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Nova Scotian officials are pleased with the positive reaction to their recent regulatory revisions intended to entice exploration and production companies to drill more in the province's largely unexplored offshore area, said Diana Dalton, chair of the Canada-Nova Scotia Offshore Petroleum Board (CNSOPB).

Talking to Oil Daily on the sidelines of the Offshore Technology Conference in Houston this week, Dalton said the agency has received feedback from international oil companies as well as Canadian independents indicating that the explorers will consider taking another look at the complicated geology as a result of the new terms. The Atlantic Canada province recently introduced shorter and more flexible terms for exploration licenses and reduced fees (OD Apr.30,p5).

In addition, several companies that have drilled in the harsh North Atlantic environment have agreed to contribute what had been proprietary data on their wells and seismic surveys to the agency's new data management center, she said. The data center is due to open in October. It will be located in Dartmouth, Nova Scotia, across the bay from Halifax, the provincial capital. The new policies are intended to attract the more entrepreneurial junior or independent operators to drill exploratory wells. If successful, then the major companies with their deeper pockets would be expected to join in development programs, Dalton explained.

The province also would like to entice companies to proceed to production on some of the 16 undeveloped discoveries offshore Nova Scotia, said Allison Scott, the province's deputy minister of energy, in an address to OTC attendees. Only five gas finds to date are on production, all of them part of the Sable Island Offshore Project operated by Exxon Mobil.

Calgary-based EnCana has filed a development plan for the Deep Panuke discovery, made in 1999. Dalton said final approval could come by the end of the year, with first production by the end of the decade. Scott noted that the approval process for the Deep Panuke project will be completed in only nine months, less than a third of the 30 months typical in the past. She also stressed the region's limited exploration history and untapped potential, saying that only 124 exploratory wells have been drilled in Nova Scotian waters and only six in the deep offshore in 40 years.

By comparison, the North Sea has had 10,000 wells drilled and the Gulf of Mexico 50,000 wells in the same period.

Scott also pledged that the province will continue to work on additional initiatives to open more Nova Scotian onshore and offshore prospects to drillers.

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