



Nova Scotia OFFSHORE

International Regulations: Lessons Learned IOGCC – Annual Meeting

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NEW GEOSCIENCE. NEW OPPORTUNITY.

➤ **Background**

- Benchmarking enables better regulations

➤ **International Jurisdictions**

- Canada – U.S. neighbor
- Others - Common practices, New initiatives, challenges

➤ **Collaborative Opportunities**

➤ **Future Lessons**

- R&D, Emergency Response, Decommissioning



➤ Areas for International Benchmarking

- **Regulatory Enhancements**
 - Changes to modernize, improve regulations (i.e. well design, field development, Shale)
- **Environmental Stewardship**
 - Types of Assessments required, timing
- **Safety Standards**
- **Rights Issuance**
 - Tenure, types of agreements, obligations, social license

Canada – Offshore Areas



Offshore:

1. North
2. Newfoundland & Labrador (NL)
3. Nova Scotia (NS)
4. Others areas under consideration

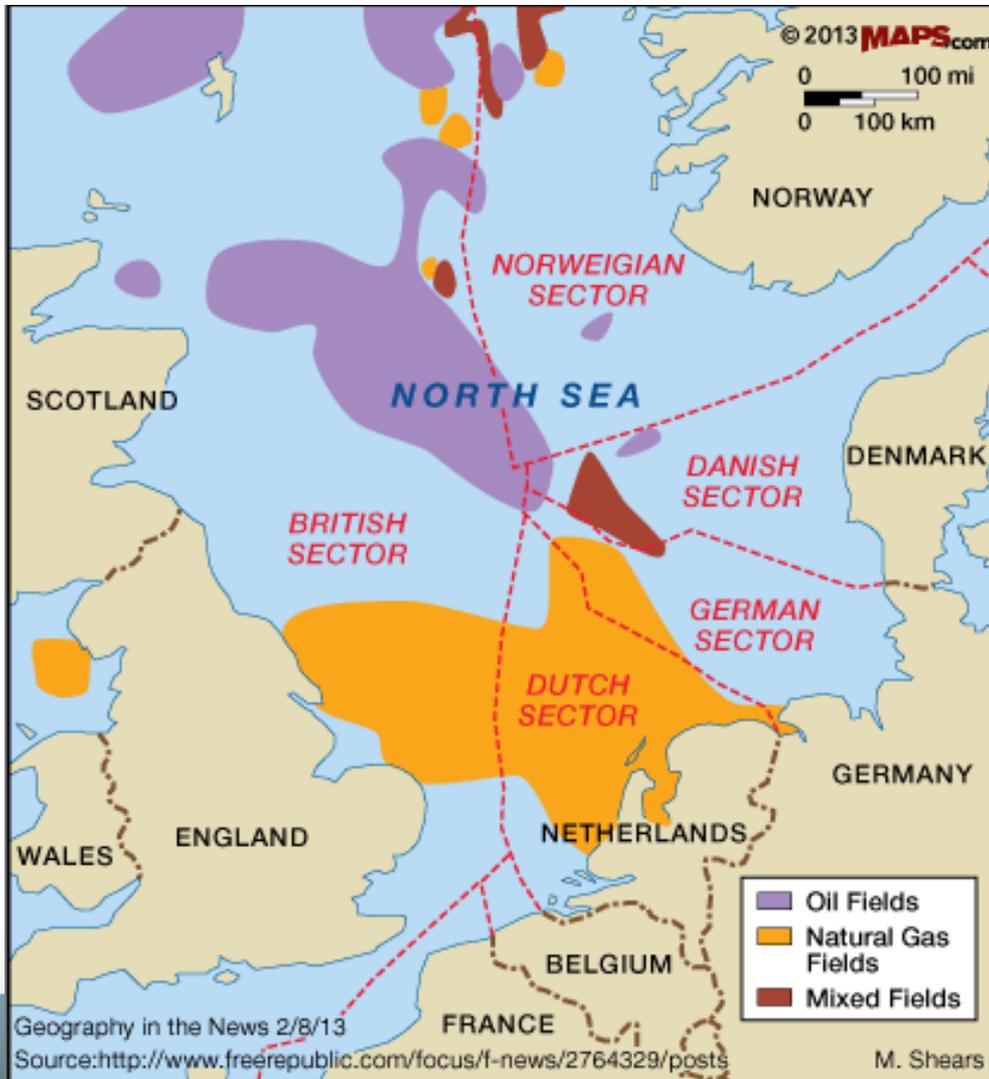
➤ Federal Government focus on:

- **Liability Regime** - to update/expand coverage, and provide transparency.
 - Polluter pays principle
 - Operators liable
 - Absolute liability increases (from \$30 m to 1 Billion)
 - Option for pooled funds (for smaller operators)

➤ Other

- **Environmental Assessments**
 - CEAA - Approach, types of studies, timing
 - Supportive geoscience studies to build baseline data (sound on mammals)
 - Dispersants Allowed – for spills
- **Frontier Offshore Regulatory Renewal Initiative (FORRI)**
 - Modernize all regulations in offshore areas of Canada (ie: D&P regulations),

North Sea Jurisdictions



European Union Offshore Safety Directive (2013)

- Result of Macondo

Participation*:

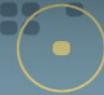
United Kingdom

Norway

Netherlands

Denmark

***Impacted the most**



➤ United Kingdom

- Government on hook for 75% cost of decommissioning, Need legislation, Build in early into economics
- Tax Deed – industry driven to decommission

➤ Norway – NPD

- Cessation Plan -required 3-5 years prior to plans
- License holders - absolute liability, Minister may demand certain liability guarantees
- Liability has no time limit, liable after decommissioning.

Gulf of Mexico (GOM)

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➤ United States

- Development of BOEM & BSEE (result of Macondo incident).

➤ Mexico

- PEMEX about to let other companies into jurisdiction
- Working on 94% emissions reductions in Cantarell's gas flaring
- Enhanced Oil Recovery (EOR) – resource conservation

➤ Ireland

- Similar to UK, focus on insurances for deep basins

➤ Greenland

- Frontier Area, co-existence issues, logistics of equipment, employee constraints

➤ Australia

- Polluter pay principle utilized
- Developing regulations to set liability amounts, higher than previous, linked to environment

➤ **International Regulators' Forum (IRF)**

- The IRF is a group of eleven regulators of health and safety in the offshore upstream oil and gas industry. It exists to drive forward improvements in health and safety through collaboration and sharing information. (Last meeting - Perth, Australia, 24-25 October 2013)

➤ **International Upstream Forum (IUF)**

- The IUF is a group of government representatives who meet annually to discuss upstream policy development for offshore jurisdictions. Typically 15 -18 countries participate annually. Last meeting - 5th annual hosted by BOEM/BESS in Washington, Sept 24-26, 2013).



- **Research and Development**
 - Technology - transfer, sharing
 - Training, expertise (limited)
- **Emergency Preparedness**
 - Response, multi-jurisdictional issues
 - Equipment availability, timing and coordination (Integrated approach)
- **Decommissioning**
 - Industry standards - International
 - Common practices

- **Global industry regulated locally**
- **Regulators need collaborative exchanges; due to resource constraints**
- **Don't reinvent – utilize technologies already developed and focus on new innovations**
- **Social engagement is part of the new process**
- **Liability & decommissioning – start early, now more expensive to do business**



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Collaborative Efforts
“Ensure a Commitment to Excellence”

Lessons Learned



NEW GEOSCIENCE. NEW OPPORTUNITY.