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2020-2021 ANNUAL ACTIVITY REPORT

MEMORANDUM OF UNDERSTANDING

CANADA-NEWFOUNDLAND AND LABRADOR OFFSHORE PETROLEUM BOARD

AND

FISHERIES AND OCEANS CANADA

JULY 2021



CONTEXT

The *Memorandum of Understanding (MOU) Between the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) and Fisheries and Oceans Canada (DFO) Newfoundland and Labrador Region* (updated July 2020) supports and promotes the effective coordination and planning of activities of mutual interest of the C-NLOPB and DFO with respect to each agency's regulatory oversight in the Canada-Newfoundland and Labrador Offshore Area. The Executive Committee is the principal body responsible for advancing the objectives of the MOU. The Committee consists of the Chief Executive Officer of the Board and the Regional Director-General of DFO Newfoundland and Labrador Region. The Executive Committee will oversee advancement of the MOU on behalf of both parties and approve each year the Annual Activity Report and the Annual Work Plan developed by the Implementation Committee. The Implementation Committee consists of staff representing the C-NLOPB and DFO.

This 2020-2021 Annual Activity Report describes the areas of collaboration during fiscal year 2020-2021. It summarizes the progress on activities and deliverables identified in the 2020-2021 Work Plan. The 2020-2021 Work Plan identified nine work streams containing activities and deliverables that both parties agreed to work together on. The majority of these activities are ongoing in nature in that they are conducted each year and have become a part of each organization's standard operating procedure. Other activities, such as Environmental Effects Monitoring, are multi-year in nature and can be ongoing for several years. Additional information has been added to the status updates where key milestones or deliverables have been met/completed, or activities were deferred.

HIGHLIGHTS:

It is important to note that during 2020-2021, the COVID-19 Pandemic impacted both organizations and, as a result, some activities did not occur, were delayed, or were deferred. Nevertheless, important and critical work continued and most activities continued as outlined in Table 1. Highlights from 2020-2021 include:

- MOU updated to reflect the Impact Assessment Act, Regional Assessments, and Other Effective Area-based Conservation Measures.
- Continued progress on the Strategic Environmental Assessment (SEA) Update for Labrador Shelf Offshore Area.
- DFO Science publication - "An Assessment of the Potential Risks of Seismic Surveys to Affect Snow Crab Resources".
- Participation in the program follow-up of the Regional Assessment of Offshore Oil and Gas Exploratory Drilling East of Newfoundland and Labrador.
- Decisions Statements completed for the following three drilling projects:
 - Equinor Flemish Pass
 - ExxonMobil Eastern Newfoundland
 - CNOOC Flemish Pass

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Table 1: Status of the 2020-2021 Work Plan Initiatives

Initiative	Lead(s)	Activities/Deliverables	Status as of March 31, 2021
1. Joint Priority Setting, Planning and Coordination	C-NLOPB	<ul style="list-style-type: none"> Discussions of issues/areas requiring collaborative work and an estimate of associated work. 	Operational
	DFO – Fish and Fish Habitat Protection Plan (FFHPP)	<ul style="list-style-type: none"> Development of a joint 2020-2021 Work Plan. 	Complete
		<ul style="list-style-type: none"> Meetings of Executive Committee will occur in the fall of 2020 and spring of 2021 to discuss priorities and progress of the annual Work Plan. 	Complete
		<ul style="list-style-type: none"> Meetings of the Implementation Committee will occur quarterly to discuss priority items, implementation of the annual Work Plan, and develop the Annual Report. 	Operational
		<ul style="list-style-type: none"> DFO and C-NLOPB will make the annual MOU Work Plan and Activity Report publically available beginning in 2021-2022. 	Complete
		<ul style="list-style-type: none"> Implementation Committee members will identify the lead individuals from their agencies whom will coordinate Work Plan projects. 	Operational
		<ul style="list-style-type: none"> Updated MOU to include new language around the Impact Assessment Act, Regional Assessments, and Other Effective Area-based Conservation Measures. 	Complete
2. Environmental Assessment (EA)	C-NLOPB DFO – FFHPP	<ul style="list-style-type: none"> SEA Update for Offshore Labrador 	Ongoing
		<ul style="list-style-type: none"> Data exchange and collaborative review of annual EA Updates, EA Amendments, and EA Validation Reports as received: <ul style="list-style-type: none"> BP Canada Energy Group ULC Ephesus Prospect Controlled Source Electromagnetic Survey (2020) BHP Canada Exploration Drilling EL 1157 and EL 1158 Seabed Survey (2020-2025) Husky White Rose Development Project Asset Life Extension EA Validation Report Chevron Canada Ltd. – Capelin 3D Seismic Survey of EL1138 Offshore Newfoundland and Labrador (2018-2023)* Multiklient Invest AS Newfoundland Offshore Seismic Program (2018-2023) EA Amendment ** 	Complete * Withdrawn – Nov. 17, 2020 **Comments on the Amendment, including DFO comments, provided to the Operator on March 25, 2020.

