



June 30, 2016

Agency File: 80109

Ms. Anita Perry  
Regional Manager, Nova Scotia  
BP Canada Energy Group ULC  
Suite 505, CIBC Building  
1809 Barrington Street  
Halifax, NS B3J 3K8

Sent via email to: [anita.perry@bp.com](mailto:anita.perry@bp.com)

Dear Ms. Perry:

**SUBJECT: Environmental Impact Statement for the proposed Scotian Basin  
Exploration Drilling Project – Results of Conformity Review**

On May 31, 2016, the Canadian Environmental Assessment Agency (the Agency) received the Environmental Impact Statement (EIS) and EIS Summary (English and French) for the Scotian Basin Exploration Drilling Project (the Project) that is proposed by BP Canada Energy Group ULC. The Agency reviewed the EIS in consideration of the requirements of the *Guidelines for the Preparation of an Environmental Impact Statement* that were sent to you on October 27, 2015 and has determined that certain information in the EIS is insufficient. These deficiencies must be corrected and the EIS re-submitted.

### **Baseline Information about Indigenous Communities**

Section 6.1.9 of the EIS Guidelines requires that:

*With respect to potential effects on Aboriginal peoples and the related VCs, baseline information will be provided for each Aboriginal group identified in section 5 (and any groups identified after these guidelines are finalized).*

Section 5.1 of the Guidelines lists 13 Mi'kmaq groups in Nova Scotia and 11 Maliseet and Mi'gmaq groups in New Brunswick. The EIS does not include baseline data or analysis for 8 groups in New Brunswick (i.e. Kingsclear, Oromocto, Tobique, Buctouche, Esgenoopetij, Indian Island, Pabineau, and Eel River Bar First Nations). For example, there is no baseline information on the fishing activity, licences, or other potential current use of these groups in the project area, regional assessment area, or their use of species which may be affected by the Project.

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Provide the information required by the EIS Guidelines for each Indigenous group identified in the Guidelines so that the Agency can understand the potential adverse environmental effects of the Project on the current use of lands and resources by Aboriginal peoples and the potential impacts of the Project on potential or established Aboriginal or treaty rights (EIS Guidelines Sections 5.1; 6.1.9; 6.3.7). The information required by the EIS Guidelines should be included in the main body of the EIS and not limited to appendices.

### **Effects of Dispersants**

Section 6.6 of the EIS Guidelines states, "*if dispersants are to be used, the proponent shall consider associated environmental effects in the EIS (e.g. effects on marine life) and provide a plan for their use*". In addition, Section 6.3.10 of the Guidelines directs the proponent to analyze the "*effects on special areas, including.....use of dispersants.*"

The EIS, in section 8.5.4.2, states that "*BP will undertake a NEBA as part of the OA process with the CNSOPB to evaluate the risks and benefits of dispersing oil into the water column, including potential effects on Special Areas, and will obtain regulatory approval for any use of dispersants as required.*" As required by the EIS Guidelines, the EIS must consider the environmental effects of dispersant use (e.g. effects on marine life, special areas) and provide a plan for their use.

### **Atmospheric Emissions**

Section 3.1 of the EIS Guidelines specifies that the EIS must provide "*contributions to atmospheric emissions, including emissions profile (i.e., type, rate and source) for activities including routine or upset flaring, routine drilling, shipping etc.*" The EIS states that this is provided in section 2.8.1 Atmospheric Emissions; however, the emission estimates in this section do not include estimates of greenhouse gases from flaring. The Agency understands that flaring is associated with testing and therefore may not be conducted. However, it is important to provide context and an understanding of the emissions associated with well testing, if conducted. Given the intermittent nature of flaring, estimates should be provided for both intensity (e.g. emissions per unit time while flaring) and annualized assuming that testing is conducted for each well.

### **Alternative Means**

Section 2.2 of the EIS Guidelines, directs the proponent to discuss alternatives to chemicals selected for use based on *Offshore Chemical Selection Guidelines* (e.g. through alternative means of operating or use of less toxic alternatives). The requested discussion cannot be found in Section 2.9 of the EIS (alternative means of carrying out the project). The only reference to chemical selection alternatives

appears on page 2.20, where it is stated that *"during planning of drilling activities, where feasible, lower toxicity drilling muds and biodegradable and environmentally friendly additives within muds and cements will be preferentially used. Where feasible the chemical components of the drilling fluids will be those that have been rated as being least hazardous under the OCNS scheme and as PLONOR by OSPAR"*. Please provide a discussion of alternatives as required by Section 2.2 of the EIS Guidelines.

### **Existing Benthic Environment**

The existing benthic environment characterization in the EIS is based largely on the Jacques-Whitford benthic survey work from the early 2000s, not all of which took place in the Scotian Basin project area. In early 2016, BP advised that it was re-considering the need to conduct a benthic baseline survey and described the geohazard analysis it is conducting based on existing 3D-seismic data. BP described how it believes that its existing data provides reliable site-specific information about potential benthic features and that potential drilling locations of interest showed low potential to contain features of environmental interest such as corals or shipwrecks. However, this information was not contained in the EIS submitted for review.

As per the EIS Guidelines for the Project, the EIS must present baseline information in sufficient detail to enable the identification of how the Project could affect the valued components and an analysis of those effects. Specific baseline requirements are articulated on pages 18 and 19 of the Guidelines and include the need to describe *"benthic flora and fauna and their associated habitat, including sensitive features such as corals and sponges (Note: a benthic habitat survey (ROV / camera), including transects of seafloor in the area of the well locations, may be required"*.

The EIS must provide sufficient information to allow the reader to understand baseline benthic conditions to support the effects analysis required by the EIS Guidelines. If BP has information about benthic environments at potential well locations and in other areas that could be affected by the Project, this should be submitted as part of the revised EIS so that the Agency can commence a technical review to determine whether or not the data is sufficient for the purposes of the environmental assessment.

### **Cumulative Effects**

Section 6.6.3 of the EIS Guidelines direct the proponent to *"identify and assess the project's cumulative effects using the approach described in the Agency's Operational Policy Statement Assessing Cumulative Environmental Effects under the Canadian Environmental Assessment Act, 2012"*. The method used to assess cumulative effects is not always consistent with the Agency's Operational Policy

Statement. For example, the cumulative effects analysis for fish and fish habitat considers the cumulative effect on fish mortality and physical injury, as well as the cumulative effect on habitat quality and use, but considers them separately and does not provide a concluding statement about the significance of cumulative effects for the VC as a whole. There is also no discussion of whether any measures beyond those in place to mitigate the project's direct effects are warranted to deal with potential cumulative effects. As per the EIS Guidelines, the EIS must describe technically and economically feasible measures to mitigate cumulative effects, or explain why, in the proponent's view, no such measures are warranted. The EIS must also determine the significance of the cumulative effects on each VC as a whole.

### **EIS Summary**

The EIS Summary should be reviewed and modified as necessary to ensure it remains consistent with the EIS itself. Any changes in the English EIS Summary must also be reflected in the French EIS Summary.

Please resubmit an EIS and associated Summary containing the required information. Upon receiving the revised submission, the Agency will review the information submitted and then advise you if additional information is required or if the EIS has sufficient information to commence the technical review and public comment period.

I trust this information is helpful. Please contact me if it is unclear or if you wish to discuss. I can be contacted at 902-426-9458 or [derek.mcdonald@ceaa-acee.gc.ca](mailto:derek.mcdonald@ceaa-acee.gc.ca).

Sincerely,

<Original signed by>

Derek McDonald, P.Eng.  
Project Manager, Atlantic Region