

# **ROLE OF THE CANADA-NEWFOUNDLAND AND LABRADOR OFFSHORE PETROLEUM BOARD**

**Presentation to**

**Offshore Helicopter Safety Inquiry**

**by**

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**EXHIBIT/P-00029**



## OVERVIEW OF PRESENTATION

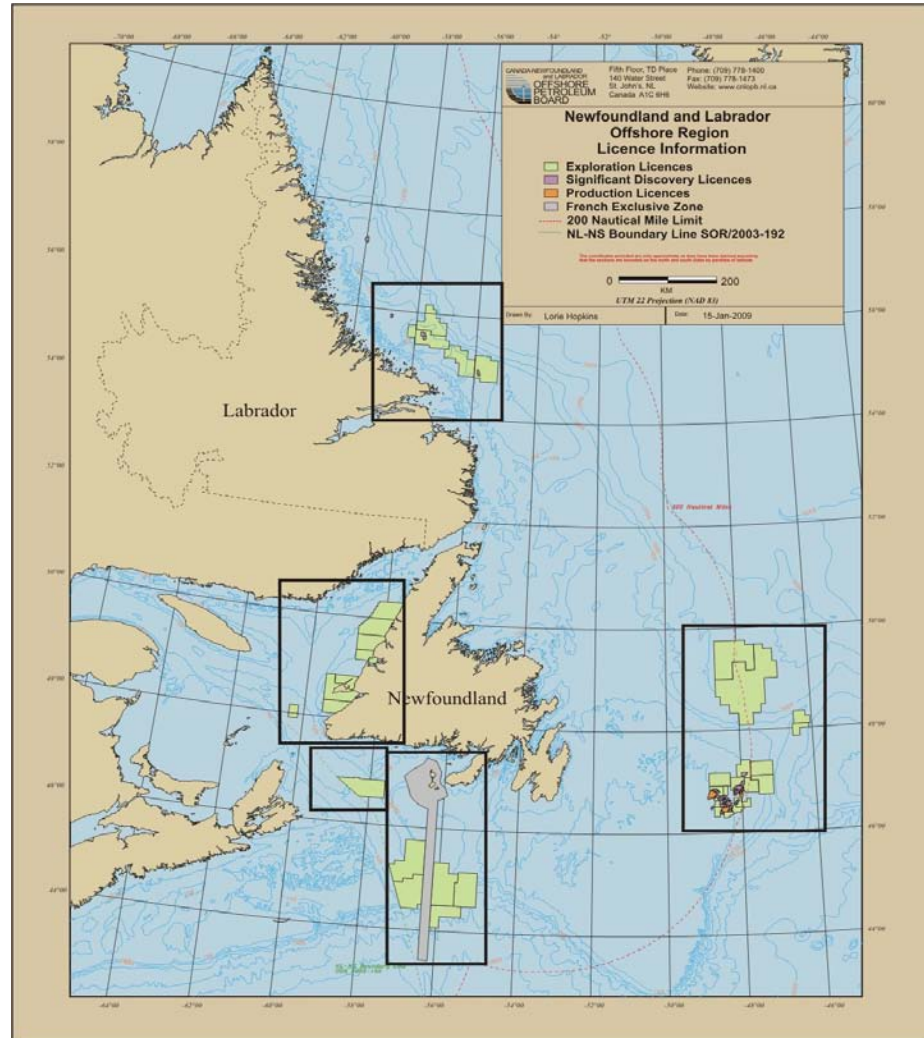
- **Territorial jurisdiction**
- **Legislative jurisdiction**
- **Organization**
- **Mandate, role, objectives**
- **Decision making**
- **Work authorizations**



# NEWFOUNDLAND AND LABRADOR OFFSHORE AREA

"offshore area" means those submarine areas lying seaward of the low water mark of the Province and extending, at any location, as far as

- (a) any prescribed line, or
- (b) where no line is prescribed at that location, the outer edge of the continental margin or a distance of two hundred nautical miles from the baselines from which the breadth of the territorial sea of Canada is measured, whichever is the greater;

