



CANADA-NEWFOUNDLAND & LABRADOR

CNLOPB

OFFSHORE PETROLEUM BOARD

Follow-up to Recent Petroleum Spills

January 30, 2020

Overview of Recent Spills

- April 2018: *Transocean Barents* SBM Spill
 - During placement of a cement abandonment plug, 28,000L of synthetic-based drilling mud (SBM) were inadvertently pumped overboard
- November 2018: *SeaRose* Weak Link Oil Spill
 - Estimate of volume spilled was 250,000L
- July 2019: *Hibernia* Crude Oil Storage Oil Spill
 - Estimated 12,000L spilled - HMDC determined that the oil and water interface layer (oil and water emulsion mixture) in the storage cell was the cause
- August 2019: *Hibernia* Hazardous Drains Overflow
 - Spill volume estimate based on August 18 overflight observations was 2,184L
- C-NLOPB formal investigations are continuing into each of these spills
 - Decisions on enforcement actions will follow completion of investigations

Key Actions Arising from August 30 C-NLOPB/Governments' Session

- Hold a similar session with local operators, to task them with tangible plans to improve performance
 - Roundtable session held with current and new operators on October 7
- Assess the C-NLOPB's approach to audits and inspections to ensure staff are targeting risks to the highest degree possible
 - Ongoing
- Conduct a global benchmarking exercise with a view to confirming areas of concern, identifying any new ones, and seeking out best practices
 - Ongoing
- Hold a spill prevention and response forum
 - C-NLOPB hosted productive Forum on December 3-4

Key Actions Arising from August 30 C-NLOPB/Governments' Session

- Hold a climate change-focused roundtable with operators, looking at our changing offshore environment
 - Initial presentation/discussion at December 3-4 Forum
- Conduct a review of the penalties and order-making powers under the *Atlantic Accord Implementation Acts*
 - Ongoing
- Continuing and, if possible, expediting current regulatory reform initiatives
 - New Framework and OHS Regulations (and accompanying Guidance from Offshore Boards) on track for December 2020
- Complete an internal review of the C-NLOPB's Non-Compliance and Enforcement Policy
 - Nearing completion

C-NLOPB Requirement for Industry Performance Improvement Plan

- In early October, C-NLOPB CEO wrote to industry operators and new entrants underscoring the need for better industry performance
 - Outlined the C-NLOPB's expectation that industry develop an action plan for basin-wide improvements in environmental and safety performance
- In its letter of response, CAPP committed, on behalf of members producing and exploring in the Canada-Newfoundland and Labrador Offshore Area, to developing and implementing such a plan
- Both letters are available on the C-NLOPB website
- CAPP/Operators to publicly release their Industry Performance Improvement Plan in February

December 3-4

Oil Spill Prevention and Response Forum

- C-NLOPB hosted its first annual Spill Prevention and Response Forum in St. John's on December 3-4, 2019
- Forum featured over 100 participants from regulatory agencies and government departments, oil and gas industry companies that are, or will soon be, active in the Canada-NL Offshore Area, along with fishing industry representatives
- C-NLOPB news release along with Forum agenda, presentations and list of attendees are posted on the C-NLOPB website
- Forum provided an opportunity for regulators, governments and those 'on the water' to undertake a collective review of lessons learned from spills in our offshore between April 2018 and August 2019
- Presentations and discussions reflected participants' commitment to continuous improvement, with particular emphasis on ensuring operators have all the right people, processes and equipment in place for incident prevention and preparedness

December 3-4

Oil Spill Prevention and Response Forum

- C-NLOPB's CCO presentation focused on the following four principles of spill response:
 - Health and safety as the top priority;
 - Protection of the environment with an emphasis on protecting sensitive resources;
 - Operational decisions should maximize net environmental benefit; and
 - Operational response should include a wide range of resources and technology.
- CCO also provided four key priority areas for further work to be undertaken by the industry, from the C-NLOPB's operational assessment of lessons learned from recent spills:
 - Better surveillance and monitoring of subsea assets for producing facilities;
 - Review and update operator contingency plans to better meet government agencies' expectations;
 - Improve initial data collection and sharing; and
 - Update a marine hydrocarbon spill response capability report to reflect lessons learned.

December 3-4

Oil Spill Prevention and Response Forum

- C-NLOPB CEO highlighted a number of related C-NLOPB initiatives that are in place or underway, including:
 - strengthening the approach to offshore regulatory audits and inspections to ensure a more thorough, integrated and effective approach that better targets greatest risks;
 - new regulatory resources for risk assessments, offshore safety and environmental compliance;
 - clearer, more robust adverse weather protocols following from the severe offshore storm of November 2018, which include enhanced mitigating measures to reduce and manage risks leading up to, during, and after severe weather;
 - efforts by the regulator to support governments in regulatory modernization that will enable innovation, including in the areas of spill prevention and response; and
 - continued C-NLOPB collaboration with other regulators, both in Canada and internationally, through the International Offshore Petroleum Environmental Regulators, the North Sea Offshore Authorities Forum and the International Regulators Forum, which Canada will chair for the next three years