

## Member Country Profile – Canada

<b>Organisations:</b>	<p>Canada-Newfoundland &amp; Labrador Offshore Petroleum Board (C-NLOPB)</p> <p>Canada-Nova Scotia Offshore Petroleum Board (CNSOPB)</p> <p>National Energy Board (NEB)</p>
<b>Regime Scope:</b>	
<p>The CNSOPB and the C-NLOPB are responsible for the regulation of petroleum activities in the Nova Scotia, and the Newfoundland and Labrador, offshore areas respectively.</p> <p>The NEB is responsible for the regulation of oil and gas exploration and production activities in the Northwest Territories, Nunuvut and Sable Island (jointly with the CNSOPB), and submarine areas not within a province, in the internal waters of Canada or the continental shelf of Canada (excluding those offshore areas under the sole jurisdiction of the CNSOPB or the C-NLOPB).</p> <p>The Boards' principal responsibilities include: safety; protection of the environment; and conservation of oil and gas resources. The two offshore petroleum boards also issue exploration and production licenses; manage and distribute geoscience data; and manage industrial benefits.</p>	
<b>Administering Agency/Arrangements:</b>	
<p>The CNSOPB and C-NLOPB are independent entities established under federal and provincial statutes; accountable to federal and provincial Ministers of Energy / Natural Resources.</p> <p>The NEB is an independent federal regulatory tribunal reporting to the Parliament of Canada through the Minister of Natural Resources.</p>	
<b>Legislation Type:</b>	
<p>CNSOPB and C-NLOPB: Federal and Provincial Acts and Regulations</p> <p>NEB: Federal Acts and Regulations</p>	
<b>Extent of Government Approval:</b>	
<p>CNSOPB and C-NLOPB: Fundamental decisions of the Boards pertaining to rights issuance / cancellation, prohibitions, development plans, and cessation of activities in certain instances are subject to government approval. Federal / provincial governments also approve the Boards' annual operating budgets.</p> <p>NEB: Board decisions pertaining to development plans are subject to federal Governor in Council approval. The federal government also approves the Board's annual budget.</p> <p>Each Board's regulatory activities otherwise is independent of government ministries.</p>	
<b>Nature of Duties Imposed:</b>	
<p>A combination of goal-oriented and prescriptive regulations. The Chief Safety Officer and Chief Conservation Officer may however, , authorize the use of equipment, methods, measures, or standards in lieu of any required by regulation, or grant an exemption from any regulatory requirement in respect of equipment, methods, measures, or standards, provided an equivalent level of safety, environmental protection and resource conservation will result.</p>	
<b>Physical Objects in the Regime:</b>	
<p>Drilling of exploratory and production wells is carried out using jack-up or semi-submersible drilling</p>	

units, drill ships, bottom founded structures such as caissons, or artificial or ice islands.

Numbers of active MODU's vary; currently there are no exploratory drilling units off Nova Scotia and 3 off Newfoundland and Labrador. In addition, the Boards regulate construction vessels, diving vessels and seismic vessels involved with oil and gas exploration and exploitation.

#### Offshore Nova Scotia:

One operational natural gas project comprising: five (5) production platforms (1 manned, 4 unmanned), and one 26" pipeline (approximately 225 kilometres in length) to bring gas to shore. One additional natural gas project is proposed for start of operations in the first half of 2013. This project will have one production platform, with 4 production sub-sea tie-backs and one acid-gas disposal well. An additional 22" pipeline has been constructed to bring gas ashore.

#### Offshore Newfoundland and Labrador:

Three oil producing projects comprising: one GBS integrated drilling (2 rigs) production and accommodation installation, and two FPSOs. All oil is shipped by shuttle tankers which are outside of the Board's regulatory responsibility. An additional GBS-based drilling and oil production project is approved and in the construction phase. In addition, a proposed amendment to one of the existing FPSO projects is under regulatory review that may comprise a GBS-based drilling and wellhead platform.

#### NEB jurisdictional areas:

There are currently no active oil and gas drilling or production programs in the other Canadian offshore areas and no applications are being actively being considered in these areas. In December 2011 the NEB concluded its Arctic Offshore Drilling Review to examine safety and protection of environment aspects for future application for offshore drilling in Canadian Arctic offshore.

#### **Assurance Mechanisms:**

Each work or activity proposed to be carried on in the offshore area related to the exploration or drilling for or the production, conservation, processing or transportation of petroleum requires the authorization of the responsible Board, and the person holding such authorization must be in possession of a valid operating license. There are additional work or activity specific approvals required from the responsible Board, or its Officers, as defined in the Regulations.

- Safety plans and environmental protection plans are required to be submitted with work or activity authorization applications
- A Certificate of Fitness from a recognized certifying authority required for installations (drilling, accommodation, diving, and production installations);
- Board inspection, audit and investigation programmes;
- Industry self inspections and audits; and
- Joint Occupational Health & Safety Committee requirement.

#### **Financial Basis:**

Initially the CNSOPB budget is jointly funded by the Government of Canada and the Province of Nova Scotia. Likewise, the C-NLOPB budget is jointly funded by the Government of Canada and the Province of Newfoundland and Labrador. However, the governments have established a cost

recovery program to offset the Boards' funding costs.

The NEB budget is assigned by the federal government.

**Environmental Regulation Responsibilities:**

The Boards are a federal authority under the Canadian Environmental Assessment Act (CEAA). Under the CEAA, where applicable, certain offshore petroleum production activities and decommissioning require an environmental assessment. Environmental assessments for offshore exploration activities are conducted under Board legislation.

The Boards are responsible for ensuring the protection of the environment during all phases of petroleum activities.

**Oil Spill Response:**

As part of a work or activity authorization application, an operator is required to submit to the relevant Board a plan(s) for response to safety or environmentally related emergencies including an oil spill response plan.

In the event of a petroleum spill from its installation(s), the operator is responsible, as soon as possible, to:

- take all reasonable measures consistent with safety and the protection of the environment to prevent any further spill;
- to repair or remedy any condition resulting from the spill, and;
- to reduce or mitigate any danger to life, health, property or the environment that results or may reasonably be expected to result from the spill.

While the Boards are the lead government agency for spill response in their areas, numerous agencies of the federal and provincial government, depending upon the precise circumstances of an individual spill event, may provide advice to the applicable Board in its interactions with the responsible operator.

The operator is expected to take all necessary actions to prevent, and stop a spill, and to clean-up the spill.

**Transparency:**

Each Board has an internet site where much information is made public, such as weekly activity reports, production reports, spill summaries, major incident investigation reports, environmental assessments and follow-up information.

The legislation prescribes, however, that Operator information shall be held in confidence, with certain defined exceptions.

The federal Access to Information Act applies to the Boards, and is a mechanism for the public to access information held by them, while at the same time protecting the proprietary information of Operators.

**Profile Date:**

18 March 2013