

NOIA NEWS



INSIDE

From Prospectivity to Production:
How can we speed up industry development?



Building beyond since 1953.

What began as a small, family-owned electrical company has grown into one of the largest multi-disciplinary construction companies in Canada. More than 60 years later, with operations from Newfoundland to Alberta, and partnerships with global industry leaders, our family values still run deep.



Noia Board of Directors 2017

Chair	Andrew Bell K&D Pratt
Vice-Chair	Liam O'Shea Atlantic Offshore Medical Services
Treasurer	Mike Critch NSB Energy
Past-Chair	Raymond Collins PF Collins International Trade Solutions
President & CEO	Robert Cadigan Noia
Directors	Hank Williams, Cougar Helicopters Inc. Christian Somerton, Pennecon Energy Marine Base Kerri Best, Flourish Energy Inc. Mark Collett, Crosbie Group of Companies Jason Fudge, DF Barnes James Parmiter, Cahill Group of Companies Torfi Thorarinson, TechnipFMC Canada Karen Winsor, Atlantic XL

Noia News

Editor-in-Chief: Jennifer Collingwood

Editor: Marilyn Buckingham

Layout & Design: Steffanie Martin | NudgeDesigns.ca

Contributing Writers: Kristann Templeton, Geoff Meeker,
Marilyn Buckingham

Advertising: Karen Whittle

Published by Noia | Printed by Transcontinental

The contents of this publication do not constitute professional advice. The publishers, editors and authors, as well as the authors' firms or professional corporations, disclaim any liability which may arise as a result of a reader relying upon contents of this publication. Opinions expressed in the articles do not necessarily reflect the views of Noia.

Material from this publication may not be reproduced without written permission from Noia.

Letters and guest articles are welcomed. Submissions must be signed and include your address and telephone number. Noia reserves the right to reject or edit submissions.

Canada Post Publications Mail Agreement 42407516

Contact Noia:

www.noia.ca | noia@noia.ca

Box 44, Suite 602, Atlantic Place, 215 Water Street
St. John's, NL, Canada A1C 6C9

40

Contents

4 PRESIDENT'S PERSPECTIVE

INDUSTRY NEWS

- 5 Drilling Down: What does a deep data dive tell us?
- 8 Saying goodbye to a Newfoundland business icon
- 9 Atlantic Towing adds to its east coast fleet
- 17 Hebron nearing completion
- 18 Hebron photo montage
- 20 From Prospectivity to Production:
How can we speed up industry development?

INSIDE NOIA

- 11 Memorial University marks long-standing
industry relationship
- 13 ABM celebrates 30 years as Noia member
- 15 Noia at OTC
- 30 Noia at 40: Just look at us now!

ON THE COVER – Hebron GBS moored in Bull Arm in early 2017, prior to tow-out to the Hebron oil field. Photo courtesy of the Hebron Project.

NOIA | 40
YEARS

Learning from the past. Focused on the future.

President's Perspective

The Way Forward is the provincial government's vision to future prosperity and, to quote the document, "a roadmap to position our province as a competitive place to live, work, do business and raise a family."

While we do not hear much from governments these days about the future of our industry, if there is a single industry that can positively impact our future prosperity and achieve this goal, it is the oil & gas industry... the largest contributor to GDP, the largest industrial fiscal contributor and a source of high wage employment driving our economy.

Timely exploration and development of our resources are explicitly linked to our future well being and very survival as a province.

As you will read about in this edition's cover story, "From Prospectivity to Production: How can we speed up industry development," there are many inter-connected factors that influence how slowly or quickly a project moves from exploration to discovery to development. These include the prospectivity to attract exploration investment, our fiscal competitiveness and operator and regulatory efficiency, including predictable timelines and processes.

The report, *Building Common Ground: A New Vision for Environmental Assessment in Canada*, is an attempt to rebuild trust in the environmental assessment process. The panel states that its recommendations "will protect the physical and biological environment, promote social harmony and facilitate economic development." The panel's recommendations would certainly protect the physical and biological environment—because they will ensure that nothing is going to get developed or built. The panel recommends a dramatic expansion of the scope of environmental assessments. It suggests that environmental assessment be renamed "impact assessment" and a new body, the Impact Assessment Commission, be created to conduct reviews.

Noia has grave concerns with the report and, in particular, recommendations proposing to transition from Environmental Assessments to Impact Assessments to be conducted by the Impact Assessment Commission (IAC). We firmly believe that the CEAA Expert Panel recommendations, if adopted by the federal government, will have a far-reaching negative impact on offshore exploration and development.

