



Atlantic Regional Office  
211-2099 Gottingen Street  
Halifax, NS

September 26, 2013

**RE: C-NLOPB WESTERN NL OFFSHORE AREA STRATEGIC ENVIRONMENTAL ASSESMENT**

#### **SHALE GAS AND OIL IN NEWFOUNDLAND**

Canadian companies Black Spruce Exploration and Shoal Point Energy Ltd. are applying to begin exploratory drilling and fracking on the west coast of Newfoundland, including Sally's Cove (an enclave in Gros Morne National Park), Lark Harbour (Bay of Islands) and Shoal Point (Port au Port).

#### **Gros Morne: UNESCO heritage site**

The UNESCO World Heritage Committee has already noted that a monitoring mission should be sent to Gros Morne National Park to assess the risks fracking will pose to the park. The park received this internationally-acclaimed designation in 1987 and draws in approximately 120 000 people annually. Shoal Point and Black Spruce plan to explore for oil just a few kilometers from park boundaries.

The industrialization of the rural western coastline of Newfoundland threatens the tourism industry which has grown since the park received its heritage site designation. Unlike the energy sector, sustainable tourism offers better long term employment opportunities for people closer to their homes. While fracking companies tout employment opportunities, they are vulnerable to fluctuations in national and global energy markets and corporate decisions that value shareholders before employees. U.S. organization Food and Water Watch produced reports that demonstrate that the estimate of new jobs created by

development of the Marcellus Shale is overblown and misleading.<sup>1</sup> Sustainable tourism celebrates the land and culture of local inhabitants and enables more peoples to benefit from rural employment.

### **Tourism**

Hospitality Newfoundland and Labrador, the provincial tourism industry association, stated its concern over proposals for slick-water hydraulic fracturing, especially in relation to the regions surrounding Gros Morne National Park<sup>2</sup>. According to the association, Gros Morne is the most significant generator of tourism demand and has been for nearly forty years. The tourism industry enhances the quality of life for people living in Newfoundland and Labrador. Protecting the tourism industry is not anti-development but comes from the understanding that sustainable tourism is the “foundation for other revenue-generating industries.”<sup>3</sup> Therefore a cautious approach, comprehensive study, and interactive consultation are recommended by the tourism industry in Newfoundland and Labrador before any further development. Increased truck traffic on the park’s only major road is a disturbance to park visitors. Which parties will take on the financial responsibility of road maintenance when truck traffic degrades the quality of this important access road?

### **Value beyond economic measure**

The sheer beauty, vastness, diversity, and dramatic scale of Gros Morne National Park offers people the gift of personal restoration in nature, reflection, and connection to the earth. These gifts are beyond monetary value and cannot be weighed using economic measurements. Visitors are able to experience pristine environments, free of contamination and the presence of industry. Spaces with such a pure and spiritual quality must be protected for generations to come and it is our responsibility to ensure this is the case.

### **Water**

Hydraulic fracturing or fracking poses a significant threat to Newfoundland’s water sources. The fracking process uses vast and unsustainable amounts of water. The toxic chemicals used in the fracking process further pollute water sources. The ‘wastewater flowback,’ a mixture of toxic chemicals, has no safe method of disposal. Often, jurisdictions will either bury it in the ground threatening local aquifers or put through municipal wastewater treatment systems which are ill-equipped to handle the chemicals used in fracking projects.

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<sup>1</sup> <http://www.foodandwaterwatch.org/reports/how-new-york-state-exaggerated-potential-job-creation/>

<sup>2</sup> <http://saveourseasandshores.ca/2013/05/tourism-industry-in-nl/>

<sup>3</sup> <http://saveourseasandshores.ca/2013/05/tourism-industry-in-nl/>

## **Toxic Industry**

A four billion gallon fracking project requires 80 tonnes (200,000 gallons) of chemicals. Industry is not required to publically release what chemicals they use in fracking projects. However, some chemicals found in fracking fluids in the US include ethylhexanol, formaldehyde, glutaraldehyde, boric acid, ethylene glycol, methanol, monoethanolamine, dazomet, acetic anhydride, isopropanol, propargyl alcohol and diesel. The New York State Department of Environmental Conservation's Division of Mineral Resources released a massive report which listed 257 additives that may be mixed with the water. The fracking process also brings up radioactive elements from underground. There has been anecdotal evidence that fracking fluids have leached uranium. There is also radon and radium-226 in shale deposits.

## **Risks beyond the West Coast of Newfoundland**

The impacts of developing shale gas and oil through hydraulic fracturing on the West Coast of Newfoundland extends beyond the direct location where drilling takes place. Recognizing the full costs of fracking, from 'cradle to grave' is critical for weighing the risks against possible benefits.

## **Fracking Wastewater**

In Nova Scotia, Atlantic Industrial Services (AIS) wanted permission to get rid of 4.5 million litres of fracking waste in the Debert sewer system that had accumulated from drilling operations several years ago near Kennetcook, in East Hants County, Nova Scotia. The fracking wastewater would have been discharged into the Chiganois River, potentially impacting communities along the Cobequid Bay and the Bay of Fundy. After an in-depth public consultation of the AIS application to dump fracking waste in Debert, the municipal authority (Colchester County) blocked the plan, citing that the "the river and the Bay of Fundy are too important to permit such discharge on an experimental basis."<sup>4</sup> Nova Scotia now has a significant challenge in deciding how to safely dispose of the waste. The lack of safe disposal methods is a key reason to ban fracking in Newfoundland.

