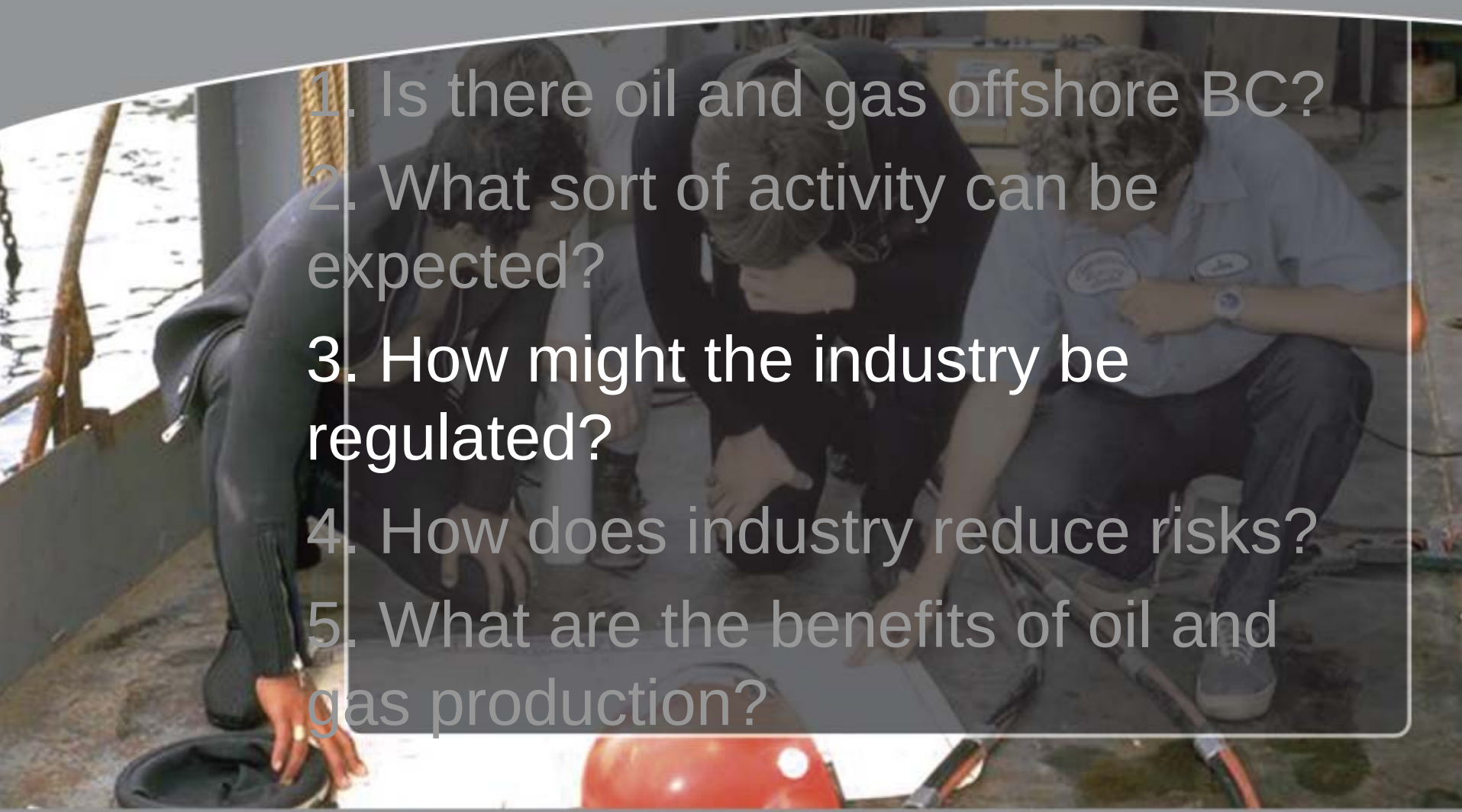
A West Coast Oil and Gas Industry What Might it Look Like?



1. Is there oil and gas offshore BC?
2. What sort of activity can be expected?
3. How might the industry be regulated?
4. How does industry reduce risks?
5. What are the benefits of oil and gas production?

A West Coast offshore industry? - Who decides and how?

Probable Environmental Assessment
&
Regulatory Approaches

a *VERY* public process...

- West Coast Panel - info sessions1984 – public hearings 1985 - report 1986
- Community involvement is the norm
- Environmental assessments (EA's) for all activity (leasing, seismic, drilling)
- Public involvement in all EA's
- Lifting moratoria not a "Green Light"

It *may* begin a long regulatory process with numerous EA's/hearings

Who is involved?

- Environmental Assesments - lengthy & comprehensive
- O&G companies are proponent
  (develop and present plans, research and assess risks, plan to deal with risks and impacts)
- Governments regulate and issue permits
  (do plans meets regs & laws? do plans address community and environmental concerns?)
- Coastal communities provide input
  (review plans, presentations/submissions, participate in hearings and info sessions)

Key Issues from the East Coast

- Benefits – jobs, investment, infrastructure
- Interaction with fisheries
- Impacts on fish, other marine life?
- What about waste: cuttings, muds, spills?
- Safety: will accidents hurt people or pollute?
- Can ecologically sensitive areas be protected?
- Concern over safety of seismic surveys

Likely Focus of Pacific Offshore Environmental Assessments

- Seismic surveys - sensitive areas
- Risk of oil spills and “blowouts”
- Impact of earthquakes & weather
- First Nations life and culture
- Marine conservation areas
- Fishing, tourism, coastal industry & economy

If Exploration is Approved?

- Approvals come with conditions: e.g.
  - Seismic:
    monitor effects, fishery observers, noise ramp-up, avoid near shore, restricted season, shut down if whales in the area
  - Drilling:
    regional benefits plan, certification of rig and crew, safety assessment, well site survey, contingency plans, drilling plan and evaluation, environmental assessment

Regular reporting, sharing of information, access for regulators

Contingency Plans

- Emergency Response Plans e.g.
  - Fire, loss of support craft or helicopter, collision or damage to drill rig
  - Approved blow out preventers and standby vessels
  - Communication systems, weather and ocean forecasting
- Oil spill response plan
  - Spill response organization and equipment, ability to forecast slick movements
  - Biological, shoreline and socioeconomic sensitivity charts
  - Oil spill countermeasures exercises

Regulatory Follow-up

- Reporting
  - Immediate reporting of all spills, incidents, tests
  - Daily: weather and operations reports
- Pre-approval and regular inspection of all equipment
- Monitoring
  - Volumes/types of fluid discharges
  - Contract expenditures
  - Origin and qualifications of crew

Who Controls?

- Canada Newfoundland Offshore Petroleum Board
  - Newfoundland and Labrador waters
- Canada Nova Scotia Offshore Petroleum Board
  - Nova Scotia waters
- National Energy Board
  - areas not covered by federal/provincial accords

A Pacific Offshore Management Board?

Summary

- There is good Canadian regulatory experience
- Industry is expecting solid regulation
- Industry has its experience in risk management that goes beyond the regulations