

**Part III**

**MEMORANDUM OF UNDERSTANDING (MOU)**

Respecting the administration of Part III of the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act* and the *Canada-Nova Scotia Petroleum Resources Accord Implementation (Nova Scotia) Act*

AMONG:

**Her Majesty in Right of Canada,  
represented by the Minister of Natural Resources ("NRCAN")**

and

**Her Majesty in Right of Nova Scotia,  
represented by the Minister of Energy ("NSE")**

and

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

hereinafter collectively referred to as the "Parties"

**WHEREAS** under the federal *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act* and the provincial *Canada-Nova Scotia Petroleum Resources Accord Implementation (Nova Scotia) Act* ("the Accord Acts") the Board has responsibility for administering the provisions of the Accord Acts on behalf of the Government of Canada and Government of Nova Scotia, including matters respecting safety, protection of the environment, conservation of petroleum and joint production arrangements;

**AND WHEREAS** occupational health and safety matters as they relate to petroleum related work and activity conducted in the offshore area are addressed in Part III.1 of the federal *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act* and Part IIIA of the provincial *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act* ("the OHS Provisions");

**AND WHEREAS** on behalf of the Government of Canada, NRCAN has responsibilities related to the Accord Acts for the management of offshore petroleum resources and petroleum related work and activity conducted in the offshore area, including matters respecting safety, protection of the environment, conservation of petroleum and joint production arrangements;

**AND WHEREAS** on behalf of the Government of Nova Scotia, NSE has responsibilities related to the Accord Acts, other than the OHS Provisions, for the management of offshore petroleum resources and petroleum related work and activity conducted in the offshore area, including matters respecting safety, protection of the environment, conservation of petroleum and joint production arrangements;

**AND WHEREAS** it is appropriate to describe more formally the process to be followed by the Parties in respect of matters of mutual concern and the understanding among them in relation to the effective administration of the operational safety regime under the Accord Acts;

**THEREFORE**, the Parties agree as follows:

## **1. GENERAL**

- 1.1. The purpose of this MOU is to establish an understanding between the Parties in relation to the administration of provisions under Part III of the Accord Acts.
- 1.2. Any terms not otherwise defined have their meaning as set out in the Accord Acts.
- 1.3. If the name of any Party changes after the signing of this agreement, the new entity is bound by this agreement.
- 1.4. In the event of any inconsistency between this MOU and the Accord Acts, the Accord Acts prevail.

## **2. ROLES AND ADVICE**

- 2.1. The Board may consider the regulatory practices provincially, federally and in other offshore regulatory regimes when formulating recommendations or establishing guidelines and interpretation notes respecting matters in the offshore area in an effort to ensure best practices are being applied in the offshore area.
- 2.2. NSE will, unless prohibited by law, provide information and advice in its possession to the Board or the Chief Safety Officer or the Chief Conservation Officer on matters that may impact the administration of Part III.
- 2.3. NRCAN will, unless prohibited by law, provide information and advice in its possession to the Board or the Chief Safety Officer or the Chief Conservation Officer on matters that may impact the administration of Part III.
- 2.4. It is understood by the Parties that they are not obliged to provide information and advice referred to in provisions 2.2 and 2.3 that would be subject to any privilege or immunity from production in legal proceedings, and that the provision of such advice and information by the Parties notwithstanding such privilege or immunity shall not be a waiver of the privilege or immunity. It is also understood that the provision of any advice and information by the Parties that is confidential is subject to any confidentiality that may attach to that information.
- 2.5. NRCAN and NSE will consult each other prior to making any recommendation to the Governor in Council or Lieutenant-Governor in Council with respect to proposed legislation made under Part III, and NRCAN and NSE will also be responsible for consultation with equivalent counterparts who are responsible for the administration of safety, protection of the environment, conservation of petroleum and joint production arrangements in the offshore area, and will consult with other departments and agencies with expertise on subject areas that may affect the administration of Part III. The Board will provide technical advice in such matters as appropriate.

## **3. NOTIFICATION AND COMMUNICATION**

- 3.1. The Parties agree to establish a protocol to be annexed to this MOU for the timely and effective notification and communication of incidents, including Serious Incidents defined in Annex 2.
- 3.2. The Parties shall advise each other of any proceedings or decisions that may affect the interpretation of Part III of the Accord Acts and its respective application in the offshore area.
- 3.3. Where practicable, NRCAN and NSE agree to assist the Board, if requested, in matters related to the Board's administration and enforcement of Part III.