Initiative	Lead(s)	Activities/Deliverables	Status as of March 31, 2021
2. EA Continued	C-NLOPB	<ul style="list-style-type: none"> • Collaborative review of EAs under the <i>Canadian Environmental Assessment Act 2012</i> (CEAA 2012): <ul style="list-style-type: none"> ○ BHP Canada Exploration Drilling Project (2018-2028) ○ Chevron Canada West Flemish Pass Exploration Drilling Project (2021-2030) ○ Equinor Canada Central Ridge Exploration Drilling Project (2020-2029) ○ Equinor Canada Bay du Nord Development Project ○ ExxonMobil Canada Southeastern Newfoundland Offshore Exploration Drilling Project (2020-2029) ○ Suncor Energy Tilt Cove Exploration Drilling Project (2021-2030) 	Complete
	DFO – FFHPP		<ul style="list-style-type: none"> • Provision of information and collaborative review of regulatory documents to monitor compliance with EA Decision Statement conditions: <ul style="list-style-type: none"> ○ Reviews of various Wildlife Emergency Response Plans (WRP) and Spill Impact Mitigation Assessment (SIMA) Reports. ○ BP Canada Newfoundland Orphan Basin Exploration Drilling Program (2017-2026) ○ CNOOC International Flemish Pass Exploration Drilling Project (2018-2028) <ul style="list-style-type: none"> • CNOOC Exploration Drilling WRPs and CNOOC Exploration Drilling SIMA at the request of C-NLOPB. Review of SIMA included coordination and participation in National Environmental Emergency Centre (NEEC) led Science Table for review of the SIMA. ○ Equinor Canada Flemish Pass Exploration Drilling Project (2018-2028) <ul style="list-style-type: none"> • Review of Equinor Exploration Drilling Program WRP and Equinor Canada Exploration Drilling Program SIMA reviews of which were led by Monitoring and Occurrences (M&O). Review of SIMA included coordination and participation in NEEC led Science Table for review of the SIMA. ○ ExxonMobil Canada Eastern Newfoundland Offshore Exploration Drilling Project (2018-2030) ○ Husky Oil Operations and ExxonMobil Canada Jeanne d’Arc Basin Exploration Drilling Project (2018-2025) ○ BHP Canada Exploration Drilling Project (2018-2028) ○ Chevron Canada West Flemish Pass Exploration Drilling Project (2021-2030) ○ Equinor Canada Central Ridge Exploration Drilling Project (2020-2029)
		<ul style="list-style-type: none"> • Collaborative review of the Regional Assessment (RA) of Offshore Oil and Gas Exploratory Drilling East of Newfoundland and Labrador and involvement in the RA Follow-Up Program. 	Ongoing