Noia is extremely concerned with the far-reaching negative signals to investors on regulatory stability and increasing uncertainty in the NEB Panel and Expert Panel for the Review of Environmental Assessment Processes recommendations



Robert Cadigan - Noia President & CEO

will have on offshore exploration and development. These messages will, at a minimum, delay investment and may deter investment. These recommendations increase uncertainty and add a layer of duplication to the already robust Atlantic Accord processes without improving environmental oversight.

On April 25, 2017, along with other stakeholders, including representatives of the operator and regulatory community, I met with Minister McKenna in Halifax to discuss the expert panel's report and recommendations. Noia met with Minister of Natural Resources James Carr and officials from the offices of Minister Bains and Minister McKenna in Ottawa in mid-May to further express our concerns, which have been echoed through formal responses to the report from the provincial Minister of Natural Resources Siobhan Coady, Nalcor Energy and CAPP.

The offshore oil & gas industry will become an unintended consequence of actions directed towards this government's concerns about national projects, such as pipelines. We have had a stringent regulatory process in place for the past 30 years and it is working extremely well. The Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) is a world-class, arm's length safety and environmental regulator and an effective agent for the Atlantic Accord, ensuring the principles of joint management and regulatory consistency are maintained.


In a time when global exploration budgets have declined 75 per cent we cannot send signals that Canada is not a stable jurisdiction for investment.

We are asking you to have your voice heard on this critical issue. Talk to your MHAs and MPs. Ask them to work for the province to ensure that the development of our oil & gas resources is supported

The future of Newfoundland and Labrador's most important industry and the future prosperity of this province depends on it. ■

Robert Cadigan
President & CEO

A handwritten signature of Robert Cadigan in black ink. The signature is stylized, with 'Robert' and 'Cadigan' clearly legible.



Drilling Down: What does a deep data dive tell us?

Everyone in the industry has heard the rumblings; that the harsh North Atlantic environment, with its nor'easters, icebergs and sea ice, makes this the most difficult and expensive place in the world to drill.

However, a quick glance at the hard data – courtesy of Nalcor Energy's Exploration System Strategy (NESS) – reveals quite a different story. In recent years, the Newfoundland and Labrador (NL) offshore has emerged as one of the most successful and efficient exploration drilling regions in the world.

The details have been captured in the Drilling Performance Metrics study by local company NSB Energy, and commissioned by Nalcor Energy, to provide a synopsis of historical drilling performance in the NL offshore for the global industry.

This information has been inputted into NESS, a complete history of virtually every exploration well drilled in the NL offshore, presented in a format that is easy to read and accessible to the public. NESS can be viewed at www.nalcorenergy.com/ness.

According to Dr. Richard Wright, manager of exploration with Nalcor, NESS was created to put useful and accurate information at the fingertips of oil explorers.

"There are different perceptions of whether it's high-cost, low-cost or mid-cost to explore here," Wright said, in an interview. "We wanted to look at the actual drilling experience from all of the key exploration wells across our offshore. What has that experience been through time? So, we engaged NSB Energy, who won a competitive RFP

INDUSTRY NEWS | Drilling Down: What does a deep data dive tell us?

process, to produce a report that takes all relevant information from end-of-well reports and compiles it into a document that is comprehensive and well-illustrated. This is a significant amount of drilling data for our offshore that this report has, for the first time, quantified and made readily available in one place.”

To grasp how much data, consider this: the average length of every end-of-well report is 250 pages, from which NSB Energy extracted data that accounted for all activity during each drilling program, from actual drilling time to other productive time (such as data acquisition, rig maintenance or circulating mud), to waiting on weather (in reality, just a minor fact of life in the offshore), to non-productive time (which is unplanned).

This information was presented, first, in a single page, high-level summary and then, in a more detailed four page appendix that explains, for example, what factors contributed to non-productive project time.

NSB Energy performed this data collection exercise on a total of 112 exploration wells, dating as far back as 1966. The findings were grouped into four regions – the well-understood Jeanne d’Arc, South (of Jeanne d’Arc), Eastern (comprising mainly the Orphan Basin and Flemish Pass) and Labrador. Averages on the various performance metrics were also presented within each of the four regions along with outliers, so that, at a glance, one can see the average drilling time in each region, the longest and shortest time, as well as the time of each well being reviewed.

