Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-01-2020)

On January 3, 2020, the Department of Natural Resources received your request for access to the following records/information:

November 2019 briefing notes: - Decision/Direction Note: Carry-over of Infrastructure Funding to Complete Work at the former Gullbridge and Whalesback Mine Sites. - Information Note: Gros Morne National Park, Hydraulic Fracturing and UNESCO World Heritage Status. - Decision/Direction Note: Fundamental Decision 2019.05. - Decision/Direction Note: International travel for the Deputy Minister of Natural Resource and the Deputy Minister of Tourism, Culture, Industry and Innovation to Georgetown, Guyana - December 2019, or January 2020. - Decision/Direction Note: North America Prospect Exhibit (NAPE) Summit trade show and conference, February 4 to 8, 2020, Houston, TX.

I am pleased to inform you that a decision has been made by the Department of Natural Resources, confirmed by the Deputy Minister, to provide access to the requested records. The records are attached.

We are providing access to the most information possible but have made redactions in accordance with Sections 29(1)(a), 34(1)(a)(i), 34(1)(a)(iii), 35(1)(d), 35(1)(f) and 35(1)(g) of ATIPPA, 2015 as follows:

29. (1)(a) The head of a public body may refuse to disclose to an applicant information that would reveal advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;
34. (1)(a)(i) The head of a public body may refuse to disclose information to an applicant if the disclosure could reasonably be expected to harm the conduct by the government of the province of relations between that government and the following or their agencies: the government of Canada or a province,

34. (1)(a)(iii) The head of a public body may refuse to disclose information to an applicant if the disclosure could reasonably be expected to harm the conduct by the government of the province of relations between that government and the following or their agencies: the government of a foreign state,

35. (1)(d) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to result in the premature disclosure of a proposal or project or in significant loss or gain to a third party;

35. (1)(f) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose positions, plans, procedures, criteria or instructions developed for the purpose of contractual or other negotiations by or on behalf of the government of the province or a public body, or considerations which relate to those negotiations;

35. (1)(g) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to prejudice the financial or economic interest of the government of the province or a public body;

Please be advised that you may ask the Information and Privacy Commissioner to review the processing of your access request, as set out in section 42 of the Access to Information and Protection of Privacy Act (the Act). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner.

The address and contact information of the Information and Privacy Commissioner is as follows:

    Office of the Information and Privacy Commissioner
    2 Canada Drive
    P. O. Box 13004, Stn. A
    St. John's, NL A1B 3V8

    Telephone: (709) 729-6309
    Toll-Free: 1-877-729-6309
    Facsimile: (709) 729-6500
You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act.

Please be advised that this letter will be published following a 72 hour period after it is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the letter posted to the Office of Public Engagement's website within one business day following the applicable period of time.

If you have any questions, please feel free to contact me at 709-729-0463 or rhynes@gov.nl.ca.

Sincerely,

Rod Hynes

Rod Hynes
ATIPP Coordinator
Decision/Direction Note
Department of Natural Resources

Title: Carry-over of Infrastructure Funding to Complete Work at the former Gullbridge and Whalesback Mine Sites

Decision/Direction Required:
- It is recommended that NR request carry-over of infrastructure funding to 2020-21 to complete work at the former Gullbridge and Whalesback mine sites and reduce government liability.

Background and Current Status:
- Mines Branch of NR is mandated with the mitigation of safety issues related to orphaned and abandoned mines (OAMs). OAMs are mine properties for which an owner cannot be identified or whose owner is unable or unwilling to carry out the necessary rehabilitation work. These would include mine properties which were returned to the Crown during times when environmental legislation was less stringent.

- The tailings dam at the former Gullbridge mine suffered a catastrophic failure 2012. The dam was repaired in 2013 and, at that time, met the Canadian Dam Association (CDA) safety guidelines.

- The funding amounts for the four-year Dam Safety Program were based on preliminary design estimates and identified as carrying a +/- 30% accuracy.

- Budget 2016 approved $2.4 million for a four-year Dam Safety Program at OAMs; this program included $670,000 for construction and construction monitoring of repairs to dams at Gullbridge and Whalesback. This funding was reaffirmed in Budget 2019.