Initiative	Lead(s)	Deliverables	Status as of March 31, 2021
3. Environmental Effects Monitoring (EEM)	C-NLOPB	<ul style="list-style-type: none"> Ongoing review of Hibernia, Terra Nova, White Rose, and Hebron EEM programs and results on an as-needed basis. 	Ongoing
	DFO - FFHPP	<ul style="list-style-type: none"> Review of proponent response to DFO comments on EEM Program Reports: <ul style="list-style-type: none"> ExxonMobil Canada Properties – Hebron Platform 2018 EEM Program* Hibernia Management and Development Company (HMDC) – Hibernia Platform and Hibernia Southern Extension 2018 EEM Program Husky Energy – White Rose 2018 EEM Program 	<p>Ongoing</p> <p>*Final Hebron 2018 EEM Program report accepted by CNLOPB in March 2021.</p> <p>DFO review included in consolidated comments provided to HMDC and Husky.</p>
		<ul style="list-style-type: none"> Review of EEM programs: <ul style="list-style-type: none"> ExxonMobil Canada Properties (ECMP) Hebron 2019 EEM Program ECMP Hebron 2020 EEM Program HMDC Hibernia and Hibernia South Extension 2020 EEM Programs Suncor Energy Terra Nova 2020 EEM Program Husky Energy White Rose 2020 EEM Program Husky Energy 2019 Proposed Revisions to the White Rose EEM Program to Monitor Potential Effects of Discharges from the West White Rose Platform. 	<p>Ongoing</p> <p>Hebron 2019 EEM Report submitted to the C-NLOPB in March 2021.</p> <p>2020 EEM Program Reports to be submitted in 2021/22</p>
4. Regulatory Activities	C-NLOPB DFO – FFHPP	<ul style="list-style-type: none"> DFO and the C-NLOPB will endeavour to undertake joint compliance verification activities each year where opportunities present themselves, including monitoring, and audits/inspections under their respective mandates. 	Operational

Initiative	Lead(s)	Deliverables	Status as of March 31, 2021
4. Regulatory Activities Continued	C-NLOPB DFO – FFHPP	<ul style="list-style-type: none"> DFO and the C-NLOPB will continue to discuss and define each agency's respective roles and responsibilities in the event of an oil spill response. <ul style="list-style-type: none"> Including accidental spill events at the Hibernia Platform, Suncor Terra Nova FPSO (off station transit to Conception Bay), and Husky White Rose Biocide spill (2020-2021) M&O unit personnel implemented a new communication and advisory process relative to NEEC reports of spill events related to offshore oil exploration and/or production facilities. The plan includes the Environmental Incident Team contacting C-NLOPB upon receipt of a NEEC report to ascertain nature of the spill (accidental or planned) and whether DFO assistance / information will be required relative to response from C-NLOPB or operator. As of March 2, 2021 this process has been engaged for 11 NEEC reported events. 	Ongoing
		<ul style="list-style-type: none"> DFO will provide advice to the C-NLOPB regarding appropriate qualifications for Wildlife Observers deployed during oil spill response activities. <ul style="list-style-type: none"> Primarily via WRPs. 	Ongoing
		<ul style="list-style-type: none"> DFO and the C-NLOPB, in collaboration with the Impact Assessment Agency of Canada (IAAC), will cooperate in ensuring that proponents comply with the conditions associated with federal environmental assessment Decision Statements. 	Operational Three exploration drilling projects complete – see highlights
		<ul style="list-style-type: none"> The C-NLOPB will continue to participate in the development of Recovery Strategies, Action Plans, and Management Plans as well as listings for Species at Risk through participation in workshops, meetings, and responses to consultation requests. The C-NLOPB and DFO will continue to collaborate on the development of enhanced mitigation requirements for programs within the distribution of Species at Risk. 	Operational
		<ul style="list-style-type: none"> The C-NLOPB and the Species at Risk Program will continue to meet and share information to help interpret the Species at Risk Act (SARA) requirements and provide guidance as required. <ul style="list-style-type: none"> The Species at Risk Program will continue to seek input from the C-NLOPB regarding the potential listing of species on Schedule 1 of SARA. The Species at Risk Program will continue to notify the C-NLOPB of proposed or final postings of recovery documents on the SARA Public Registry. The Species at Risk Program will notify the C-NLOPB of the anticipated publication, in Canada Gazette, Part I, of the government's intentions regarding whether or not to list the aquatic species under SARA. 	Ongoing Note: No consultation or listing decisions made in 2020-2021



