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CANADA - NOVA SCOTIA
OFFSHORE PETROLEUM BOARD

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Memorandum of Understanding (MOU)
Respecting the BP Scotian Basin Drilling Project

between

The Canadian Environmental Assessment Agency (the Agency)

and

The Canada-Nova Scotia Offshore Petroleum Board (the Board)

Hereafter collectively referred to as the "Parties"

Preamble

WHEREAS, the Scotian Basin Exploration Drilling Project (designated project) is subject to the requirements of the *Canadian Environmental Assessment Act, 2012* (CEAA 2012) and the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act* and the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act* (collectively the Accord Acts);

WHEREAS, under section 105 of CEAA 2012, the Agency has the following objects:

- (i) to conduct or administer environmental assessments and administer any other requirements and procedures established by CEAA 2012 and its regulations;
- (ii) to promote uniformity and harmonization in relation to the assessment of environmental effects across Canada at all levels of government;
- (iii) to promote, monitor and facilitate compliance with CEAA 2012;
- (iv) to promote and monitor the quality of environmental assessments conducted under CEAA 2012;

WHEREAS, under section 54 of CEAA 2012 the Minister of Environment and Climate Change Canada has issued a decision statement in relation to the designated project;

WHEREAS, under the Accord Acts, the Board may issue an authorization to a proponent in respect of a designated project (the authorization);

WHEREAS, in the interests of avoiding unnecessary duplication of monitoring activities, the Parties wish to share information in relation to the conditions of the decision statement that have been included in the authorization.

THEREFORE the Parties agree as follows:

1. Definitions

In this MOU,

“Agency designate” means the person designated to act on behalf of the Agency for the purposes of this MOU;

“authorization” means the authorization for work or activity, and the terms and conditions contained in it, issued in respect of a designated project by the Board in accordance with section 142 of the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act* and section 135 the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act*;

“Board designate” means the person designated to act on behalf of the Board for the purposes of this MOU;

“decision statement” means the decision statement issued by the Minister of Environment and Climate Change Canada to the proponent in relation to the designated project in accordance with section 54 of the *Canadian Environmental Assessment Act, 2012* (CEAA 2012);

“designated project” means the Scotian Basin Exploration Drilling Project proposed by BP Canada Energy Group ULC in relation to an exploration drilling program to be conducted approximately 230 to 370 kilometres off the southeast coast of Nova Scotia consisting of up to seven exploration wells within Exploration Licenses 2431, 2432, 2433, and 2434;

“Minister” means Minister of Environment and Climate Change Canada; and

“proponent” means BP Canada Energy Group ULC.

2. Purpose

The purpose of this MOU is to establish procedures for the exchange of information between the Parties in relation to the proponent’s compliance with the conditions set out in the Minister’s decision statement. Compliance with these conditions will be included as a condition in the authorization by the Board.

3. Roles and Responsibilities of the Parties

3.1 The Board commits to:

(a) identifying a designate under Section 4 for the purposes of administering this MOU (the Board designate) and for responding to any questions or providing clarification on the information provided by the Board to the Agency in relation to conditions of a decision statement which are included as a condition in an authorization issued by the Board;

(b) notifying the Agency via email at compliance.conformite@ceaa-acee.gc.ca within 90 days of the suspension or abandonment of each exploration well:

(i) a summary of the activities verifying compliance with the conditions of the decision statement which are included as a condition in an authorization issued by the Board;

(ii) a summary of any non-compliance(s) with the conditions of the decision statement which are included as a condition in an authorization issued by the Board identified by personnel of the Board;

(iii) a description of the measures taken by the Board, to compel the return to compliance following the identification of non-compliance with conditions of the decision statement which are included as a condition in an authorization issued by the Board;

(iv) a summary of investigations of non-compliance with conditions of the decision statement which are included as a condition in an authorization issued by the Board, the outcome of each investigation, the measures used to compel compliance following or as a result of those investigations, and the number of enforcement actions initiated by the Board following or as a result of those investigations; and

(c) answering questions from the Agency officials who are designated to administer and enforce CEAA 2012, on any information provided by the Board in accordance with subsection 3.1(b).

3.2 The Agency commits to:

(a) identifying a designate under Section 4 for the purposes of administering this MOU (the Agency designate) and for responding to any questions or providing clarification to the Board on the information requirements of the Agency in relation

to the conditions of the decision statement that will be included in the authorization issued by the Board.

(b) providing clarification to the Board, at the Board's request, regarding the information requirements identified in subsection 3.1(b).

3.3 The Parties agree that the Board will notify the Agency by e-mail at compliance.conformite@ceaa-acee.gc.ca of a significant incident referred to in conditions 3.11 and 6.9 of the decision statement as soon as reasonably practicable upon being made aware of the incident.

3.4 The Parties agree to advise each other:

(a) of any court proceedings or court decisions that may affect the interpretation of CEAA 2012 and its application to conditions of the decision statement for the designated project; and

(b) of any policy changes, or any new policy that either Party may implement and that may affect their interpretation of conditions of the decision statement.

3.5 It is not intended, nor will it be interpreted, that this MOU creates, imposes, or implies any statutory or legal duties, rights, obligations, liabilities, claims, or actions on or against the Parties. It is further not intended, nor will it be interpreted, that this MOU gives to the Parties any power or authority that they do not otherwise hold nor does it relieve, exclude, or prohibit the Parties from performing any duties that they are responsible for under the applicable statutory authority by which they operate. For greater certainty, this MOU is not legally binding.

4. Designates and Administration

4.1 The Agency designate for the purposes of communication of information in relation to this MOU is:

Director, National Programs

Canadian Environmental Assessment Agency

160 Elgin Street, 22nd Floor

Ottawa, Ontario K1A 0H3

Tel: (613) 957-0294

Email: steve.chapman@ceaa-acee.gc.ca

- 4.2 The Board designate for the purposes of communication of information in relation to this MOU is:

Director, Operations/Health, Safety & Environment

Canada-Nova Scotia Offshore Petroleum Board

1791 Barrington Street, 8th Floor TD Center

Halifax, Nova Scotia B3J 3K9

Tel: (902) 422-5588

Email: dmurphy@cnsopb.ns.ca

- 4.3 The Agency designate and the Board designate shall meet at the request of either Party to review the operation of this MOU and to consider any amendment that either Party may require.
- 4.4 Either Party may change the designate or contact information by notifying the other Party in writing.

5. Conflict Resolution

- 5.1 Issues that arise in relation to this MOU that cannot be resolved by the Agency designate and the Board designate will be referred to the Agency Vice President of Operations and the Chief Executive Officer of the Board.

6. Amendments and Termination

- 6.1 This MOU may be amended upon the mutual consent of the Parties. Unless otherwise agreed, an amendment is effective upon the date of the last signature of a Party.
- 6.2 If the project is still ongoing, the Agency and the Board agree to meet five (5) years after the date of the last signature to review operations under the MOU and discuss whether to renew the MOU.
- 6.3 Either Party may terminate this MOU by giving two (2) months' written notice to the other Party.

7. Annexes

Any document to which the Parties agree may be annexed to this MOU.

8. Effective Date

This MOU is effective from and after the date of the last signature.

9. Approvals

The Parties have signed, in duplicate, this MOU on the dates indicated below.

The Board



Chief Executive Officer
Canada-Nova Scotia Offshore
Petroleum Board

Date: March 22, 2018

The Agency



Vice President of Operations
Canadian Environmental Assessment
Agency

Date: March 29, 2018