#### **4. DESIGNATES FOR NOTIFICATION**

The following is the title of the designate and contact information for the purposes of giving notice as required by this MOU:

**Chief Executive Officer**

Canada –Nova Scotia Offshore Petroleum Board  
18<sup>th</sup> Floor TD Centre, 1791 Barrington Street  
Halifax, Nova Scotia B3J 3K9  
Tel: (902) 496-3206

**Deputy Minister**

Nova Scotia Department of Energy  
Joseph Howe Building  
1690 Hollis St  
PO Box 2664  
Halifax, NS B3J 3J9  
Tel: (902) 424-4450

**Director General**

Petroleum Resources Branch  
Natural Resources Canada  
580 Booth Street, 17<sup>th</sup> Floor, A6  
Ottawa, Ontario K1A 0E4  
Tel: (613) 992-8609

A Party may change the designate or contact information by notifying the other Parties in writing.

#### **5. REPORTING**

- 5.1. The Board will consult with NRCAN and NSE concerning the reports and statistics which are required under the Accord Acts or are necessary for the purposes of NRCAN and NSE.
- 5.2. Upon request, the Board will provide NRCAN and NSE, at the director level or above, with any reports required to be published under Part III of the Accord Acts and any other

information in respect of the exploration and drilling for and the production, conservation and transportation of petroleum in the offshore area.

## **6. DESIGNATION OF OFFICERS**

- 6.1. The requisite skills, qualifications and training requirements necessary for operational safety officers and conservation officers to be designated under the Accord Acts are set out in Annex 3 attached to this MOU. It is understood by the Parties that the requirements may be amended from time to time.
- 6.2. The Board will ensure that operational safety officers and conservation officers are trained in accordance with the requirements and maintain the necessary certifications in relation to such designation.
- 6.3. Upon the Board being satisfied that a Board employee or other recommended person meets the necessary skills, qualifications and training requirements, the Board will initiate the designation process of the employee or other recommended person as an operational safety officer or conservation officer by forwarding the request to NRCAN and NSE, to designate the employee or other recommended person. It is understood that such a request must be accompanied by the curriculum vitae and documentation respecting the certification and training of the candidate.
- 6.4. NSE and NRCAN will advise the Board of the date on which they have received a recommendation of designation pursuant to Section 6.3.
- 6.5. NRCAN and NSE will notify the Board in writing when an operational safety officer or a conservation officer has been designated.
- 6.6. The Board will notify NRCAN and NSE in writing when either the Chief Safety Officer or the Chief Conservation Officer has been designated.
- 6.7. On completion of the designation process, the Board will provide the operational safety officer and conservation officer an appropriate certificate of designation.
- 6.8. The Board will immediately advise NRCAN and NSE when a Chief Safety Officer, Chief Conservation Officer, operational safety officer or conservation officer ceases to remain in that capacity.

## **7. OTHER**

- 7.1. The Parties may provide services to one another in support of matters that may impact the administration of Part III in addition to those identified in this MOU. Such services will be provided upon such terms as may be agreed by the Parties from time to time.
- 7.2. Issues arising out of this MOU that cannot be resolved at the staff level will be referred to the Deputy Minister, NSE, the Director General, NRCAN, and the Chair of the Board.

7.3. Officials of NRCAN, NSE and the Board, or their delegates, will meet as appropriate and determined by them to review the operation of the MOU and to consider any amendment which may be required.

7.4 This MOU replaces all previous agreements between the Parties on the administration of Part III.

**8. AMENDMENT AND ANNEXES**

8.1. This MOU may be amended upon the mutual consent of NRCAN, NSE and the Board. Unless another date is agreed, an amendment will become effective upon the date of the last signature of a NRCAN, NSE and the Board.

8.2. Any document describing a co-operative arrangement affecting this MOU which may, from time to time, be concluded between NRCAN, NSE and the Board at the senior level, or any other document which the Parties agree, may be annexed to this MOU, and, a list of such Annexes will itself be Annex 1.