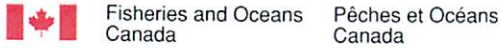
Initiative	Lead(s)	Deliverables	Status as of March 31, 2021
4. Regulatory Activities Continued	C-NLOPB DFO – FFHPP	<ul style="list-style-type: none"> For each drilling installation for an exploration or delineation well, operators are required to submit an environmental report to the C-NLOPB within 90 days of the rig release date. The C-NLOPB will provide these reports to the FFHPP to ensure mitigation measures to protect aquatic resources as identified in the proponent's environmental impact statement, or any other regulatory tool, have been implemented. 	Ongoing The C-NLOPB received reports from Equinor and ExxonMobil during the reporting period. The ExxonMobil report has been accepted and the Equinor report is still being finalized.
		<ul style="list-style-type: none"> For each geophysical, geological, geotechnical, or environmental program with a fieldwork component, operators are required to submit a mitigation and monitoring report to the C-NLOPB within six months of fieldwork completion, unless otherwise conditioned. The C-NLOPB will provide these reports to FFHPP to review and verify operator conformity with the Statement of Canadian Practice (SCOP) with respect to the Mitigation of Seismic Sound in the Marine Environment. 	Ongoing Reports and raw observer data received for MKI's summer 2020 Torngat, Blomidon and South Banks 3D seismic surveys.
5. Science	C-NLOPB DFO – Science	<ul style="list-style-type: none"> Continued collaboration and input into research objectives of various funding groups, such as the Environmental Studies Research Fund (ESRF) and the Program of Energy Research and Development (PERD): <ul style="list-style-type: none"> All expected work completed on ESRF project studying the potential effects of seismic surveys on groundfish. Year two of a three year program. 2020-2021 was the first of a five year ESRF project studying Atlantic salmon in areas of oil and gas activity. Planning and preparations for the spring 2021 field research season in Eastern Canada has been completed. 	Ongoing
		<ul style="list-style-type: none"> DFO has completed a study on effects of seismic activity on snow crab and results of this work have been presented to C-NLOPB. 	Complete
		<ul style="list-style-type: none"> Provided advice and feedback on two proposed Multi-partner Oil Spill Response Research Initiative (MPRI) offshore projects: MPRI Offshore Burn Experiment and MPRI Dispersant Field Trials. 	Complete
		<ul style="list-style-type: none"> Continued further development on Ocean Navigator. The Coastal-Ice-Ocean-Prediction System (CIOPS) provides descriptions of the oceanographic environment that extend along the east coast of Newfoundland and Labrador has been made available to end users. The CIOPS along with the other ocean-predictions systems can be accessed at https://navigator.oceansdata.ca/ 	Complete
		<ul style="list-style-type: none"> Continued DFO Science support on the IAAC led Regional Assessment on exploration drilling projects. 	Operational