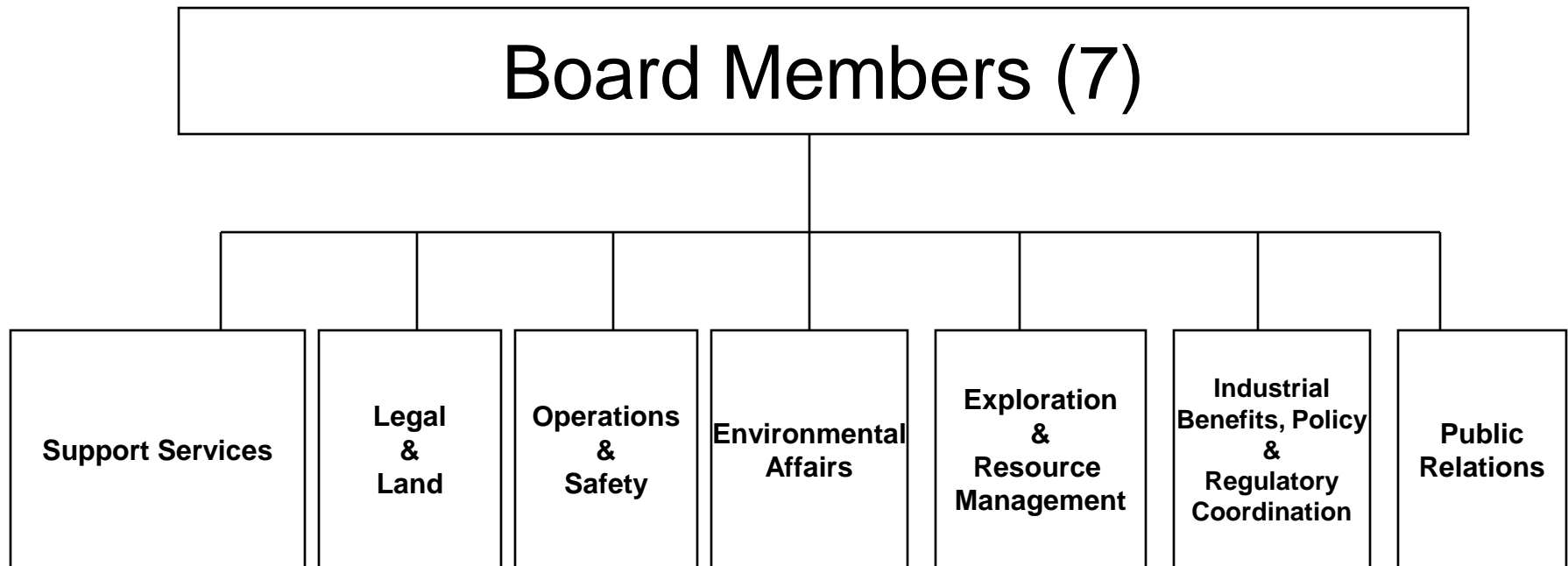


## LEGISLATIVE JURISDICTION

- The Atlantic Accord Memorandum of Agreement 1985
- Canada-Newfoundland Atlantic Accord Implementation Act
- Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act
  - 1986/1987
  - “Mirror” Legislation
  - Amendment effective when both Acts are amended
  - Extensive regulation making power for Governments
  - Board has no regulation making power
  - Board interprets and implements legislation and regulations



# C-NLOPB ORGANIZATIONAL CHART



## MANDATE

To interpret and apply the provisions of the Atlantic Accord and the Atlantic Accord Implementation Acts to all activities of operators in the Newfoundland and Labrador Offshore Area; and, to oversee operator compliance with those statutory provisions.

- “operator” in this context is the holder of an authorization issued by the Board.

## ROLE

In the implementation of its mandate, the role of the C-NLOPB is to facilitate the exploration for and development of the hydrocarbon resources in the Newfoundland and Labrador Offshore Area in a manner that conforms to the statutory provisions for:

- worker safety;
- environmental protection and safety;
- effective management of land tenure;
- maximum hydrocarbon recovery and value; and,
- Canada/Newfoundland & Labrador benefits.

While the legislation does not prioritize these mandates, worker safety and environmental protection will be paramount in all Board decisions.

# OBJECTIVES

## Safety

- To verify that operators have appropriate safety plans in place.
- To verify, through audits and inspections, that operators follow their safety plans and applicable statutory requirements.
- To verify, through compliance actions, that deviations from approved plans and applicable statutory requirements are corrected.

