



# BRITISH COLUMBIA OFFSHORE OIL AND GAS TEAM

## **Offshore Oil & Gas in British Columbia – Will it happen? When?**

**Patrick O'Rourke  
Assistant Deputy Minister  
British Columbia Offshore Oil & Gas Team**

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**CERI North American Natural Gas Conference &**

**Calgary Energy Show 2003**

**March 3, 2003**

**Telus Convention Centre – Calgary, Alberta**

# Offshore in BC – Will it happen, and when?

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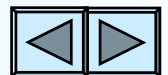
## When?

- **Speech from the Throne, February 11, 2003:**

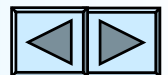
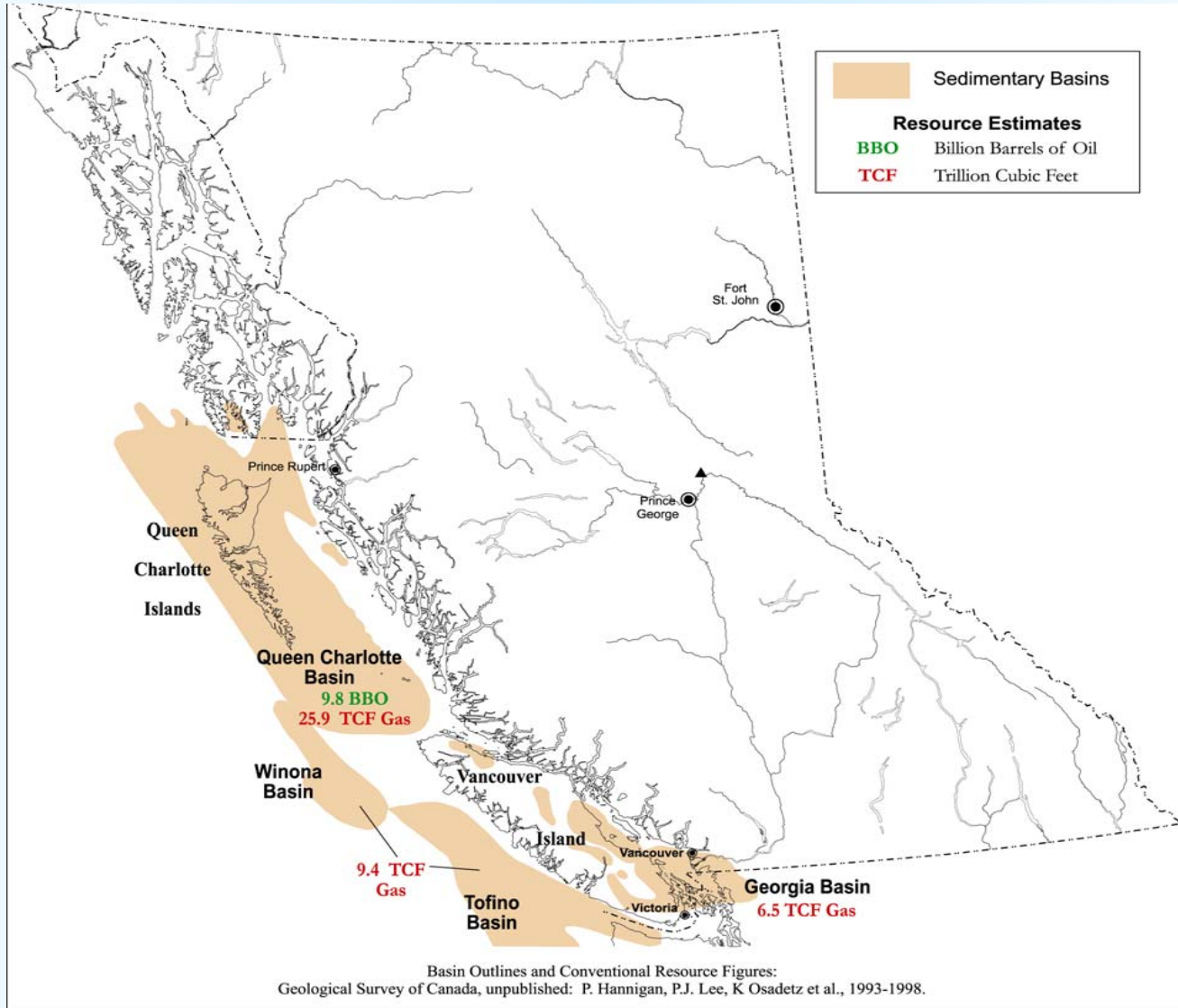
**“By 2010, your government wants to have an offshore oil and gas industry that is up and running, environmentally sound, and booming with job creation.”**

