



**ExxonMobil Canada Ltd.**

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October 29, 2019

Mr. Mike Atkinson  
Regional Director-Atlantic  
Canadian Environmental Assessment Agency  
Suite 200, 1801 Hollis Street  
Halifax, NS  
Canada, A1C 6K3

File No.: 43350.14  
Exploration Licence (EL) 1151

Dear Mr. Atkinson:

Further to the Canadian Environmental Assessment Agency's (the "CEAA") October 15, 2019 correspondence to ExxonMobil Canada Ltd. ("ExxonMobil") and Husky Oil Operations Limited ("Husky") requesting clarification/information with respect to Environmental Assessment (Registry 80130), we the ("Proponents") offer following response:

**Project Name**

The Proponents would like to change the name of the project to "Jeanne D'Arc Basin Exploration Drilling Project".

**Information Requirements**

ExxonMobil confirms that all information requirements and responses submitted by Husky have been reviewed and that ExxonMobil is in agreement with those responses.

**Mitigation and Follow-up**

ExxonMobil has reviewed Attachment 1 to CEAA's October 15, 2019 letter and offers the following comments with respect to the Valued Components noted:

- Fish and Fish Habitat, Section 6.1, we will adhere to the stated mitigation and follow-up for this area. However, as noted in our September 18, 2019 correspondence, ExxonMobil will utilize its Safety Management System which includes its Chemical Management System, screening program and Waste Management Plan for operations within Exploration License (EL) 1151A. ExxonMobil's processes will meet all applicable regulatory requirements, guidelines and will be subsequently reviewed by the Canada Newfoundland and Labrador Offshore Petroleum Board prior to obtaining an Operations Authorization to drill.

- Marine Mammals and Sea Turtles, Section 6.2, ExxonMobil takes no exception to the mitigation and follow-up noted and confirm it will meet the requirements noted.
- Migratory Birds, Section 6.3, ExxonMobil confirms it will implement the mitigation and follow-up measures outlined. With respect to the Seabird Handling Permit noted under the follow-up requirements, ExxonMobil will obtain a separate permit and adhere to all requirements.
- Special Areas, Section 6.4, ExxonMobil will adhere to both the mitigation and follow-up stated within the section. With respect to EL 1151A ExxonMobil will issue an annual EA update to the C-NLOPB, which will include changes (if any) to special areas and discuss the potential effect of Project activities on special areas. In addition, annual updates would be made public on the C-NLOPB's website and notification to indigenous groups would be provided.
- Species at Risk, Section 6.5, ExxonMobil will adhere to both the mitigation and follow-up stated within the section.
- Commercial Fisheries, Section 6.6, ExxonMobil will adhere with both the mitigation and follow-up stated within the section. However, ExxonMobil will use its internal processes to address the Vessel Traffic Management Standard and the compensation program related to damaged gear and/or vessel(s). In addition, Notice to Shipping with respect to EL 1151A would be made by ExxonMobil.
- Current Use of Lands and Resources for Traditional Purposes and Health and Socioeconomic Conditions of Indigenous Peoples, Section 6.7, as part of ExxonMobil's on-going and planned operations off Eastern Newfoundland, it regularly consults with Indigenous groups, relevant individuals and stakeholders through existing and relevant forums and workshops and conducts additional and specific engagements with applicable persons and groups if and as particular issues and requirements arise.

ExxonMobil will utilize the existing Indigenous Fisheries Communications Plan to ensure regular operational updates throughout the exploration drilling program on EL 1151A are provided. In addition, the Proponents will inform indigenous groups in the case of an incident or spill that may result in adverse environmental effects, the Proponents will, and according to each of their individual Emergency Response Plans:

1. Within 48 hours of the incident or spill, notify by telephone, the representatives identified by interested Indigenous groups.
  2. Following initial contact described in point 1 above, the Proponents will, via email, provide an Emergency Information Update Bulletin twice weekly in the initial phases of the incident, and then as operations and other activities resume, updates will be sent as new information becomes available to representatives identified by interested Indigenous groups.
- Effects of accidents and malfunctions, Section 7.1, ExxonMobil is aligned with both the mitigation and follow-up stated within the section. With respect to conducting a Net Environmental Benefit Analysis to assess and compare the feasibility and environmental and social-economic impacts of employing different oil spill response techniques, this exercise is currently being conducted jointly by Husky Oil Operations Limited, ExxonMobil Canada Ltd. and Suncor Energy. As per the Canada Newfoundland and Labrador Drilling and Production

Guidelines all contingency processes i.e., oil spill response and general emergency response will be submitted to the C-NLOPB for review and approval prior to obtaining an Operations Authorization.