## Environment

- To verify that operators assess and provide for effects of the environment on the safety of their operations.
- To verify that operators perform an environmental assessment pursuant to Canadian regulations, of the effects of their operations on the environment, and prepare a plan and provide for mitigation where appropriate.
- To verify, through compliance actions, that operators comply with their environmental plans.

## Resource Management

- To effectively and efficiently administer land tenure.
- To oversee production activities for consistency with maximum recovery, good oilfield practice, production accounting and approved plans.
- To build a knowledge base for the Newfoundland and Labrador Offshore Area through the acquisition and curation of data from exploration and production activity.

## Benefits

- To verify operators have an approved Canada/Newfoundland and Labrador Benefits Plan that addresses their statutory obligations.



## THE C-NLOPB DOES NOT

- Have responsibility for safety of workers or the environment; worker safety and environmental protection are the responsibility of operators.
- Manage reservoirs or production; that is the role of the operator within the context of an approved Development Plan.
- Guarantee the participation of Canadian and Newfoundland and Labrador workers or businesses.
- Have any role, beyond the provision of required data and information to government, in the establishment or administration of the fiscal regime (royalties/taxes) for any offshore activity.

## BOARD'S ACTIVITIES

- Limited to offshore area and by legislative jurisdiction
- Authorization of all activities respecting the exploration, drilling, production, conservation, processing, or transportation of petroleum - particular regard to environment & safety ( section 136)
- Authorization of development and industrial benefits plans
- Issuance and administration of petroleum rights
- Curation of technical samples & materials



## DECISION MAKING BY THE BOARD

- **Section 30**

Subject to this Act, the exercise of a power or the performance of a duty by the Board pursuant to this Act is final and not subject to review or approval of either government or either Minister.

- **Subsection 31(1)**

Where a fundamental decision is made by the Board, the Board shall, forthwith after making the decision, give written notice of that decision to the Federal Minister and the Provincial Minister.

- “fundamental decisions” are identified in the legislation by reference to “subject to sections 31 to 40”

- **Subsection 32(1)**

A fundamental decision shall not be implemented unless the Board is advised, in writing, that

- (a) both the Federal Minister and the Provincial Minister approve that decision; or
- (b) in any other case, the Minister having authority in relation to that decision, as determined under section 34, approves that decision and, where the other Minister has exercised the power to suspend the approval of that decision pursuant to section 39,
  - (i) the period of suspension referred to in that section has expired, or
  - (ii) agreement is reached between both Ministers to approve that decision,

whichever occurs first....

- **Subsection 42(1)**

The Federal Minister and the Provincial Minister may jointly issue to the Board written directives in relation to

- (a) fundamental decisions;
- (b) decisions made by the Board respecting the exercise of a power pursuant to paragraph 56(1)(b) [orders in respect of operations during dangerous or extreme weather conditions];
- (c) public reviews conducted pursuant to section 44;
- (d) Canada-Newfoundland benefits plans and any of the provisions thereof; and
- (e) studies to be conducted by the Board and advice with respect to policy issues to be given by the Board to the Federal Minister and the Provincial Minister.

- **Subsection 42(2)**

The Board shall comply with a directive issued under subsection (1).



# DECISION MAKING – CHIEF SAFETY OFFICER

## Section 188

The safety officers and conservation officers necessary for the administration and enforcement of this Part and the regulations shall be appointed by the Board.

## Section 189

A safety officer, the Chief Safety Officer, a conservation officer or the Chief Conservation Officer may at any reasonable time

- (a) enter any place, including lands, buildings, installations, vessels, vehicles and aircraft, used for any work or activity in respect of which this Part applies, for the purpose of carrying out inspections, examinations, tests or inquiries or of directing that the person in charge of the place carry them out, and the officer may be accompanied by any other person that the officer believes is necessary to help carry out the inspection, examination, test or inquiry;
- (b) take photographs or make drawings of any place or thing referred to in this section;
- (c) order that any place or thing referred to in this section not be interfered with for a specified period;
- (d) require the production, for inspection or copying, of any books, records, documents, licences or permits required by this Part or the regulations;
- (e) take samples or particulars and carry out, or have carried out, any reasonable tests or examinations; and
- (f) require the person in charge of the place, or any other person in the place who has knowledge relevant to an inspection, examination, test or inquiry, to furnish information, either orally or in writing, in the form requested.