- Budget 2019 allotted a total of $760,000 for the final year of the dam safety program which included the aforementioned $670,000, $ X for the services of a dam safety expert and $ X carried-over for completion of repairs at the Consolidated Rambler West dam.

- In Budget 2019, there was $ X allocated to complete erosion protection on the Gullbridge dam. Engineering consultant, Wood, provided a report in July 2019 which indicated placing erosion protection on the dam was low priority but that replacing the rip rap in the spillway was a high priority. Wood’s recommendations aligned with the latest Dam Safety Inspection (DSI) for the Gullbridge Dam, received in March 2019 from Golder Associates, which stated that the spillway rip rap was undersized and must be replaced.

- The replacement to the Gullbridge dam spillway was scheduled for summer 2019. NR suspended the issuing of all contracts in July 2019 until NR’s OHS obligations as a Principal Contractor were adequately addressed. The NR Principal Contractor protocol was established in October 2019 and the issuing of contracts was able to resume. Due to the late issuing of the contracts, the Gullbridge dam spillway repairs cannot be completed prior to the onset of winter conditions.

- A carry-over of $ X for 2020-21 is required for Gullbridge as follows:
  - 2.1.01 Mineral Resource Management – Mineral Development G05 Professional Services; and
• The Whalesback dam does not meet the CDA safety guidelines.

• The cost estimate for repairs of the tailings dam at Whalesback was based on completing standard repairs to the dam. NR's expert dam advisor, Englobe, proposed an alternate solution which would eliminate the dam and the need to maintain the dam. The alternate solution would be cheaper than performing the standard repairs to the dam and would provide significant savings to the long term monitoring and maintenance costs. Additional time was required by NR to fully evaluate the alternate solution proposed by Englobe.

• In August 2019, NR approved Englobe's proposal for supplemental work on the alternate solution option. The draft report was received in October 2019 and the final report will be received in November 2019. A preliminary estimate for the cost to implement the alternate solution option for Whalesback is $[number] (includes $[number] for final design and site supervision and $[number] for construction).

• The schedule to implement the alternate solution option for Whalesback was also impacted by NR's OHS obligations as a Principal Contractor resulting in delays of the supplemental work done by Englobe. The construction of the alternate solution option cannot be completed prior to the onset of winter conditions.

• A carry-over of $[number] for 2020-21 is required for Whalesback as follows:
  o $[number] – 2.1.01 Mineral Resource Management – Mineral Development G05 Professional Services; and
  o $[number] – 2.1.01 Mineral Resource Management – Mineral Development G05 Purchased Services;

Analysis:
• NR suspended the issuing of all contracts in July 2019 until NR's OHS obligations as a Principal Contractor were adequately understood, addressed and documented. The NR Principal Contractor protocol was established in October 2019. This delay resulted in the inability to complete the construction activities due the onset of winter conditions.

• The dam failure at the former Gullbridge mine in the province, along with the dam failures at Mount Polley in BC and Samarco in Brazil, highlight the real risk that dams may fail if they are incorrectly constructed or not maintained.

Alternatives:

Prepared/Approved by: D. Pittman / P. Philpott / A. Smith

Ministerial Approval:

November 13, 2019
Information Note
Department of Natural Resources

Title: Gros Morne National Park, Hydraulic Fracturing and UNESCO World Heritage Status

Issue: Proposed onshore to offshore exploration drilling in 2013 adjacent to Gros Morne National Park (NP) led to UNESCO initiating a formal process that requires Parks Canada to provide reports responding to UNESCO recommendations and concerns around threats to the Park’s value and status as a World heritage Site.

Background and Current Status:
- Directional drilling and hydraulic fracturing was proposed for three onshore-to-offshore test wells in 2013 (Shoal Point Energy) at Sally’s Cove. This was within 500 meters of the Gros Morne Park boundary.

- In response, an NGO – the Canadian Parks and Wilderness Society (CPAWS), local community groups, and the public contacted UNESCO regarding the proposal. CPAWS and other interested parties continue to reach out to UNESCO highlighting their concerns regarding hydraulic fracturing and the Park.