## Will it happen:

- **History**
- **Moratoria**
- **Province’s initial steps**
- **Challenges**



# Offshore Oil and Gas Potential in British Columbia



# Chronology of Events

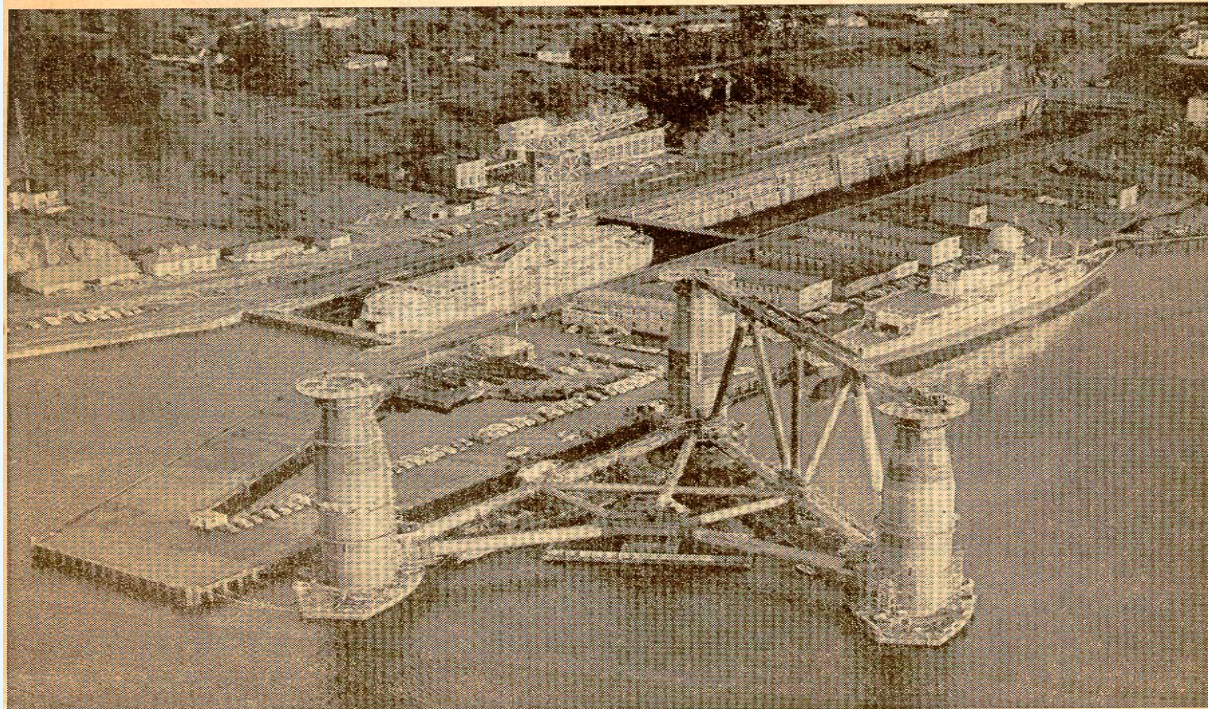
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1949	Drilling for oil in the Queen Charlotte Island region.
1967	Supreme Court of Canada rules “territorial sea” belongs to Canada.
1967-69	Shell Canada drills 14 wells.
1972	Federal government declares moratorium.
1984	Supreme Court of Canada rules Strait of Georgia is owned by BC.
1984-86	Joint environmental assessment process resulting in 92 recommendations.
1986-89	Federal/provincial negotiations on a “Pacific Accord”.
1989	BC declares no drilling for at least five years.
2001	BC commences review of moratorium.