- Effects of the environment on the project, Section 7.3, ExxonMobil is aligned with both the mitigation and follow-up stated within the section. With respect to site surveys, ExxonMobil is currently in discussions with the C-NLOPB to determine the requirements for surveys.
- ExxonMobil is aligned with both the mitigation and follow-up within the cumulative effects section.

### **Number of Wells**

The Proponents confirm that the Project would include up to ten wells to be drilled between the two operators.

### **Simultaneous Drilling**

The Proponents confirm that there is no plan to conduct simultaneous drilling within any one exploration license and the likelihood is extremely remote that simultaneous drilling between exploration licences within the Project will occur.

### **Figures**

Attachment 2 has been updated to reflect the boundaries of EL 1151A and 1151B.

### **Length of Time to Drill a Well**

The Proponents confirm that based on historical operation data in the region, it is expected that each well would require approximately 80 days to drill to a target depth.

### **Engagement with Indigenous Groups**

ExxonMobil regularly consults with Indigenous groups and stakeholders through existing and relevant forums and workshops and conducts additional and specific engagements with applicable persons and groups if and when particular issues and requirements arise. As noted, both ExxonMobil and Husky have done extensive engagement with Indigenous groups over a period of time with regards to the EA Project Area.

In April 2018, there were three technical workshops held in the following locations: Moncton, New Brunswick, Quebec City, Quebec and St. John's, Newfoundland and Labrador in which various Indigenous groups were in attendance. Details on the various offshore exploration projects were provided including EL 1151 and an update was provided on the Canadian Environmental Assessment Agency (CEAA) Regional study. Topics such as environmental effects of offshore drilling projects, baseline data and monitoring, accidental events, were discussed in detail with the Indigenous groups and the opportunity for comments and concerns from any groups was provided.

Additional technical workshops were held in October 2018 with various Indigenous groups, including both Husky and ExxonMobil as well as regulators and federal experts. The focus of these workshops was to provide the Indigenous groups with detailed information on environmental monitoring, spill modelling, preparedness and response strategies.

Input was provided from CEAA, Department of Fisheries and Oceans (DFO), Environment and Climate Change (ECCC), and the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) during the April 2018 workshop. Therefore as engagement has been completed ExxonMobil will not duplicate the effort.

As previously noted, ExxonMobil will utilize the existing Indigenous Fisheries Communications Plan to ensure regular operational updates throughout the exploration drilling program on EL 1151A are provided.

### **Engagement with Stakeholders**

ExxonMobil is continuously engaging with stakeholders through participation on a number of committees; including but not limited to One Ocean, CAPP Environment Committee and a number of Technical Advisory Group (TAG) sessions for the Regional Assessment of Offshore Oil and Gas Exploratory Drilling East of Newfoundland and Labrador.

### **Atlantic Salmon Research**

ExxonMobil committed to investigating and actively participating in Atlantic salmon research as part of the Eastern Newfoundland Offshore Exploration Drilling Project. We understand the importance of Atlantic salmon to Indigenous Groups and other communities throughout eastern Atlantic Canada and recognize the concern regarding the potential effects of offshore oil and gas exploration activities on Atlantic salmon. In July 2019, two Vemco VR2W Coded Acoustic Receivers were deployed offshore, each receiver will gather in-situ data throughout the life of the current monitoring program. The information will be downloaded and can be made available to research and Indigenous groups that may be interested.

In addition, ExxonMobil provides funding to the Environmental Studies Research Fund (ESRF). ESRF is currently in the development phase of a new program of research which aims to determine presence of Atlantic salmon in Eastern Canadian offshore regions.