“This information will be of interest to oil companies when considering prospects for future exploration drilling campaigns,” Wright said. “Before a company bids on licenses they complete a full field economics review to assess the commercial potential for prospects in that region. So, an understanding of the bounds on potential drilling time based on past data feeds directly into the type of economics that could be anticipated for a project. Through comprehensive comparative data analysis, this report positions global exploration companies to have less uncertainty through more accurate information, resulting in better exploration investment decisions when companies consider investment in our offshore versus other regions in the world.”

The study doesn’t summarize the cost of each well in dollar terms, so the most important metric in the report is probably time because, in the offshore, time is money. Rigs are contracted at substantial day rates, so the number of days invested in drilling a well is a key consideration. Yes, there have been wells that took longer than expected with exceptionally high cost to drill, but these are outliers: the trend lines have been going in the right direction over time, and especially so in the last 10 years.

“The rate of penetration (ROP), or the speed the drill bit penetrates the rock – measured in metres per hour – was slower in the early days,” said Michael Critch, President and CEO of NSB Energy. “However, as technology improved over time, we saw the ROP improve dramatically, to the point that recent Flemish Pass wells have smashed world records, in terms of drilling time.”

The most obvious factor – our harsh North Atlantic environment – is not such a big issue, Critch said.



SAVE THE DATE

11.15.17
Delta St. John's Hotel

FALL Seminar

**IN-WATER SURVEYS**
ROV Surveys & Inspections
Marine - Port - Offshore

Your ...

- ... Safest
- ... Most Efficient
- ... Least Cost
- ... Lowest Risk

Underwater Inspection Solutions



Classification Society Approved & Accredited



inwatersurveys.com
info@inwatersurveys.com
Tel: 1-709-727-7848

21 Pippy Place, Suite 201, St. John's, NL,
A1B 3X2



Mike Critch, President and CEO of NSB Energy

"We know how to safely ensure our operations can deal with the cold. As well, the ice is a seasonal, cyclical event and we have gotten very good at managing it. There is surprisingly less time lost waiting for weather these days as our experience with planning and forecasting has improved. Yes, we do have storms and harsh weather, but sea states are actually not as rough in deep water as on the shallower water of the Grand Banks. Besides, other regions have weather challenges of their own: there are equally big seas in the North Sea and the Gulf of Mexico must deal every year with hurricanes. With just a few isolated exceptions, our weather is not an unmanageable factor, and this is reflected in the data."

The most valid challenge in this region is the remoteness of drilling prospects and the still developing infrastructure that services the industry, Critch said.

"The wells are located far from land, and we don't have 30 or 40 rigs drilling at a time as they do in other regions. This can create logistical and supply chain challenges associated with transporting people and supplies 400 kilometres offshore, but those are not insurmountable challenges and once they've been resolved, it's no different drilling here than anywhere."

Over the early years, non-productive time on the rig represented the largest constraint to drilling time, Critch said.

"This non-productive time would include all kinds of unexpected developments, such as broken equipment, problems with the blow-out preventer, well stability issues, and so on. But these kinds of issues occur only sporadically and with similar frequency as you would see in other regions of the world."

It's a myth that only a handful of rigs are capable of working in this region, Critch said.

"That is not true. We have used 40 different rigs in our offshore already. Most of those have been retired, yes, but there are many, many more that can be certified to work in this region. With the current low oil prices, the day rate for contracting rigs has dropped by approximately half, so this is a very good time for operators to certify new rigs and explore here."

Thanks to new technology, including better drill bits, top drive drill systems and synthetic drilling muds, the drilling time has increased markedly in recent years, while non-productive time has decreased.

"We've drilled more than 400 wells here and our track record for safety is good, our performance is good, and we are only going further and further offshore, while getting faster and faster. Look, for example, at the drilling performance of the West Hercules rig on the Bay du Nord prospect in 2016. It drilled a world-record-setting 126 meters per hour, nearly doubling the previous record of 68 set by another rig. This was neither exceptional nor an outlier – it is part of a trend."

Thanks to the clarity provided by NESS, this region is demonstrably one of the most prospective and attractive places in the world to explore, Critch said.

"There is nothing like NESS anywhere. I've been around the world and have worked in 10 countries doing work like this, but nowhere do they have anything like NESS. Nothing else comes even close to this resource." ■



Ches Penney, founder and former chair of the Penney Group of Companies. Photo courtesy of Penney Group of Companies.

Saying goodbye to a Newfoundland **business icon**

Newfoundland and Labrador said goodbye to well-known businessman and philanthropist, Chesley Penney in January. Ches, as he was known, passed away at the age of 84.

