

JD Roche

From: Eric Theriault
Sent: Friday, November 26, 2004 3:48 PM
To: Andy Parker; Beth Vardy; Document Control
Subject: FW: Response to Addendum from BEPCo
Categories: 30-008-14 / BA50-001

FYI

Eric Theriault
Advisor Environmental Affairs
CNSOPB
1791 Barrington Street
Halifax, Nova Scotia
B3J 3K9
(902) 496-0742 (tel)
(902) 422-1799 (fax)

-----Original Message-----

From: Zamora, Phil [mailto:ZamoraP@mar.dfo-mpo.gc.ca]
Sent: Friday, November 26, 2004 10:06 AM
To: Eric Theriault
Cc: Worcester, Tana; Travers, Ian: EC; McDonald, Derek: EC
Subject: Response to Addendum from BEPCo

Eric:

Please find attached DFO response letter to the addendum from BEPCo.

Please call if you have any questions, Phil.

<<BEPCo response to Adendum.doc>>

CNSOPB Rec'd			
Date:		NOV 26 2004	
	TO	Action	Info/Copy
1	ET/BU/CAP/BBP		
2	ons to file		
3			
Doc. Reg. No.:		5608	
File No.:		BA50,001/30,008-14	



5th Floor Polaris, BIO
P.O. Box 1006
Dartmouth, Nova Scotia
B2Y 4A2

November 26, 2004

File No. 04-OG-022

Mr. Eric Theriault
Advisor, Environmental Affairs
Canada-Nova Scotia Offshore Petroleum Board
6th Floor, TD Centre
Halifax, NS
B3J 3K9

Dear Mr. Theriault:

**RE: BEPCo. Canada Company (BEPCo) Exploratory Drilling –
Comments on Addendum to EA Document**

Fisheries and Oceans Canada (DFO) has reviewed the document “BEPCo. Canada Company, Addendum to Environmental Assessment Report, Exploratory Drilling on EL 2407, November 2004”. BEPCo plans to conduct an exploratory drilling program which includes drilling one to three deep water wells between 2005 and 2007 on its Nova Scotia offshore licence. Subject to drilling success, the proponent may drill three appraisal wells between 2008 and 2009.

The Study Area boundary for this project is very important to future assessments since, under the *Canadian Environmental Assessment Act* (CEAA), a comprehensive study would not be required for future projects conducted within the current Study Area. In response to the Proponent’s EA, DFO recommended that either the Study Area be redefined to more accurately reflect the spatial boundaries of impacts on Valued Environmental Components (VECs) as described in the impact assessment or sufficient information be supplied for the existing Study Area to justify its current definition. The proponent has chosen the later option, and although some additional baseline information was supplied, the minimum requirements outlined in our e-mail to the Canada-Nova Scotia Offshore Petroleum Board (CNSOPB) dated October 14, 2004 have still not been met. The focus of DFO’s assessment of this EA is, therefore, on the deep water portion of the Study Area.

The Haddock Box is recognized as a special area which has been designated for the protection of juvenile haddock. The rationale for including the entire Haddock Box in the study area is to consider how project effects may extend beyond the zones of influence due to the spatial ecological boundary of this VEC. In order to

access project effects, as a minimum, all current baseline information on juvenile haddock, as well as eggs and larvae, should be included in the proponent's EA. This baseline information is available from research surveys (e.g. groundfish surveys, Scotian Shelf Ichthyoplankton Program) and would provide the basis for structure and distribution analyses. Historical fishing data, stock status reports, and research documents (e.g. DFO Research Document 2002/102) are also a source of data that can be used to examine this special area relative to other areas.

In appendix 2 of BEPCo's Addendum, Additional Information on Species at Risk, it states that "Even if the event [accidental spill] did occur, the nature of the spill and its location in relation to important habitat for listed species would prevent the adverse effect from being significant". . Though there is no known 'important habitat' within the zone of influence, there is still potential for Species at Risk (SAR) to be in the area. As one example, blue whales may feed in this area during the summer. Therefore, although it is agreed that the probability of an accidental spill is low, if one did occur there is a potential for blue whales to be impacted. The blue whale is listed by the Committee on the Status of Endangered Wildlife in Canada (COSEWIC) as endangered and could be added to schedule 1 of the Species at Risk Act (SARA) as early as January 2005. To date no recovery strategy or allowable harm assessment has been done. The proponent defines a 'not significant adverse residual effect' as an effect that does not jeopardize the survival or recovery of the species or does not exceed applicable allowable harm assessments. Since there is, as yet, no recovery strategy or allowable harm assessment for the blue whale, the EA should not conclude that there will be no significant adverse effects from an accidental spill.