# Victoria Daily Times Article

## Victoria Daily Times

VICTORIA, B.C., WEDNESDAY, DEC. 21, 1966—PAGE 21



**STAGGERING DIMENSIONS** of Canada's first home-built ocean drilling vessel become clear in helicopter view shot by Times photographer Bill Halkett. The rig being built by Victoria Machinery Depot for contract to Shell Canada, Ltd., is moored for high steel construction at the Government Graving Dock, Esquimalt, where it dwarfs weathership Vancouver and British Columbia ferry in drydock. Steel workers have nearly reached the top of the job with deck support members between two of the

three 120-foot pontoon-caissons forming the main support for deck houses and drilling platform still to come. The caisson also function as the stabilizing device when the vessel is moored on station. By flooding or pumping water ballast in or out of the caissons, the rig's depth in the sea can be controlled. V.M.D. is due to finish the vessel in the spring and Shell is planning to begin offshore oil exploration off the west coast of Vancouver Island soon after.

# The Moratoria

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- How and why they came about
- Federal and Provincial
- Clarifying what they really are -
  - policy position not legal orders
- How would they be 'lifted'?

## Province's Initial Steps

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- **Commitment in 2001 Throne Speech**
- **Oct. 2001 – Jacques Whitford Environment Ltd., updated 1998 AGRA report**
- **Oct. 2001 – Appointed Scientific Review Panel to determine if offshore resources can be extracted in a scientifically sound and environmentally responsible manner**
- **Oct. 2001 – established Offshore Oil and Gas Task Force**

# Scientific Panel Review

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- **Independent, three-member panel: report released in May, 2002.**
- **Concluded: “there is no inherent or fundamental inadequacy of the science or technology, properly applied in an appropriate regulatory framework, to justify a blanket moratorium” on offshore oil and gas activities.**
- **Also made 15 recommendations for further research and analysis.**



# Recommendations

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- Panel made 15 recommendations.
- Province accepted these recommendations - can be found on offshore website at: [www.em.gov.bc.ca/Oil&gas/offshore/default.htm](http://www.em.gov.bc.ca/Oil&gas/offshore/default.htm)
- Scientific Panel suggested that offshore oil and gas be reviewed in context of overall energy policy.
- Province's November, 2002 Energy Plan Policy Action #11 calls for establishment of a dedicated offshore team.

## Task Force Review

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- **Six government MLAs.**
- **Visited nine northern coastal communities.**
- **Received more than 150 oral presentations and about 130 written submissions.**
- **Report to government released in May, 2002.**

# Recommendations

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- **Base decisions on sound science and careful risk-benefit analysis.**
- **Address First Nations economic and environmental concerns and encourage involvement.**
- **Assure healthy fisheries and tourism industries can cooperate with an offshore industry.**
- **Confirm offshore oil and gas resources.**
- **Assess benefits and costs to local communities.**
- **Clarify federal and provincial ownership.**

## Province's Initial Response

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- **\$2 million grant to University of Northern British Columbia for:**
  - **scientific and technological research;**
  - **develop a work plan that responds to the recommendations of both reports.**
- **Ongoing discussions with Canada, First Nations and communities.**

# Offshore Team

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- **Energy Policy calls for establishment of dedicated offshore team.**
- **Jack Ebbels, formerly Deputy Minister of Energy and Mines appointed to lead Offshore Team on January 10, 2003.**

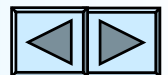
# Speech from the Throne

## February 11, 2003

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- **Open up British Columbia to the wealth of opportunities that lie in wait of our discovery.**
- **Open up BC to new partnerships with First Nations, other governments, and private enterprise.**
- **By 2010, “...have an offshore oil and gas industry that is up and running, environmentally sound, and booming with job creation.**



# Scope of Issues

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- **First Nations**
- **Communities**
- **Scientific knowledge**
- **Infrastructure**
- **Environmental**
- **Socio-economic assessment**
- **Public education**
- **Federal and provincial negotiation**
  - **Fiscal, management and environmental regime**

## Conclusion

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- **The Throne Speech makes clear the Province's intention to have an environmentally sound, thriving offshore oil and gas industry in place by 2010.**
- **The Province will meet its legal obligations to First Nations.**
- **The Province will involve all local communities to help make sound decisions and to participate in the benefits.**
- **The Team will operate in an open and transparent manner.**
- **The goal is ambitious, but achievable.**





# BRITISH COLUMBIA OFFSHORE OIL AND GAS TEAM

## **CONTACT INFORMATION:**

**British Columbia Offshore Oil and Gas Team  
P.O. Box 9312  
Suite 250 – 1675 Douglas Street  
Victoria BC V8W 9N2**

**(250) 356-0510**

***<http://www.em.gov.bc.ca/Oil&gas/offshore/default.htm>***