The youngest of 12 children, born in Carbonear, Newfoundland, he began his career as a banker, working as a junior clerk at the Canadian Bank of Commerce in St. John's. He became a businessman and started many businesses, many of which failed. Moving into areas such as construction, automobile sales, energy services and real estate, he eventually stood at the helm as founder and chairman of 3000 employees of the Penney Group of Companies.

Penney established himself in the oil business by getting a foot into Hibernia contracting and not shying away from new ventures. The Penney Group made a "pure gamble," in Penney's own words, spending millions on a port in Bay Bulls harbour. The Pennecon Energy Marine Base

continues to thrive in Bay Bulls and the company now has four additional divisions active in the local oil & gas industry – Pennecon Energy Hydraulic Systems, Pennecon Energy Services Group, Pennecon Energy Technical Services and Pennecon Energy M&M Engineering/Offshore.

"Ches Penney was very, very successful, but he seemed to remain close to his roots," said Noia President and CEO Bob Cadigan.

Penney received many awards and accolades over the course of his life and career. Memorial University of Newfoundland presented him with an honorary doctorate in 2005 and he was named to both the Order of Canada and Order of Newfoundland and Labrador. Recognition of his business achievements included being invested in the Junior Achievement Newfoundland and Labrador Hall of Fame and being named EY Atlantic Entrepreneur of the Year. He was also a Paul Harris fellow with Rotary International. ■



Paul A. Sacuta, one of Atlantic Towing's newest platform supply vessels. Photo courtesy of Atlantic Towing.

Atlantic Towing adds to its east coast fleet

Atlantic Towing has taken possession of four purpose-built platform supply vessels (PSVs) to provide offshore support to the Hibernia and Hebron projects for the coming years.

The Atlantic Heron, Atlantic Griffon, Atlantic Shrike and Paul A. Sacuta increase the size of Atlantic Towing's offshore fleet in Atlantic Canada to 13 vessels (two in Halifax and 11 in St. John's). While the first three vessels are identical in design, the *Paul A. Sacuta* is also equipped to operate as an inspection, maintenance and repair vessel.

Atlantic Towing's Offshore Operations Manager Tom Swift, said the four Damen PSV 5000, 90-metre vessels were engineered specifically for use in the Newfoundland and Labrador offshore.

"These are highly specialized boats. There's nothing like them in the world," Swift said. "Their design is the first of its kind."

Built by Damen Shipyards Group of the Netherlands, the vessels are unique in that they are capable of providing ice management and tanker support in addition to the transportation of goods and cargo. The Ice Class 1C designation means that they are designed to work in pack ice and other harsh conditions offshore

Newfoundland and Labrador. Other features, such as a 100-tonne towing winch, in excess of 100-tonne bollard pull (compared to 50-60 on most PSVs) and forward and aft single anchor loading systems for repositioning of the offshore loading systems, enhance the vessels' performance for ice and tanker support.

From a safety perspective, Swift said these vessels also feature extremely high environmental response numbers, giving them the ability to remain station keeping in dynamic positioning mode in very harsh conditions. Wide, 22-metre beams enhance stability and deck load, while crew safety is enhanced through enclosed bows to reduce icing and sheltered fast rescue craft hangars. They are also built to Firefighting 1 classification.

Furthermore, each vessel is equipped with deck space of 940 square metres, two ROV hangars and two fast response craft. They are also built to accommodate up to 50 people, leaving ample space for passengers when weather doesn't allow for helicopter transfer of offshore personnel.

Additionally, the boats are environmentally friendly "clean design" vessels. Built to DNV-classified Green Passport notation, they feature diesel-electric propulsion

to maximize fuel efficiency and a selective catalytic reduction system to reduce exhaust emissions. Swift said that the vessel features enhance safety and comfort, while providing for lower operation and maintenance costs.

Atlantic Towing's Director of Offshore, Sheldon Lace, said that every detail of these vessels aims to improve operational safety and efficiency. As "comfort class" vessels, the PSVs are quiet vessels with very low vibration and provide first class accommodations and communication, along with a top-of-the line food preparation area and galley.

"These boats were built for the harsh environments in offshore Newfoundland and Labrador," Lace stated. "Designs evolve and we're always looking at trying to have a better working platform for our employees."

Swift echoed the importance of employee safety and comfort.

"We invested significantly to ensure these are the right boats for the next 20 years for seafarer wellbeing and retention."

