



January 22, 2019

Written Comment on CNSOPB's Call for Bids NS18-3

Two industry nominated parcels in the shallow water area of Sable Sub-basin

Bordered by:

- Four Production Licences of ExxonMobil's Sable Offshore Energy Project which has produced over 2 Trillion Cubic Feet (TCF) of gas;
- Ten Significant Discoveries containing 1.3 Trillion Cubic Feet (TCF) of recoverable gas and 15 million barrels of recoverable oil;
- Six leads identified with additional hydrocarbon potential in salt related traps.

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Christine Bonnell-Eisnor
Director, Regulatory Affairs & Finance
Secretary of the Board
Canada-Nova Scotia Offshore Petroleum Board
8th Floor, T.D. Centre
1791 Barrington Street
Halifax, Nova Scotia
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Re: Call for Bids NS18-3

Dear Ms. Bonnell-Eisnor,

The Maritimes Energy Association is pleased to provide a written comment on the Call for Bids NS18-3 issued by the Canada-Nova Scotia Offshore Petroleum Board (CNSOPB). Seeking public consultation on activities such as these is extremely important and we are pleased to support this initiative by the CNSOPB. With the Sable Offshore Energy and Deep Panuke Projects no longer producing, it is obvious, when considering the positive economic impacts and benefits offshore petroleum has brought to our Province; that these Projects provided significant benefits to the Province over the past several decades. A favourable response to NS18-3 could do the same.

Here are some of the Sable benefits that were recently mentioned in an Op-Ed on January 3, 2019 by the Minister, Nova Scotia Department of Energy and Mines:

- Over 20 years, the province received nearly \$4 billion in payments;
- The Sable project employed an average of 630 Nova Scotians annually for 20 years. The project spent \$30 million on local research and development and \$50 million in training and education for young people;

- Last year alone, \$193 million of offshore revenue went directly into a trust that will be used to expand high-speed internet access to underserved homes and businesses across the province;
- A natural gas industry was created with natural gas use in Nova Scotia reducing our carbon emissions by 219,000 tonnes a year - the same as taking 48,000 cars off the road, and the result is better air quality for all of us;
- Our ocean and Sable Island were protected, our fishery grew to record numbers and for the last 14 years not a single person missed work due to an injury on the job; and
- Our investments in geoscience tell us there is plenty of oil and gas out there. The more research we do, the more likely we are to attract new exploration commitments.

The Maritimes Energy Association is an independent not-for-profit organization representing the supply chain that provide goods and services to the energy industry in Eastern Canada – offshore & onshore, renewable/cleantech & 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. As noted in the op-ed examples above, the development of the Nova Scotia oil and gas industry over the past 50 plus years has contributed significantly to our local economy and the people of Nova Scotia. We understand the importance of processes such as this and how, when successful, 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. Our offshore safety history speaks to the demonstrated 220 plus wells drilled.

The Call for Bids NS18-3 consists of two industry nominated parcels located on the Scotian Shelf, within the Sable Sub-basin, where 23 Significant Discoveries have been made to date. The parcels are in shallow water, with maximum water depths of up to 100 metres. The NS18-3 parcels are directly adjacent to 10 Significant Discoveries containing an estimated 1.3 TCF of recoverable gas and 15 million barrels of recoverable oil. A number of undrilled exploration prospects have been identified on both parcels, including the Marmora discovery with proven gas trapped in a sandstone reservoir. Successful bidder(s) may be awarded Exploration Licences (ELs), subject to the federal and provincial Ministerial review and approval process set out in legislation.

Strategic and project-specific environmental assessments (EA's) have been conducted previously within the general area addressing exploration, development / production, and decommissioning type activities. Should ELs be issued as a result of the Call for Bids, a project-specific EA would then need to be completed ahead of the CNSOPB's consideration of any subsequent application by an operator to carry out exploration activity on the ELs. The project-specific EA would evaluate potential environmental effects specific to a proposed project, and determine the precise mitigation measures that would need to be implemented, should the CNSOPB ultimately grant an authorization to an operator to proceed with offshore activity.

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.

It is also advantageous that we are continuing to explore areas in the Sable Sub-basin where significant discoveries have already been made.

All operators are required to receive authorization from the CNSOPB before beginning any petroleum-related activity in the Nova Scotia Offshore area. Operators are also responsible for

submitting environmental protection documentation including a spill contingency plan. As part of the environmental protection process, operators must follow the Environmental Protection Plan guidelines, the Offshore Waste Treatment Guidelines (OWTG) and the Offshore Chemical Selection Guidelines (OCSG). Monitoring and relevant research are key to successful environmental impact mitigation outcomes and successful bidders are urged to ensure effective compliance with their operating procedures by their personnel and systems and that they continue to review their activities in pursuit of limiting the impacts on the environment.

Nova Scotia and the Atlantic Region have a long and successful history of offshore exploration and development with over 220 wells drilled since 1964. The industry and the local companies that support it are proud of their records on safety and environment stewardship. As a result, The Maritimes Energy Association strongly supports CNSOPB's Call for Bids NS18-3 and recognizes it as one of the regulatory processes that helps advance oil and gas exploration and development in Nova Scotia. There is a strong foundation for the CNSOPB to follow a successful selection process as it provides bidders ample information regarding potential mitigation steps and necessary requirements in order to submit competitive bids.

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 seeing potential operators bid on this project and seeing the oil and gas industry in Nova Scotia continue to develop and in turn, grow our local economy.