In the table in Appendix 2 of the Addendum it is predicted that an accidental spill would not impact porbeagle shark or Atlantic salmon because the spill would affect surface waters only. Both of these species are pelagic and might be found in the upper layers of the water column where they could be affected by a spill. The proponent's prediction could, however, be applied to demersal species such as cod and wolffish which are unlikely to be found in the surface waters.

During normal project operations, DFO considers the potential for adverse effects on SAR to be low. However, should an accidental event occur, adverse effects would be more likely to occur. Therefore monitoring of species at risk is recommended. The proposed environmental effects monitoring program is considered sufficient to meet these requirements if a protocol dealing with harmful SAR interactions, as mentioned below, is developed.

The proponent has committed to the use of an observer to monitor interactions with marine mammals, turtles, birds and to coordinate communication with

members of the fishing industry in the area. The proponent should develop and submit a protocol to the CNSOPB which outlines the steps to be taken should any harmful interaction occur.

In addition to BEPCo's implementation of its Emergency and Oil Response Plans, DFO recommends that a protocol be developed to describe the measures that can be taken to protect the environment in the event of a spill.

The proposed Environmental Effects Monitoring Program (EEM) for the BEPCo project presents limited information regarding existing conditions, impacts associated with drilling and the monitoring that will be carried out to determine the accuracy of predicted results. The lack of background information regarding species composition in the proposed area is an obvious data gap. In order for a monitoring program to be fully effective there must be reliable, well supported baseline data that can be compared to conditions following the proposed activity.

The decision to use benthic composition from surveys carried out in adjacent blocks instead of collecting site specific information needs further justification. While BEPCo has committed to pre and post drilling Remotely Operated Vehicle (ROV) surveys, details of the survey are insufficient. Further information is required on the extent of the area to be covered during monitoring, sample collection, frequency and analysis, and reporting procedures.

In addition to visual data collected during the pre spud survey, sediment and water quality samples should also be collected to provide background on existing environmental conditions. Comparison of this information to similar data collected during the post drilling ROV survey will enable the proponent to identify areas where drilling has degraded marine quality and potentially affected fish habitat. The collection of benthic samples in order to analyze any potential contaminant uptake and retention is also necessary. This additional sampling regime would better enable the proponent to meet their commitment as stated in the Methodology section of the EA which is to consider the impacts on the ecosystem as a whole. Finally, it is important that lessons learned from the monitoring program and any new regulatory requirements (e.g. listing of new SARA species) be incorporated into subsequent drilling activities to minimize the impact on the local marine environment.

DFO, in response to the proponent's EA, requested that a draft EEM report be submitted to the CNSOPB (for review by DFO and Environment Canada) which addressed the following items: pre and post drilling sediment sampling design and reporting format; pre and post ROV survey design and reporting format; drill mud log reporting format; and marine mammal, turtle and sea bird observation reporting format. Additional information has been provided on the ROV survey

Mr. Theriault

(4)

November 26, 2004

collection methodology. Inclusion of the other 3 points in the proposed EEM would provide more reporting consistency.

BEPCo has committed to environmental monitoring in the event of a spill or accidental release of contaminants. This would be useful in accessing the effectiveness of spill clean-up and strengthening spill modeling. Information from the Marathon event of August 2004 will be available in the near future and can be used to improve modeling for spills of whole drilling mud. Monitoring plans or protocols to be used in such an event should be developed and submitted to the CNSOPB prior to project approval.

If you have any questions, please do not hesitate to call me at (902) 426-4692.

Sincerely,

Phil Zamora,

Habitat Management Biologist

c.c T. Worcester
D. McDonald (CEA Agency)
I. Travers (EC)