## **Weak Regulation**

Newfoundland Premier Kathy Dunderdale has acknowledged the province's weak position in regards to regulating this emerging industry, stating, "As a government we don't have a hard and fast position on it at

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<sup>4</sup> <http://www.cbc.ca/news/canada/nova-scotia/story/2013/05/17/ns-debert-decision.html>

this point,” in June of 2013.<sup>5</sup> An overall vagueness in procedure and regulation for processing fracking waste means that communities on the route to, and surrounding, processing plants are threatened by hydraulic fracturing. Accidental spills and unprepared processing facilities can contaminate air and water sources in communities far from the point of drilling. A broader look at the impacts of fracking demonstrates significant gaps in the cradle to grave process of producing shale-gas and oil through hydraulic fracturing.

### **Climate impacts**

Proponents of natural gas have said that natural gas is a climate-friendly fossil fuel because it produces less greenhouse gas emissions when burned in comparison to other fossil fuels—half that of coal, for example. But fracking still has significant climate impacts. The lifecycle of greenhouse gas emissions – that is the combined emissions associated with extraction, combustion, and methane and CO<sub>2</sub> releases- may mean that fracked gas is as harmful as coal.

Fracking releases large amounts of natural gas, which consists of both CO<sub>2</sub> and methane, directly into the atmosphere. In fact, fracking wells leak 40 to 60 percent more methane than conventional natural gas wells. This happens when water is forced down into a fracking well in order to fracture the rock formations. Methane flows up the well and is released into the atmosphere before it can be captured. The leaked methane is called “fugitive methane” and has been detected using infrared videos and is identified as different from naturally occurring methane.

Methane in particular is a very powerful greenhouse gas in that it can trap 20 to 25 times more heat in the atmosphere than carbon dioxide. Two Cornell scientists who have been looking closely at fracking in the US estimate that in the next 20 years, methane will make up 44% of the US’s GHG emissions. Along with contributing to global warming pollution, methane leaks kill plants and trees and pose risks for natural gas explosions.

### **The Gulf of St. Lawrence**

Black Spruce Exploration and Shoal Point Energy Ltd. plan to explore for oil and gas by drilling down on land and then horizontally under the Bay of St. Lawrence in the Port au Port / St. George’s Bay area, Sally’s Cove / Rocky Harbour and several other communities along the West Coast. The risk of oil spills from shipping or blowouts would be devastating in the Gulf of St. Lawrence. The Gulf is a semi-enclosed sea bordered by coastlines of all five of Canada’s Atlantic Provinces. It is home to more than 2000 marine species, including

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<sup>5</sup> <http://www2.macleans.ca/2013/06/20/potential-fracking-in-gros-morne-raises-concerns-for-uns-world-heritage-agency/>

the endangered blue whale and cod stocks. Oil exploration in this critical and sensitive marine ecosystem could bring about a fate similar to the BP oil spill in the Gulf of Mexico, destroying rural economies and livelihoods in an instant. The fishery alone in this region has an estimated value of 1.5 billion dollars. Those who live in the region rely on the watershed for their livelihoods. But offshore oil prospecting and potential drilling are putting the health of the St. Lawrence and those who depend on it at risk.<sup>6</sup>

### **Limited Knowledge and Experience**

There is a noted uncertainty about the behavior of the geological formations which are currently holding the shale gas in Western Newfoundland. In fact, Canada nominated Gros Morne National Park as a World Heritage Site due in part to its complex geology.<sup>7</sup> The park offers to the scientific community a representation of continental drift in relation to the Eastern Coast of North America, amongst other key geological processes. A Director of GeoScience at AJM Deloitte, in reference to Newfoundland's geology, said that "the shale is really broken up quite a bit and when a shale is broken like that, it can be very difficult to drill."<sup>8</sup>

With limited previous experience to draw from, the development of Newfoundland's shale plays is risky for the environment, surrounding communities, employees, and investors. An overall lack of understanding of how hydraulic fracturing will behave in this geological setting alone is a reason to immediately halt development and issue a moratorium until research sufficiently demonstrates that these risks can be effectively overcome to ensure safety.

### **Summary**

While there may be limited benefits received by some groups within some key sectors, fracking will not change the standard of living for people in Newfoundland. Instead the overall risks of fracking, once all externalized costs are accounted for, are much greater than short-term economic gain. Communities along the West Coast of Newfoundland recognize the risks and are organizing against this threat to their land, water, and health. In fact, communities across Canada are forming alliances and working in solidarity with one another against this polluting and dangerous industry.

The Council of Canadians requests that the Canada-Newfoundland and Labrador Offshore Petroleum Board:

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<sup>6</sup> <http://action2.davidsuzuki.org/st-lawrence>

<sup>7</sup> <http://www.newfoundlandlabrador.com/placestogo/grosbornenationalpark>

<sup>8</sup> [http://www.huffingtonpost.ca/2012/09/09/shoal-point-energy-shale\\_n\\_1868189.html](http://www.huffingtonpost.ca/2012/09/09/shoal-point-energy-shale_n_1868189.html)

- Refrains from giving authorizations to projects currently submitted in the Gulf of St. Lawrence, including Corridor Resources' Old Harry Project and Shoal Point Energy and Black Spruce Exploration's Western Newfoundland Drilling Project
- Cancels the call for bids issued on May 16<sup>th</sup> 2013 for four parcels in the Newfoundland offshore area, and
- Defers the issuing of any new exploration licenses in the Newfoundland offshore area

Sincerely,



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Atlantic regional organizer



Emma Lui,  
National water campaigner



Andrea Harden-Donahue,  
Energy and climate campaigner