# DECISION MAKING – CHIEF SAFETY OFFICER

## Subsection 193(1)

Where a safety officer or the Chief Safety Officer, on reasonable grounds, is of the opinion that continuation of an operation in relation to the exploration or drilling for or the production, conservation, processing or transportation of petroleum in any portion of the offshore area is likely to result in serious bodily injury, the safety officer or Chief Safety Officer, as the case may be, may order that the operation cease or be continued only in accordance with the terms of the order.

## Section 193.1

An order made by a safety officer or the Chief Safety Officer prevails over an order made by a conservation officer or the Chief Conservation Officer to the extent of any inconsistency between the orders.

# PROCESS FOR WORK OR ACTIVITY AUTHORIZATION

## Section 137

No person shall carry on any work or activity related to the exploration or drilling for or the production, conservation, processing or transportation of petroleum in the offshore area unless

- (a) that person is the holder of an operating licence issued under paragraph 138(1)(a);
- (b) that person is the holder of an authorization issued, before the commencement of operations, under paragraph 138(1)(b) for each such work or activity; and
- (c) where it is required, that person is authorized or entitled to carry on business in the place where that person proposes to carry on the work or activity.

•**OPERATING LICENCE REQUIRED**

•**WORK AUTHORIZATION FROM COMPLETED AND SUBMITTED**



# OPERATING LICENCE

- Corporations must be registered under provincial or federal corporations legislation
- \$25 fee
- Expires March 31<sup>st</sup> each year
- Non-transferable





# PROCESS FOR WORK OR ACTIVITY AUTHORIZATION

## Subsection 138(4)

An authorization is subject to such approvals as the Board determines or as may be granted in accordance with the regulations and such requirements and deposits as the Board determines or as may be prescribed, including

- (a) requirements relating to liability for loss, damage, costs or expenses;
  - (b) requirements for the carrying out of environmental programs or studies; and
  - (c) requirements for the payment of expenses incurred by the Board in approving the design, construction and operation of production facilities and production platforms, as those term are defined in the regulations.
- **CONDITIONS OF APPROVAL FOR WORK AUTHORIZATION SATISFIED**
  - **Section 138.2**

The Board shall, before issuing an authorization for a work or activity referred to in paragraph 138(1)(b), consider the safety of the work or activity by reviewing, in consultation with the Chief Safety Officer, the system as a whole and its components, including its structures, facilities, equipment, operating procedures and personnel.

# AUTHORIZATION FOR WORK OR ACTIVITY APPROVAL

- Every work or activity is conducted pursuant to an authorization from the board, and in compliance with regulations
  
- Examples of authorizations include:
  - Geological, Geophysical or Geotechnical Program
  
  - Operations
    - Production Operations
  
  - Drilling Program
  
  - Diving Program



# AUTHORIZATION FOR WORK OR ACTIVITY APPROVAL

- Conditions respecting the following will apply for authorizations:
  - Occupational health & safety
  - Industrial benefits
  - Financial responsibility
  - Certification of installations & equipment
  - Compliance with standards & procedures
  - Environment

Non-compliance with a condition of an authorization is an offence (section 194)



# DEVELOPMENT PLAN

## Subsection 138(1)

No approval that is

- (a) applicable to an authorization under paragraph 138(1)(b) to carry on work or activity in relation to developing a pool or field, and
  - (b) prescribed by the regulations for the purposes of this subsection shall be granted, except with the approval of both Ministers, unless the Board, on application submitted in accordance with subsection (2), has approved a development plan relating to the pool or field pursuant to paragraphs (4)(a) and (b).
- A development plan consists of two parts:
    - Part i: description of general approach, details respecting scope, location, timing, production rates, reservoir evaluations, recovery methods, production systems, etc.
    - Part ii: prescribed technical and other information
  - Approval of part i of development plan is a "fundamental decision"
  - Development plan guidelines (February 2006)

## DEVELOPMENT PLAN (continued)

- Hibernia, Terra Nova and White Rose are projects which have approved Development Plans.
- After approval of Development Plan, activity in the offshore area can only be undertaken after the issuance of an authorization by the Board.