### **Special Areas with the Zone of Influence of Routine Project Activities**

The Beothuk Knoll NAFO Physical VME indicator is 92km from 1151A and 103km from 1151B.

### **Special Areas**

The Northeast Slope EBSA no longer overlaps with any Project ELs as per the 2019 update. See Special Areas Table 1.

### **Proposed Critical Habitat**

Spotted wolffish critical habitat overlaps with EL 1151A only. 50.59 km<sup>2</sup> overlaps with EL 1151A. The full area of the Critical habitat polygon that it overlaps with is 76856.18 km<sup>2</sup> (0.067% of the total area).

The total area of EL 1151A is 986.5 km<sup>2</sup> (Critical habitat covers 5.12% of 1151A).

## **Fate and Behaviour of Subsea and Surface Crude Blowouts**

The distances from the modelled release point in the White Rose Field (i.e. the West White Rose Platform) to the centre point of the ELs are:

- 1151A ~ 49 km
- 1151B ~ 23 km

## **Well Capping and Containment**

In the unlikely event of a blowout ExxonMobil through membership with Oil Spill Response Limited (OSRL) could avail of a capping stack system (CSS). OSRL maintains CSS containment and subsea intervention equipment at four strategic locations around the world. It is anticipated that a CSS would be sourced from Norway and that the CSS could be mobilized within 14-21 days to the well site, with a worst-case scenario of 30 days to cap the well. ExxonMobil's agreement with OSRL provides access to a second CSS, which would likely be mobilized in parallel from Brazil. Weather conditions and logistical considerations of the specific incident would be factors in the overall time required to secure the well.

It should be noted that in September, 2018 OSRL announced the Enhanced Air Freight Capability for their capping stacks. Capping stacks can now be rapidly air freighted fully assembled, although the preferred and most efficient method of transport remains by sea. Regardless of the mode of transportation, timelines for installation on the wellhead/Blowout Preventer remain consistent given the necessary source control activities that must occur prior to landing the equipment on the incident well.

## **Spill Response**

ExxonMobil will utilize spill response equipment located on the Hebron and/or Hibernia facilities in addition to its dedicated supply vessels. This equipment includes the Offshore Single Vessel Side-Sweep system, sorbent booms, oil and oiled bird sampling kit, Global Positioning Systems (GPS)/Satellite oil spill tracker buoys.

ExxonMobil will draw on external resources as necessary for Tier 2 and 3 spill response. This may include use of response organizations such as Eastern Canada Response Corporation (ECRC) and, in particular, for Tier 3 spills, Oil Spill Response Limited (OSRL) both of which have contractual agreements with ExxonMobil. Assistance can also be provided through mutual aid agreements with other operators.

ExxonMobil has developed a Wildlife Response Procedure in consultation with Environment and Climate Change Canada (ECCC) – National Environmental Emergency Center (NEEC) and ECCC's Canadian Wildlife Service (CWS).

With respect to the 2013 net environmental benefits analysis and the subsequent 2019 revision, ExxonMobil has been involved in the development and continues to be engaged in the process.

## **Cumulative Effects Assessment**

Distances from EL 1151A and 1151B to other ELs/Projects are provided in Attachment 2, Table 2.

We appreciate CEAA providing the Proponents with the opportunity to provide clarity and further information. If you have any questions regarding the transmittal please contact the undersigned at your earliest convenience.

Respectfully,

<Original signed by>

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## **Attachment 2**

Figure 1 - Project area and associated licences

Figure 2 - Special areas in proximity to the project

Figure 3 - Proposed critical habitat for Northern and Spotted Wolffish

Figure 4 - Domestic (Canadian) Harvest Locations, all species, 2012 to 2016

Figure 5 - Snow Crab exclusion zones and the project and study area

Table 1 - Special areas within the zone of influence of routine project activities

Table 2 - Projects and Activities considered in the cumulative environmental effects assessment