Initiative	Lead(s)	Deliverables	Status as of March 31, 2021
6. Marine Planning and Conservation (MPC)	C-NLOPB DFO – MPC	<ul style="list-style-type: none"> The C-NLOPB will participate in regional marine governance structures coordinated by DFO including the Regional Oversight Committee on Oceans Management (ROCOM) and the C-NLCOM. This will include involvement in working groups (e.g. Marine Spatial Planning (MSP) Data and Engagement) and implementation of Work Plans developed under the direction of C-NLCOM. 	Operational
		<ul style="list-style-type: none"> The C-NLOPB will provide input to MSP initiatives coordinated by DFO related to the Canada-Newfoundland & Labrador Offshore Area. In support of this, the C-NLOPB will share (subject to relevant policies and legislation) data and information with DFO for incorporation and use in MSP visualization and decision support tools. This includes holding regularly scheduled meetings for sharing updated C-NLOPB land tenure information with MPC personnel. 	Ongoing
		<ul style="list-style-type: none"> To inform and support land tenure decision making or other long-term C-NLOPB planning processes, the DFO Marine Planning & Conservation program will facilitate sharing of available information on fisheries or other marine environmental matters held by DFO with the C-NLOPB. 	Ongoing
		<ul style="list-style-type: none"> DFO and the C-NLOPB will take steps to optimize the sharing of operational information on issues or initiatives managed by the C-NLOPB that relate to DFO-led MPC initiatives. In particular: <ul style="list-style-type: none"> DFO will engage the C-NLOPB in the Department's planning and implementation of marine conservation measures or areas, in particular those relevant to activities managed by the C-NLOPB. This will include a dedicated bilateral meeting or discussion prior to public announcement of any potential or planned conservation and/or marine planning area by DFO. The C-NLOPB will engage DFO in the Board's planning, announcement, and implementation of land tenure decisions, in particular those near marine conservation areas. This will include a bilateral meeting or discussion prior to public announcement of such areas by the C-NLOPB. DFO MPC and C-NLOPB personnel will schedule regular meetings of appropriate personnel to promote sharing of operational information in support of the preceding two bullets. 	Operational
		<ul style="list-style-type: none"> DFO and the C-NLOPB will collaborate to develop and implement protocols to operationalize new commitments in the MOU relating to exploratory drilling in Other Effective Area-Based Conservation Measure (OECM) areas such as marine refuges. 	Ongoing
		<ul style="list-style-type: none"> The C-NLOPB will participate in and provide input to the working group led by the DFO MPC program to develop standard measures and guidance for protection of cold-water corals and sponges from potential impacts of exploratory drilling in the Canada-Newfoundland and Labrador Offshore Area. 	Ongoing
		<ul style="list-style-type: none"> C-NLOPB to participate in the National Canadian Science Advisory Secretariat (CSAS) process on review of the SCOP with respect to the Mitigation of Seismic Sound in the Marine Environment. 	Ongoing
7. Fisheries Management	C-NLOPB DFO – Fisheries Management	<ul style="list-style-type: none"> The C-NLOPB will provide semi-annual forecasts of planned exploration activities in the portions of the Canada-Newfoundland and Labrador Offshore Area where the waters of the Northwest Atlantic Fisheries Organization (NAFO) Regulatory Area (NRA) are superjacent. 	Operational
		<ul style="list-style-type: none"> The C-NLOPB will notify DFO of authorizations issued by the C-NLOPB respecting activities in areas where the waters of NRA are superjacent. 	Operational

Initiative	Lead(s)	Deliverables	Status as of March 31, 2021
7. Fisheries Management Continued	C-NLOPB	<ul style="list-style-type: none"> DFO will co-ordinate an annual request for anonymized, aggregate NAFO Vessel Monitoring System (VMS) data for distribution by the C-NLOPB to identified operators under the established Terms of Use. 	Operational
	DFO – Fisheries Management	<ul style="list-style-type: none"> DFO will communicate to the C-NLOPB any decisions taken by NAFO relating to closure of an area to bottom trawling activity with the boundaries of the NRA for the protection of Vulnerable Marine Ecosystems (VME). 	Operational
		<ul style="list-style-type: none"> DFO has the process and tools in place to make Canadian fisheries closure decisions if monitoring results suggest fisheries species have been impacted or if requested by an Authority. 	Ongoing
		<ul style="list-style-type: none"> Fisheries Management will provide an update to C-NLOPB at the next face to face meeting regarding buffer zones during seismic programs. 	Deferred due to COVID-19
8. Policy and Economics	C-NLOPB DFO – Policy and Economics	<ul style="list-style-type: none"> DFO will continue to make up-to-date Newfoundland and Labrador landings and landed value data publicly available on the Newfoundland and Labrador Regional Internet site. 	Operational
		<ul style="list-style-type: none"> Specific data requests to DFO-Policy and Economics can also be made that the Region undertakes to provide timely, useful, and available Newfoundland and Labrador Region Catch and Effort data to the C- NLOPB. 	Operational
		<ul style="list-style-type: none"> The release of all data is subject to privacy restrictions and existing policies on authorized access and or use of data. 	Operational
9. Reporting on Progress	C-NLOPB DFO – FFHPP	<ul style="list-style-type: none"> End of year meeting of the MOU Implementation Committee to develop the 2021-2022 Work Plan. 	Complete
		<ul style="list-style-type: none"> 2020-2021 Annual Activity Report to be finalized by the end of the first quarter. 	Complete
		<ul style="list-style-type: none"> Annual Activity and Work Plan Report to be provided to Executive Committee for review and approval. 	Complete

