenance falls under provincial and sometimes federal jurisdiction as in the case of Gros Morne National Park. Shoal Point didn't seem to know just how much traffic they would be generating either. One time it was one truck but then they couldn't respond to how much water they would require. I think they decided they would be using salt water but after using it, where will this water be stored once it has been contaminated as it can't be dumped back into the ocean? I'm sure Nova Scotia will not want it shipped there either. Just how much of an imprint on the coast are they going to make with holding ponds, oil trucks and onshore drilling sites? Pictures of onshore drilling sites show that a fair amount of land is being used for everyday operations. And do we really want more oil tankers moving back and forth across the gulf?

Mr. Langdon went on to say that the area where Shoal Point would be drilling is sparsely populated and without much farmland; therefore fracking is likely to stir less opposition than in areas like Pennsylvania, New York State or the Quebec lowlands. Mr. Langdon must have forgotten all those people who use the bogs and fens for picking berries and hunting every year. He must have forgotten those people who live in the area and grow little gardens on the side of the road, and he must certainly have forgotten all those tourists who come to see Gros Morne National Park (a world heritage site) and by extension travel up the Viking Trail to St. Anthony, L'Anse aux Meadows and the Viking Village. These people do not come to see, hear or smell anything to do with oil production; they come as we've been advertising to the whole world because "we're as far from Disneyland as you can get". And it is tourists who generate a lot of money from June to October every year in our province...money that stays in the province.

During this interview it was mentioned that this area suffers from high unemployment and that many people have left for the more lucrative jobs in the tar sands in Alberta. He didn't bother to mention that in its early stages, "fracking" requires very few people other than the specialists required to ensure drilling procedures, slurry mixes, and "fracking" are working properly. While it is true that many of our young people have left for other provinces, there is no guarantee that Shoal Point Energy will have anything more than a few basic labour or driving jobs for young people. It is doubtful that the salaries will compare with similar jobs in Alberta. I consider this another "red herring" used to entice local people to give consent to what can be seen as another rip off for Newfoundlanders.

I feel that a new company like Shoal Point Energy should never have been able to amass 280,000 hectares in this area without a thorough environmental review first. The review done by LGL Ltd (Environmental research associates) in 2007 cannot be considered a full environmental review as questions were left unanswered. Apparently all the facts were not available without further environmental impact research being done. This is mentioned several times throughout their report. I know that LGL's conclusion was that petroleum exploration activity could proceed, but there was no mention of fracking. I believe the phrase "standard mitigation measures currently applied to offshore exploratory activities elsewhere in the NL offshore" was used. "However, the SEA Amendment identifies redfish spawning habitat – mating and larval extrusion – in the amendment area. Parcel 1 of NL07-1 is likely to overlap the redfish mating area. There were also many other species mentioned that might be impacted by noise and drilling. In fact it seemed to me the report made the company itself responsible. "It is likely that during the early exploration phase such data collection can be conducted opportunistically as part of ongoing industry activity". What about after the early exploration? Isn't this like asking a fox to guard the hen house?

Newfoundland has already granted drilling rights to Terra Nova, Hibernia, Hebron and White Rose with its extensions, West Rose, South Rose, and North Avalon. With these drilling rights come a host of regulations, environmental protection regulations, and safety procedures. The oil industry is fairly recent in Newfoundland's history, but hydraulic fracturing and horizontal drilling are even more recent. This is a new technique known as High Volume Slick water Hydraulic Fracturing. Hydraulic fracturing experts like Dr. Anthony Ingraffea consider current gas drilling "a relatively new combined technology". Ingraffea says that "although industry likes to characterize the process as successfully proven for over six decades what they fail to say is that they've had fewer than 10 years of experience on a large scale using these unconventional methods to develop gas from shale".

Shoal Point Energy isn't interested in natural gas; it's trying for oil. It would make more sense if the government negotiated to buy natural gas for a multitude of uses in Newfoundland (starting with home heating). After all there is lots of natural gas being crammed back into wells that Newfoundlanders could be using rather than looking for more oil or going after hydro power at Muskrat Falls. But we won't see this because oil makes more money for both oil companies and governments than buying/selling natural gas. Natural gas is a sensible alternative for Newfoundlanders. With all the young people leaving the province, how much longer can the older generation continue to cut fire wood for the winter? Even with a government rebate each year, the cost of heating with oil is only going to increase as is the cost of hydro.

So what's the rush to start hydraulic fracturing in Newfoundland? Norway has taken a wait and see attitude; Nova Scotia is holding back; many Quebecers are against it; many places in the USA where they have started "fracking" are wishing they'd never heard of it; even B.C. found minor earth quakes were caused where fracking was allowed. Newfoundland certainly doesn't need more oil at this time. In fact, I read that there is a glut of oil in the USA now. The aforementioned wells in Newfoundland are already producing quite a lot of oil with more to come. Oil monies have certainly driven up the price of real estate making it virtually impossible for young people to buy homes and yet Newfoundlanders still pay one of the highest gasoline prices in Canada. When the oil is gone and everybody goes home, what will we have left? Royalty monies only last so long with Muskrat Falls on the government agenda.

You would think that with our history of a continual loss of resources and jobs that people would demand more for themselves and a lot less for the big companies that come in to snatch and run. Shoal Point Energy hasn't got the money to finance an operation that they see as expanding up the west coast. Instead it appears that they want some bigger oil company(s) (presumably with more experience) to buy them out or at least contribute a large part of the financing required. Billing itself as a "Canadian" company shouldn't give it any special privileges. They say they've spent \$60 million already. \$30 M of this went on insurance and the rest most certainly went on salaries, specialists and their equipment and advertising. I doubt if much of it stayed in the Green Point area.

Apparently an update of the Western Newfoundland and Labrador Strategic Environmental Assessment (SEA) is currently in process. As SEA is essentially a planning document intended to assist the C-NLOPB in decision making concerning areas that may or may not be suitable for offshore exploration, this would include areas that may require special mitigations if exploration activity is to proceed. My hope is that there will be no continuance of drilling and/or "fracking" on the west coast and that a long term moratorium will be initiated as soon as possible.

Yours truly,

Donna Shears

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