Figure 1 - Project area and associated licences

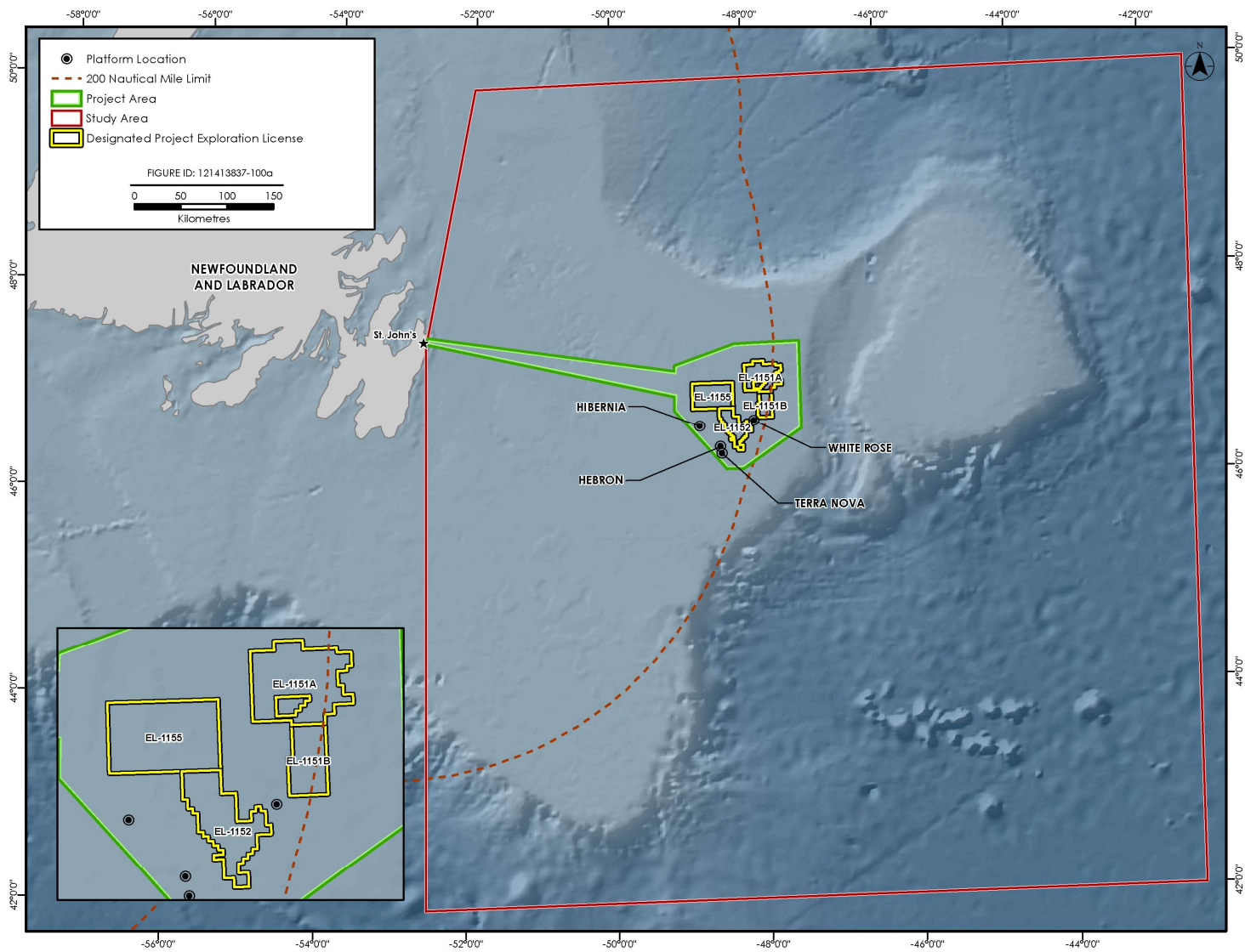




Figure 2 - Special areas in proximity to the project

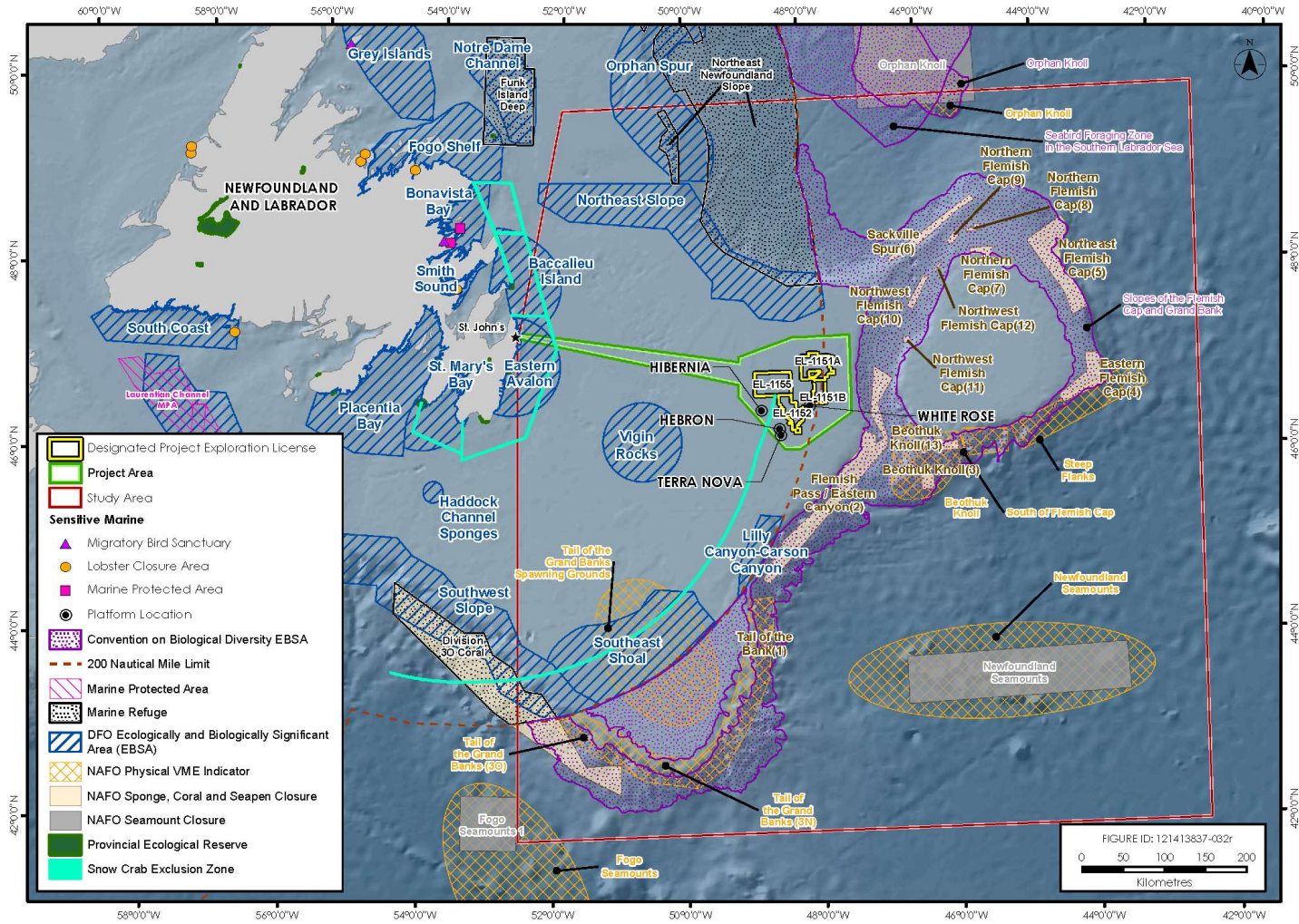


Figure 3 - Proposed critical habitat for Northern and Spotted Wolffish

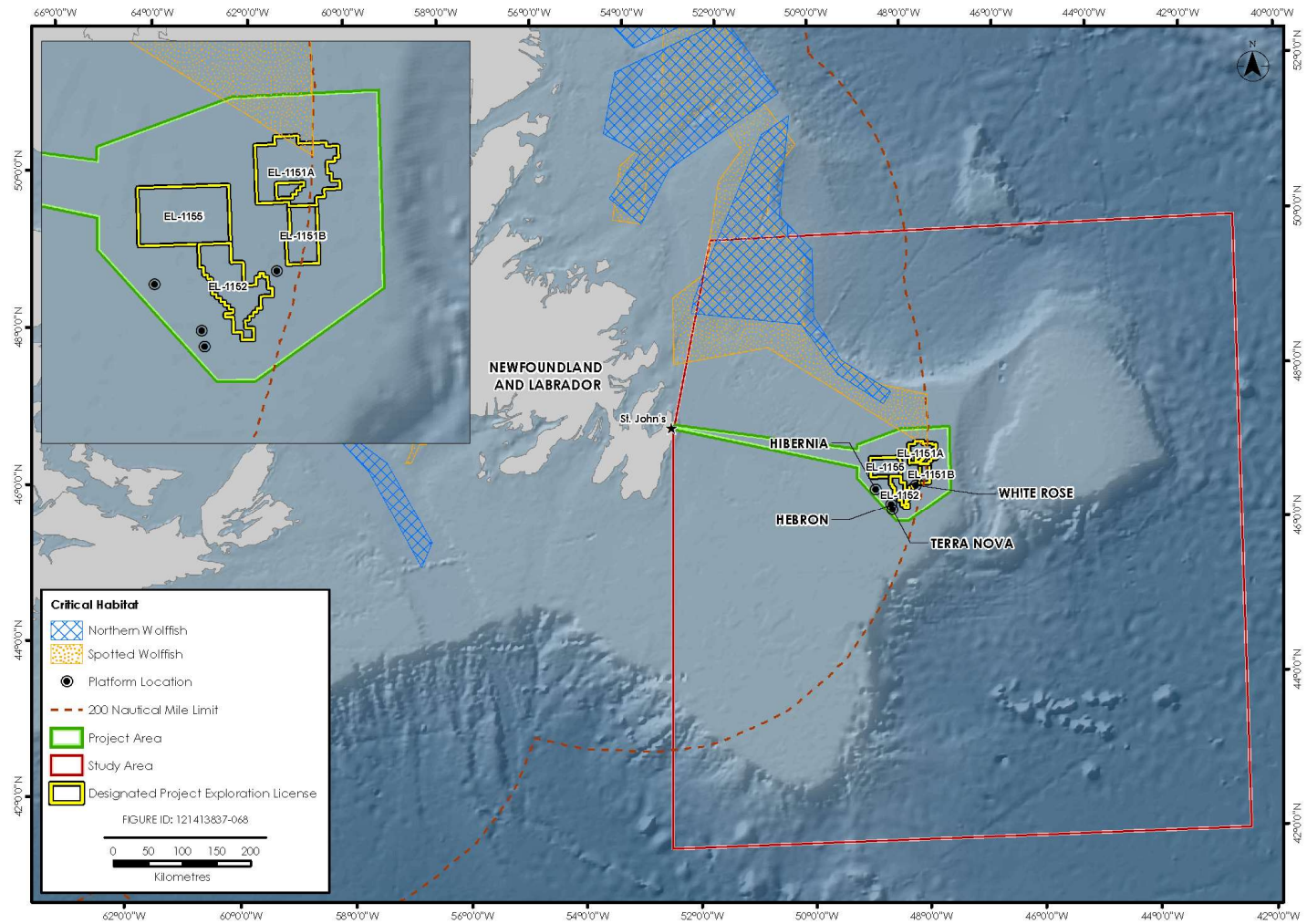