- UNESCO has required that Parks Canada initiate a formal process to report on State of Conservation (SOC) issues affecting the Park. They have provided three SOC reports to UNESCO to date but UNESCO continues to highlight a number of key issues. The next SOC is required by December 2019.

- Gros Morne NP, a UNESCO World Heritage Site, is recognized for its exceptional natural beauty and its illustration of geological processes. The Outstanding Universal Value (OUV) of Gros Morne NP is the basis for its inscription as a World Heritage Site, and the long-term protection and maintenance of all elements that contribute to the OUV is of paramount importance to Gros Morne’s conservation as a World Heritage Site.

- UNESCO has highlighted that activities outside the boundary and adjacent to the national park could potentially impact the OUV of the park. Both levels of government have a longstanding history of working together to ensure the protection of Gros Morne, dating back to the establishment of the park in 1973.

- Key UNESCO concerns and Recommendations:
  - Prevent the awarding of oil and gas licences near the Park, before the “pause” on hydraulic fracturing is lifted.
  - Clarify when a full assessment of the 2016 recommendations of the Newfoundland and Labrador Hydraulic Fracturing Review Panel (NLHRP) will be completed, and submit a final analysis to UNESCO.
  - Any licenses located in the Gulf of Saint Lawrence must be subject to rigorous Environmental Assessment, with attention paid to potential impacts on the park.
  - Implement a buffer zone to prevent impacts on the Park’s OUV.
  - Ensure that the Strategic Environmental Assessment (SEA) for the western portion of the C-NL Offshore Area consider any potential impacts on the park.
  - Invite a reactive monitoring mission to assess the risks of the hydraulic fracturing proposal (in particular if current “moratorium” is discontinued).

- Key points from Canada’s previous SOC Reports:
  - Existing legislation and regulation precludes need for buffer zone.
  - The C-NLOPB/IA Agency/Review Panel per CEAA 2012 or the Impact Assessment Act would consider the impacts of any proposed development in proximity to the Park as part of any EA.
o In 2013, NL placed moratorium on onshore and onshore-based petroleum exploration using hydraulic fracturing outside the property. [NL officials have pointed out it is actually a pause in considering applications that include fracking.]
 o It is premature to invite Reactive Monitoring Mission.
 o NL Minister has indicated no projects incorporating fracking would go ahead without a social contract from residents and consultations with interested stakeholders.
 o NL and PCA are taking measures to formalize protocols for inter-agency collaboration on the issues related to resource extraction and land use management in areas adjacent to the property. That is the proposed Federal-Provincial Land Use Committee, which has recently began meeting.

Analysis:
- Parks Canada believes they have responded meaningfully to UNESCO’s concerns.
- NL (manager of Crown lands surrounding Gros Morne NP) and Parks Canada (manager of the World Heritage site), have formalized their long-standing, collaborative and regulatory relationship with the establishment of a “Federal – Provincial Land Use Committee” regarding Gros Morne NP and UNESCO World Heritage Site. At minimum, the Committee will meet twice annually.
- At the request of the C-NLOPB, Parks Canada provided input at three distinct stages in the development of the 2014 SEA, which included substantial detail on topics that directly or indirectly relate to maintaining Gros Morne’s OUV. Parks Canada has pledged to remain actively involved in EA review processes for any projects that are proposed in the vicinity of Gros Morne NP and which could have the potential to impact its OUV and/or its ecological integrity.

Action Being Taken:
- NR will continue to participate in the Federal – Provincial Land Use Committee in order to attempt to address UNESCO’s concerns.
- The province has indicated in the latest SOC report that it is not currently accepting applications that would involve hydraulic fracturing, and the ‘pause’ placed on hydraulic fracturing activity in November 2014 will not be lifted until it has completed a full assessment of the recommendations of the NLHRP.

