



December 23, 2015

Written Comment: Sydney Basin and Orpheus Graben Areas

Based on the draft Strategic Environmental Assessment

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Ms. Elizabeth MacDonald
Canada-Nova Scotia Offshore Petroleum Board
18th Floor TD Centre
1791 Barrington Street
Halifax, Nova Scotia
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Re: Draft Strategic Environmental Assessment for the Sydney Basin and Orpheus Graben Areas

Dear Ms. MacDonald,

The Maritimes Energy Association is pleased to provide a written comment on the draft Strategic Environmental Assessment for the Sydney Basin and Orpheus Graben Areas. Seeking public consultation on activities such as these is extremely important and we are pleased to support this initiative by the Canada-Nova Scotia Offshore Petroleum Board (CNSOPB). It is evident that there is continued interest from around the world to do work offshore of Nova Scotia. Exploration programs are underway once again off our coast. Shell has a drilling program underway in the Shelburne Basin and BP is in the process of developing and receiving approval for their exploration program on the Scotian Shelf. We also have a new player in Nova Scotia; Statoil, who was successful in the most recent CNSOPB Call for Bids NS15-1.

The Maritimes Energy Association is an independent not-for-profit organization representing businesses that provide goods and services to the energy industry in Eastern Canada – offshore & onshore, renewable & non-renewable, domestic and export markets. The Maritimes Energy Association continuously strives to play a role in the advancement of the energy industry by identifying, promoting and supporting opportunities for its local member companies in the energy industry.

The Maritimes Energy Association supports the exploration and development of Nova Scotia's offshore petroleum potential and supports the regulatory regime of the CNSOPB. The development of the Nova Scotia oil and gas industry over the past 50 years has contributed significantly to our local economy and the people of Nova Scotia. We understand the importance of projects such as this and how they help to create sustainable jobs and economic activity in our region, which are our main priorities as an association. We also acknowledge the importance of appropriate environmental stewardship delivered through effective requirements while carrying out the activities of the oil and gas industry in Nova Scotia. We are excited to see activity by the oil and gas industry in the province and particularly the potential for new exploration efforts, offshore Cape Breton in the Sydney Basin and Orpheus Graben Areas.

Strategic Environmental Assessments (SEAs) are completed during the early phases of the petroleum planning and decision-making processes; and provide a general description of the study area environment. They focus on potential environmental impacts that may be caused by oil and gas activities, primarily in the proposed study areas. The SEAs also address possible risks and general mitigation measures for these areas. In addition, they play a crucial role in assisting the CNSOPB in the selection process and also provide guidelines for potential exploration and development companies to develop their project-specific environmental assessments (EAs). They also address any knowledge and data gaps and provide mitigation recommendations. It is important to note that SEAs are not a replacement for project-specific EAs, project planning nor regulatory decisions.

The Maritimes Energy Association is pleased to share the following comments on the draft Strategic Environmental Assessment for the Sydney Basin and Orpheus Graben Areas.

Comments

The main study area in the Sydney Basin and Orpheus Graben covers a 37,280 km² area located off the eastern and southern parts of Cape Breton and has been established based on the geographic borders of the CNSOPB's jurisdiction. It also covers a large expanse of the north and northeastern Scotian Shelf, extending approximately 350 km north to south and 250 km west to east. At this time, no offshore petroleum exploration, production licenses or activity exist within the study area. However, several exploratory wells have been drilled in the past in the study area, which have all since been abandoned or decommissioned. Further east of the area off the Newfoundland and Labrador coast are several major oil and gas development projects at different stages of their life cycle.

The draft SEA for offshore petroleum activities on the eastern and southern parts off Cape Breton is very thorough and extensive. The 457-page document provides detailed data and information on the study area including its existing environmental setting, key environmental issues and potential mitigation measures for these issues. The assessment outlines the potential environmental mitigation measures based on various typical exploration activities such as seismic and seabed surveys; exploratory drilling and well abandonment; vertical seismic profiling as well as vessel and helicopter traffic. It also takes into account relevant legislation and guidelines and provides a complete description of the physical environment of the specific study area for planning purposes. SEAs are an early yet important and proactive part of the process that allow for careful consideration before any activities are undertaken or put in place.

Due to existing environmental features, stakeholder interests, relevant legislation and potential exploration activities, the SEA focuses mainly on Valued Environmental Components (VECs). The scope of the VECs consist of species of special status, special areas, fisheries and other marine components as well as ocean users. To ensure expected outcomes, the assessment also analyzes the overall areas where VECs (that could potentially be affected by oil and gas activities) are situated. This due diligence by the CNSOPB is an example of how they exercise a precautionary approach in their regulatory mandate.

With regards to the species of special status, there are 4 categories: fish, marine birds, sea turtles and marine mammals. In the study area, a total of 25 species of marine or fish species are noted as being of conservation concern. With regards to special areas, several have been noted within the study area, some being officially protected under provincial and/or federal legislation. Fisheries are an integral part of the economy and a form of livelihood in the area, therefore careful assessment of marine species is mandatory. In addition, Cape Breton has a large tourism industry including whale-watching tours, sea bird-watching tours and commercial as well as recreational marine activity. The SEAs outline potential effects of offshore petroleum activities based on existing knowledge and literature, recommended mitigation and planning considerations as well as discussed data gaps and uncertainties with regards to all of the VECs. Detailed tables are also provided that outline all of the key mitigation measures for possible types of exploration activity in the various study areas. Finally, the assessment includes several tables, figures and maps to support the associated information.

Stakeholder engagement is always a very important component to any energy project and is addressed in this draft SEA. In the planning and preparation of this draft SEA, an associated program of public and stakeholder consultation was established. The review of this assessment included public and stakeholder consultation through public open houses and stakeholder gatherings in communities within the study area. Special consideration will also be given to Aboriginal communal commercial fisheries as aboriginal groups are recognized as key stakeholders. Several government departments and agencies such as Environment Canada, Department of Fisheries and Oceans (DFO) and the Department of National Defence (DND) as well as stakeholder groups (the CNSOPB's Fisheries Advisory Committee among others) were involved in the planning and preparation of the SEA.

The Maritimes Energy Association would like to reemphasize how important it is that regulations continue to be reviewed and updated periodically to consider the latest technology and best practices, where applicable and appropriate. Conducting relevant research in a timely manner and adopting new procedures and guidelines is imperative to the on-going success of offshore oil and gas exploration and development.

Nova Scotia and the Atlantic Region have a long and successful history of offshore exploration and development. The industry and the local companies that support it are proud of their records on safety and environment

stewardship. Of note, many of our member companies are located on or near Cape Breton and have a keen interest in the outcome of any process that would see new petroleum-related activity in the area. As a result, The Maritimes Energy Association strongly supports the content of the draft SEA for the Sydney Basin and Orpheus Graben Areas and recognizes it as part of the regulatory processes that helps advance oil and gas exploration and development in Nova Scotia. It is thorough and comprehensive and provides the CNSOPB with a strong foundation for determining whether future exploration rights will be offered for the proposed study area.

In conclusion, we support the CNSOPB for its continued efforts to seek public input and thank them for the opportunity to support and provide comment on this initiative. We look forward to the next step in the planning and decision-making process and hope to see licenses issued and a subsequent Call for Bids process underway. Any form of progress with regards to the preparation and completion of SEAs, EAs and issuing licenses enables the oil and gas industry in Nova Scotia to continue to develop and in turn, grow our local economy.

Sincerely,

A handwritten signature in black ink, appearing to read "Ritcey", written in a cursive style.

Ray Ritcey

CEO
The Maritimes Energy Association