Figure 4 - Domestic (Canadian) Harvest Locations, all species, 2012 to 2016

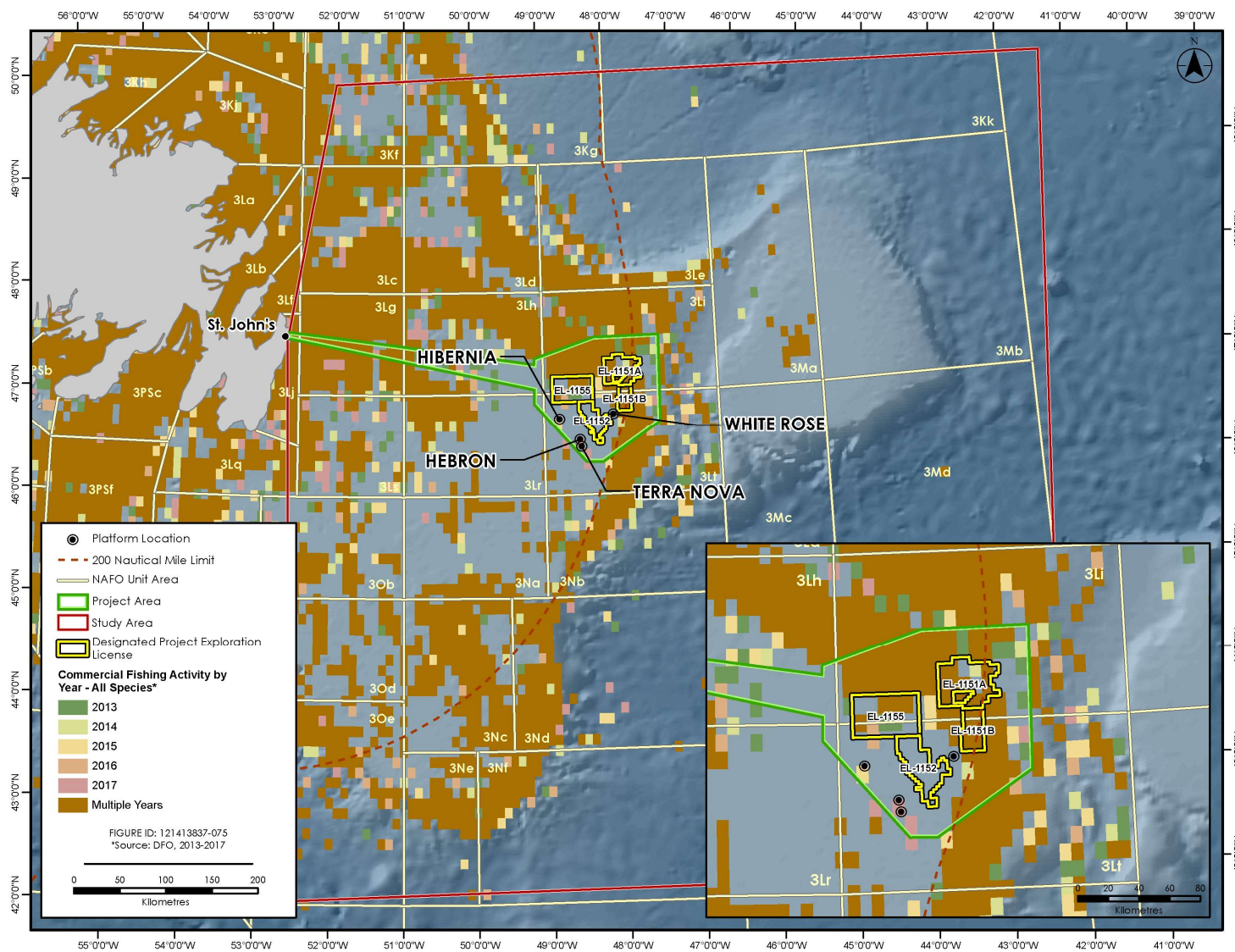


Figure 5 - Snow Crab exclusion zones and the project and study area

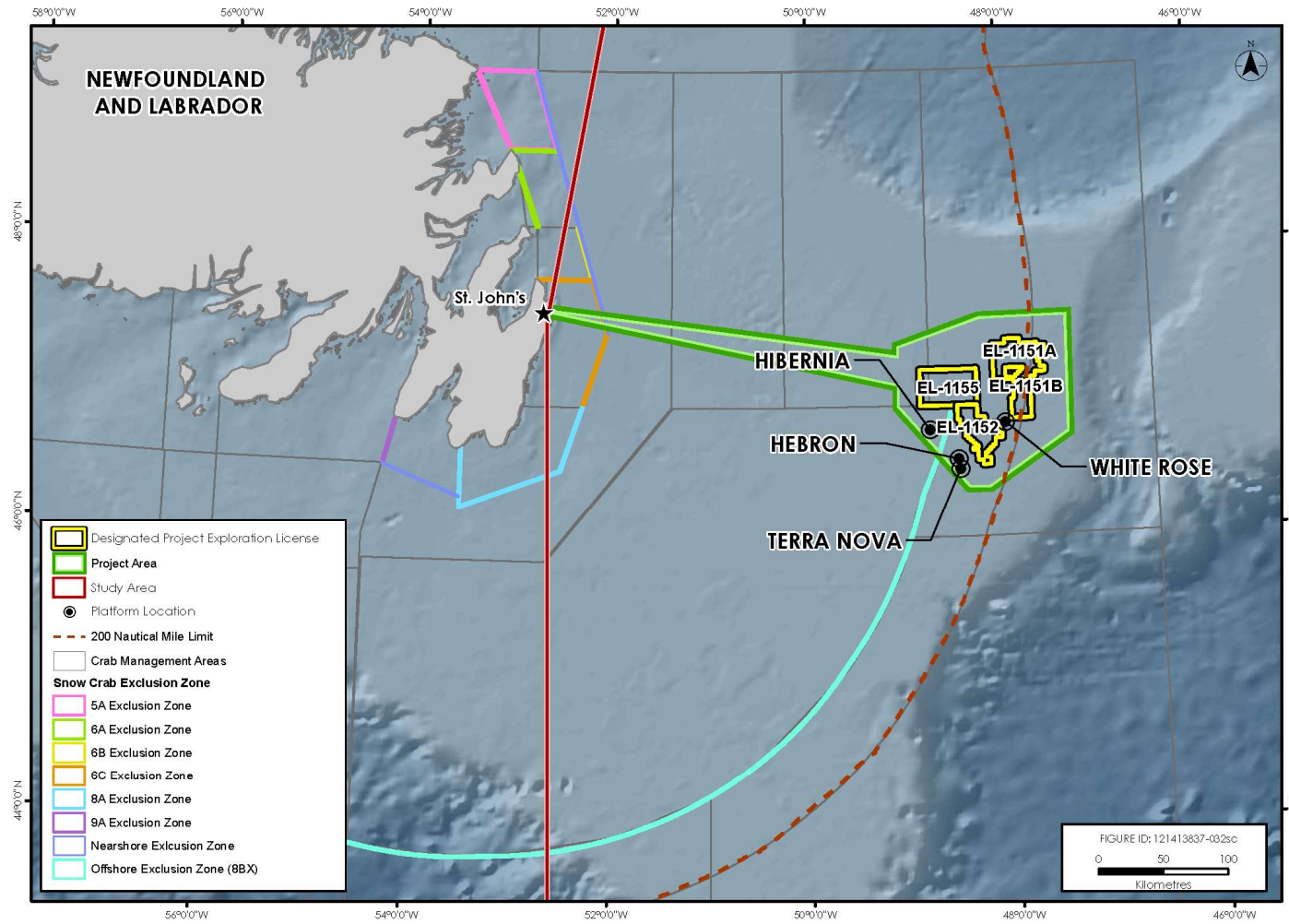


Table 1 - Special areas within the zone of influence of routine project activities

Special Areas (Table 1)

- Boundary of Northeast Slope EBSA was updated in 2019. No longer overlaps with any project EL. EBSA is 43km from 1151A and 77km from 1151B
- UN CD EBSA, Slopes of the Flemish Cap and Grand Bank - 27 km from 1151A and 39km from 1151B
- NAFO Fisheries Closure - 47km from 1151A and 58 km from 1151B

Table 2: Projects and Activities considered in the cumulative environmental effects assessment

Parcel	Operator	Nearest Distance (km)	
		1151A	1151B
1158	BHP Billiton Petroleum (New Ventures) Corporation	89	122
1159	Equinor Canada Ltd.	Adjacent	Adjacent
1160	Equinor Canada Ltd.	Adjacent	Adjacent
1138	Chevron Canada Limited	69	102
1142	Equinor Canada Ltd.	151	177
1144	Nexen Energy ULC	61	78
1149	BP Canada Energy Group ULC	181	212

Project	Nearest Distance (km)	
	1151A	1151B
HEBRON GBS	66	52
TERRA NOVA	73	56
WHITE ROSE	32	6
HIBERNIA	62	64
BDN	113	140