**9. EFFECTIVE DATE**

9.1. This MOU is effective from and after the 12 day of November, 2014.

**IN WITNESS WHEREOF** our signatures are hereunto inscribed:

 (Stuart Pinker)  
CEO

November 12, 2014

Chair  
Canada-Nova Scotia  
Offshore Petroleum Board  
(or his authorized designate) -

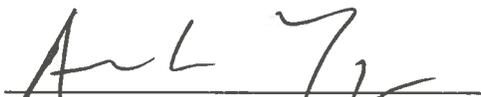
DATE

 Christine Bonnell-Evans  
CEO is authorized designate by the Board

12-Nov-2014

WITNESS

DATE



Minister for the Nova Scotia  
Department of Energy  
(or his authorized designate)

DATE

Mandy Lloyd  
WITNESS

Nov 12/14  
DATE

  
Minister of Natural Resources Canada  
(or his authorized designate)

OCT 24 2014  
DATE

  
WITNESS

OCT 24 2014  
DATE

## **Annex 1**

### **List of Annexes**

**Serious Incident**

**Qualifications of Officers**

## **Annex 2**

### **Serious Incident**

The incidents which the Board will promptly notify NRCAN and NSE, pursuant to Section 3.1 of this MOU, are hereby defined to be ("Serious Incidents"):

- (a) an incident which formally invokes the CNSOPB's Emergency Response Plan
- (b) The occurrence of an operator exceeding the daily flare allowance.

## Annex 3

### Qualifications of Conservation Officers

#### EXPERIENCE

Environmental Protection	Resource Management
<ul style="list-style-type: none"><li>a) Minimum five (5) years petroleum and/or environmental experience</li><li>b) Bachelor's degree in Engineering or Science</li><li>c) An equivalent combination of (a) and (b)</li></ul>	<ul style="list-style-type: none"><li>a) Minimum five (5) years petroleum experience</li><li>b) Professional Engineer, Professional Geoscientist, Bachelor's degree in Engineering or Geology or Petroleum Technologist</li><li>c) An equivalent combination of (a) and (b)</li></ul>

#### CERTIFICATIONS & TRAINING

- Formal Auditor Training
- Law Enforcement Investigation Training
- Regulatory Officer Training

(For the purpose of offshore travel):

- Basic Survival Training
- Hydrogen Sulfide Safety (e.g. H2S Alive)
- WHMIS
- First Aid/ CPR
- Offshore Medical Fitness Certification

#### DEMONSTRATED COMPETENCIES

- Completion of six-month probationary period
- Act as co-lead, or lead accompanied by a designated Conservation Officer, for at least two onsite compliance verifications (i.e. audits or inspections).
- A competency assessment has been performed in accordance with the Board's Officer review practices, and the individual is recommended by the Board for designation as a Conservation Officer for the purpose of the administration and enforcement of Part III.

#### OTHER CONSIDERATIONS

Candidates must possess sufficient qualifications (experience, competencies, certifications and

training) to carry out their functions efficiently and effectively.

Temporary designation of Conservation Officers may be required in specific circumstances (e.g. for incident inspections, inquiries and investigations, as a result of staff resignations, etc.). Such appointments may include external consultants.

Qualification requirements for a candidate for temporary designation as a Conservation Officer shall be determined on a case by case basis. The designation process will be the same as for any Conservation Officer; however the specific circumstances and recommended qualifications shall be clearly described.

## Qualifications of Operational Safety Officers

### **EXPERIENCE**

- (a) Minimum five (5) years petroleum and/or safety and health related experience
- (b) Professional Engineer or a recognized safety designation, or
- (c) An equivalent combination of (a) and (b).

### **DEMONSTRATED COMPETENCIES**

- Completion of six-month probationary period
- Act as co-lead, or lead accompanied by a designated Operational Safety Officer, for at least two onsite compliance verifications (ie. audits or inspections).
- A competency assessment has been performed in accordance with the Board's Officer review practices, and the individual is recommended by the Board for designation as an Operational Safety Officer for the purpose of the administration and enforcement of Part III.

### **CERTIFICATIONS & TRAINING**

- Formal Auditor Training
- Law Enforcement Investigation Training
- Regulatory Officer Training

(For the purpose of offshore travel):

- Basic Survival Training
- Hydrogen Sulfide Safety (e.g. H<sub>2</sub>S Alive)
- WHMIS
- First Aid/ CPR
- Offshore Medical Fitness Certification

### **OTHER CONSIDERATIONS**

Candidates must possess sufficient qualifications (experience, competencies, certifications and training) to carry out their functions efficiently and effectively.

Temporary designation of Operational Safety Officers may be required in specific circumstances (e.g. for incident inspections, inquiries and investigations, as a result of staff resignations, etc.). Such designation may include external consultants.

Qualification requirements for a candidate for temporary designation as an Operational Safety Officer shall be determined on a case by case basis. The designation process will be the same as for any Operational Safety Officer; however the specific circumstances and recommended qualifications shall be clearly described.