Prepared/Approved by: H. Simms/C. Carter in consultation with Petroleum Engineering/C. Martin

Divisional Use Only

November 18, 2019
Decision/Direction Note
Department of Natural Resources

Title: Fundamental Decision 2019.05

Decision/Direction Required:
- To seek the Minister’s approval for a Fundamental Decision made by the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) respecting the C-NLOPB’s approval of amendments to Exploration Licence (EL) 1134 and surrender of EL 1140.
- It is recommended that the Minister APPROVE the Fundamental Decision.

Fundamental Decision:
- By way of letter dated November 14, 2019 (received on that day), the C-NLOPB submitted Fundamental Decision 2019.05 (Appendix A) seeking approval to:
  1. Surrender 30% of EL 1134 lands concurrent with the issuance of the consolidated licence (13% of combined lands);
  2. Consolidate the remainder of EL 1134 with EL 1135
  3. Extend Period I expiry date of EL 1135 to January 15, 2023; and
  4. Extend current drilling deposit for EL 1134.
- Pursuant to Section 68 of the Canada-Newfoundland and Labrador Atlantic Accord Implementation Act and section 67 of the Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act (Accord Acts), the C-NLOPB and the interest owner of an EL may, by agreement, amend any provision of the EL in any manner not inconsistent with that Part of the regulations and may amend the EL to include any other portion of the offshore area, subject to ministerial approval.
- Pursuant to the Accord Acts, Ministers are required to approve or reject a fundamental decision within 30 days of receipt of notice. The 30 day time period will expire on December 14, 2019. A draft letter for the Minister’s signature has been created in HPRM (OCOR-35517).
- The C-NLOPB, following its October 2019 meeting, approved the consolidation and informed ExxonMobil Canada Ltd. (EMCL) of its decision.

Background and Current Status:
- EL 1134 is located in the Flemish Pass Basin while EL 1135 is located in both the Flemish Pass and Orphan Basins. These ELs abut one another.
- EMCL holds 100% of EL 1134 and 40% of EL 1135, with Equinor (30%) and Suncor Energy Offshore Exploration Partnership (30%) holding the remaining interests in EL 1135. EMCL is the representative of both licences.
- On October 11, 2019, EMCL sent an update proposal to address the gaps identified by the C-NLOPB. Key elements include:

Analysis:
Natural Resources
Alternatives:

Alternative 1 (Recommended)
- Approve Fundamental Decision 2019.05 respecting amendments to ELs 1134 and 1135 as negotiated between EMCL and the C-NLOPB.

Advantages:

Disadvantages:
Alternative 2 (Not Recommended)

Advantages:

Disadvantages:

Prepared/Approved by: Regulatory Affairs / Petroleum Geoscience / Petroleum Engineering / C. Martin

Ministerial Approval:

November 19, 2019
FUNDAMENTAL DECISION 2019.05

ExxonMobil Canada Ltd., as representative of Exploration Licences 1134 and 1135 has requested a consolidation of certain EL 1134 lands with EL 1135 lands. Pursuant to section 68 of the Canada-Newfoundland and Labrador Atlantic Accord Implementation Act and 67 of the Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act, the Board approves the consolidation of EL 1134 and EL 1135 with the terms and conditions as mutually agreed in the executed Licence Surrender and consolidation Agreement with the Interest Owners of EL 1134 and EL 1135 dated October 31, 2019.

Dated: October 31, 2019
APPENDIX B
Map Depicting Consolidation
Decision/Direction Note
Department of Natural Resources

Title: North America Prospect Exhibit (NAPE) Summit trade show and conference, February 4 to 8, 2020, Houston, TX.

Decision/Direction Required:
Approval of staff from the Petroleum Geoscience Division to attend the NAPE Summit trade show and conference.

Background and Current Status:
- NAPE was established in 1993 to provide a central area for oil and gas companies to promote local, national, and international oil and gas prospects and producing properties.

- The Petroleum Resource Marketing Plan recommended NAPE as a primary venue for the Department of Natural Resources (DNR) to attend annually to promote resource opportunities, and the oil and gas prospectivity of the province.

- Delegate attendance at NAPE 2019 was over 15,000 delegates, a 13% increase over 2018 attendance.