10. Abbreviation Index:

CEAA 2012: Canadian Environmental Assessment Act 2012	MPC: Marine Planning and Conservation	Status Explanation: <ul style="list-style-type: none"> Complete – Work has been conducted within the fiscal year being reported and will not be continued in the next fiscal year (work has been completed). Ongoing – Work has been conducted within the fiscal year being reported and will continue in the following year where the activity has not been completed. Operational – Incorporated into the day-to-day activities of C-NLOPB and DFO. Deferred – Work was not conducted during the fiscal year being reported but will resume in the next fiscal year. Cancelled – Work was not conducted during the fiscal year being reported and will not continue in the next fiscal year.
CIOPS: Coastal Ice Ocean Prediction System	MPRI: Multi-partner Oil Spill Response Research Initiative	
C-NLCOM: Canada-Newfoundland and Labrador Committee on Oceans Management	MSP: Marine Spatial Planning	
C-NLOPB: Canada-Newfoundland and Labrador Offshore Petroleum Board	NAFO: Northwest Atlantic Fisheries Organization	
CSAS: Canadian Science Advisory Secretariat	NRA: NAFO Regulatory Area	
DFO: Fisheries and Oceans Canada	NEEC: National Environmental Emergency Centre	
EA: Environmental Assessments	OECM: Other Effective Area-Based Conservation Measure	
EEM: Environmental Effects Monitoring	PERD: Program of Energy Research and Development	
ESRF: Environmental Studies Research Fund	ROCOM: Regional Oversight Committee on Oceans Management	
HMDC: Hibernia Management and Development Company	SARA: <i>Species at Risk Act</i>	
IAAC: Impact Assessment Agency of Canada	SEA: Strategic Environmental Assessment	
FFHPP: Fish and Fish Habitat Protection Plan	SIMA: Spill Impact Mitigation Assessment	
MOU: Memorandum of Understanding	SOCP: Statement of Canadian Practice	
M&O: Monitoring and Occurrences	VMS: Vessel Monitoring System	
	WRP: Wildlife Emergency Response Plan	



11. Approval: The undersigned approve the Annual Activities Report 2020-2021 as per the "Memorandum of Understanding between the Canada-Newfoundland and Labrador Offshore Petroleum Board and Fisheries and Oceans Canada".

Fisheries and Oceans Canada:

Signed on the 27 Day of July, 2021.

A handwritten signature in blue ink that reads "Jacqueline Perry".

Jacqueline Perry
Regional Director General
Fisheries and Oceans Canada
Newfoundland and Labrador Region

Canada-Newfoundland and Labrador Offshore Petroleum Board:

Signed on the _____ Day of _____, 2021.
2021-Oct-05 | 9:29:53 AM NDT

DocuSigned by:

A handwritten signature in blue ink that reads "Scott Fessler".

CFFB41ADA354F4FA...
Scott Fessler

Chief Executive Officer
Canada-Newfoundland and Labrador Offshore Petroleum Board