- The provinces of NL, NS, and SK have partnered to share the cost of a $10,000 USD sponsorship which enables the group to secure a premier floor space location on the main aisle of the exhibition. Total cost to DNR for floor space is $4,284 USD (~$5,700 CAD) and is allocated for in the Marketing and Promotions 2019-2020 budget.

- In addition to Departmental staff, OilCo also plans to attend. Their attendance at the NL booth is a continuation of the successful joint cooperation/collaboration between DNR and OilCo at promotional events. DNR remains the organizer for NL participation, promoting NL prospectivity, resource potential and licensing opportunities. OilCo’s role has been to communicate results of its current and planned geoscience initiatives and resource assessments related to de-risking and enhancing exploration in the region.

- Two speaking engagements are being secured in the International Prospect Preview Theater at the exhibition for DNR’s Director of Petroleum Geoscience, Jovan Petrovic, and OilCo’s Exploration Manager, Richard Wright. Their talks will focus on NL’s strong prospectivity and the upcoming Calls for Bids, especially the 2020 Call in Eastern Newfoundland.

- The Consulate, through the Department of Foreign Affairs, Trade and Development (DFATD), will also host a Canada VIP Industry Dinner during the NAPE Expo which allows the invitation of major corporate exploration decision makers to attend a premier networking event with the provinces.

- The Consulate also organizes a planning breakfast between the Canadian Consulate and Provinces to allow an opportunity to discuss energy policy issues and participation in upcoming energy events in 2020, such as the Offshore Technology Conference (OTC).

- The total cost to send two DNR Petroleum Geoscience staff to attend the 2020 NAPE conference and trade show is approximately $8,000 CAD. These funds are budgeted in the 2019-2020 zero-based budget.
As one of the three core areas (Houston, London, and Calgary) that NL focuses its marketing efforts, Houston continues to attract high delegate attendance at resource promotional events. Based on discussions and feedback from attendees in Houston, NL continues to have strong brand recognition as a place for international resource investment.

**Alternatives:**

**Option 1:** The Petroleum Geoscience Division attend NAPE. (Recommended)

**Advantages:**
- NAPE is an excellent North American venue to promote the current Call for Bids in the Eastern NL Region, future licensing rounds, geoscience data and resource assessments to a targeted audience.
- It will allow DNR to maintain the heightened interest in our oil and gas prospectivity and opportunities.
- NAPE is a low-cost and effective event that allows for continued marketing and promotion of the resource potential of our Province.
- The event is part of the marketing plan and funds have been allocated for participation.

**Disadvantages:**
- The Department incurs expenditures to attend.

**Option 2:** The Department does not send staff to NAPE. (Not Recommended)

**Advantages:**
- The Department would create savings estimated at $8,000 in the Petroleum Geoscience budget.

**Disadvantages:**
- Loss of opportunity to promote the resource opportunities in the region and the positive developments in our industry to an international audience.
- It would leave OilCo without marketing resources at the show and NL's presence at the event including the VIP dinner would be diminished.

**Prepared/Approved by:** A. Krakowka / J. Petrovic / C. Martin

**Ministerial Approval:**

**November 18, 2019**
Decision/Direction Note
Department of Natural Resources
Department of Tourism, Culture, Industry and Innovation

Title: Guyana MOU Next Steps

Decision/Direction Required:

- Authority is requested to send both the Deputy Minister of Natural Resource and the Deputy Minister of the Department of Tourism, Culture, Industry and Innovation (TCII) to Georgetown, Guyana to engage with Guyanese government officials in a year-one review of the NL-Guyana Memorandum of Understanding (MOU), signed October 2018, and to develop an action plan for year two of the MOU. (Recommended)

- Travel is anticipated to take place either in early December 2019 (Dec 7-10 proposed), or in late January 2020. This travel is considered to be non-discretionary work-related travel. The approximate cost for this travel is $5,000 per person. Funds are available in the respective executive travel budgets within both Departments, and are within zero-based budget allotments.

Background and Current Status:

- Since 2015 deepwater exploration of Guyana’s offshore by ExxonMobil, Hess and others has revealed 14 significant discoveries with more expected. Recent recoverable reserve estimates have increased to more than 6 billion barrels of oil equivalent. Exxon and Hess have been working on an accelerated production timeframe, with the first floating, production, storage and offloading vessel (FPSO) arriving in August 2019, and first oil anticipated to flow in December 2019, ahead of schedule. Exxon expects initial production to quickly ramp up to 120,000 barrels a day and rise to 750,000 a day by 2025 - equal to nearly 20 percent of Exxon's global oil and gas production today. Guyana, currently South America's second poorest nation, could see GDP increase by 300% to 1,000% by 2025.

- A June 2017 meeting with the Canadian Trade Commissioner for Guyana revealed that the Guyanese government, having researched jurisdictions with major oil development activities, approached the Canadian High Commission inquiring about Newfoundland and Labrador’s (NL) expertise in the oil and gas sector specifically. In developing its oil and gas resources, the government of Guyana is very keen to maximize local benefits for the people and government of Guyana.

- In September 2017 TCII supported the Newfoundland and Labrador Environmental Industries Association (NEIA) and the Newfoundland & Labrador Oil & Gas Industries Association (NOIA) in undertaking simultaneous business development missions to the region, primarily focused on Guyana. A total of 27 NL business delegates participated in the combined missions. During and immediately following this activity, initial discussions were held with the Canadian High Commission regarding potential for an NL-Guyana government to government MOU. In November 2017 a delegation including representatives from the Guyana Chamber of Commerce, the Guyana Private Sector Commission, and The Canadian High Commission in Guyana visited the province and met with various stakeholders in the oil and gas sector. The purpose was to better understand the oil and gas sector in NL and how Guyana and NL organizations may partner in the future on projects in their region.
• In February 2018, 14 NL organizations travelled to Guyana for GIPEX 2018, Guyana’s inaugural petroleum industry business summit and exhibition. In October 2018, another TCII funded, NOIA facilitated trade mission to Guyana was undertaken with 22 company participants; and most recently, a mission with 18 company delegates was undertaken in October 2019. So far there has been approximately 14 joint ventures developed between NL and Guyanese businesses, both within the oil and gas supply and service sector, and other areas. These relatively large business delegations are a testament to the recognition in NL of this market as a very lucrative source of business opportunity, both currently in the oil and gas supply and service sector, as well as other downstream opportunities.

• On October 15, 2018 a MOU between the Government of the Cooperative Republic of Guyana and the Government of the Province of Newfoundland and Labrador was signed by Natural Resources Minister Coady, and the Guyana Minister of Business, the Hon. Dominic Gaskin in Georgetown. The MOU was developed by NR, TCII and IGAS, in consultation with the Canadian High Commission. The MOU allows both governments to work collaboratively in support of opportunities in the oil and gas industry, including knowledge transfer, technology development, training, health, safety and environment initiatives, supply chain development, joint ventures, and exchanges that may also benefit other sectors.

Analysis:
• The MOU established a joint working committee with representation from NR, TCII as well as the Guyana Department of Energy. It also called for the establishment of an annual work plan within 30 days of the MOU signing, and the development and approval of subsequent plans within 30 days of the anniversary date of execution of the agreement. These plans are to be reviewed each year by both parties, with review meetings alternating between Guyana and NL.

• Currently, there is a requirement that both parties meet in Georgetown, Guyana to review and assess the progress of initiatives taken pursuant to the agreement and to discuss potential new areas of cooperation. Both parties are required, as per the agreement, to develop a year 2 action plan which could include continuance of current activities as assessed, and other new areas for collaboration as discussed and agreed to. The work plan would then need to be formalized to reflect these changes.

Alternatives:
• Not attend. - Not recommended. There is an ongoing and substantial opportunity to be realized from this special relationship between NL and Guyana and both TCII and NR have a significant role to play in the management of the MOU and development of the province’s trade relationship with Guyana. Both the Deputy Minister of NR and the Deputy Minister of TCII are required to attend this review and planning meeting as per obligations outlined in the MOU.

Prepared/Approved by: B. Norman/J. Hearn
Ministerial Approval:
November 25, 2019