Swift said the addition of these four vessels has added another 104 seafarers to Atlantic Towing's staff. Job fairs were held across Newfoundland and Labrador and all new hires were Newfoundlanders and Labradorians.

Atlantic Towing took delivery of the vessels between January and March of this year. The *Paul A. Sacuta* was put to work right away assisting Kiewit-Kvaerner Contractors with the Hebron tow out from Bull Arm, while the *Atlantic Griffon* and *Atlantic Heron* tested their sea legs with some ice management work when they first arrived in the province. All four vessels are scheduled to begin their contract work with ExxonMobil and HMDC in May and June.

Lace said the acquisition of these four vessels has been a great opportunity for the company.

"It's a significant investment, but an important part of our fleet renewal program," Lace explained. "It gives us a good model of the type of vessel we believe works here in Newfoundland and Labrador so it's a great option for us when we're looking at opportunities in the future." ■

ACTION PLAN 2017

COMING JUNE 14

In business and on boards — Newfoundland & Labrador needs more women leaders.
Together, let's take action.



For more information on this initiative visit:
WWW.NLOWE.ORG/DRIVERSOFGROWTH





C-CORE's Centre for Arctic Resource Development investigating scale effect in flexural strength of first-year sea ice in February 2017. Photo courtesy of C-CORE.

Memorial University marks long-standing industry relationship

Memorial University is marking 30 years of Noia membership and some 40 years of association with the oil & gas industry in Newfoundland & Labrador. Established as a memorial to Newfoundlanders who lost their lives during the First and Second World Wars, the province's only university is a multi-campus, multi-disciplinary, public, teaching/research university with more than 18,500 students spread across four campuses.

Dr. Ray Gosine, Memorial's VP Research, Pro Tempore, said that Memorial has a special obligation to the people of the province, including helping develop the economy through the university's research, development and training offerings.

"The challenges and opportunities that the region presents to the development of the economy have underpinned a lot of activity over the years," Gosine explained. "Whether it was how to better understand ice, which was a factor that had to be dealt with, or better understanding some of the underlying geology and its unique opportunities or challenges, through to advances in the safety, technologies and practices that came out of some unfortunate incidents in our offshore."

There have been many collaborative research initiatives between Memorial and industry partners as the oil & gas industry has developed in the province, including the establishment of many research chairs. These positions represent a long-term and focused effort by industry and the university to bring in an expert in a particular area.

One of the earliest research chairs was supported by Mobil Oil in the eighties and focused on ice engineering when the industry was in its infancy. Current research chairs include two supported by Chevron, in petroleum engineering and reservoir characterization; four supported by Statoil in reservoir analysis, reservoir engineering, subsea communications and seafloor mechanics; as well as the Wood Group

INSIDE NOIA | Memorial University marks long-standing industry relationship

Chair in Arctic and Harsh Environment Engineering. Gosine said the university will benefit in perpetuity from the endowed Husky Energy Chair in Oil & Gas Research. While the chair's initial focus was on reservoir imaging through the Faculty of Science - Earth Sciences, its focus shifts every five to 10 years as determined by Husky Energy and the university. The current chair, Dr. Brian Veitch, has a focus on simulation and marine safety.

A broad range of shorter term and varied research projects are also ongoing at any point in time. Often, federal and provincial funding is available to match industry contributions, allowing for many research opportunities across the university.

"We believe the university has been an adaptive partner as the industry has matured and that we've continued to have research programs that were relevant to the industry and helped to address, in a way that a university perhaps uniquely can, some of the research questions that have come along throughout the 40 plus years," Gosine said.

From a training perspective, the Fisheries and Marine Institute of Memorial University offers many focused applied research and training programs with a direct connection to the oil & gas industry, including world class training and facilities related to naval architecture, marine safety and simulation.

The university's Faculty of Engineering and Applied Science also graduates many students for careers in the oil & gas industry. Although the faculty does not offer a petroleum engineering program, it does have an oil & gas option. Gosine added that the industry employs graduates from many disciplines.

"Memorial has done a lot to prepare graduates to be able to be quickly productive with the industry. That's right across the spectrum of our programs, not just in the obvious areas."

The co-operative education option for several faculties also provides students with hands-on experience in the oil & gas and other sectors. While there are more direct links to engineering and business applications in the industry, areas such as workplace health and safety and human kinetics issues in land-based and offshore work environments are also very relevant.

Gosine said the co-op experience has been well received by industry and is beneficial for both students and employers.

"It lets our students get experiences that help position them for careers and I think it lets employers have access to talent in a unique way that better positions them for recruitment."

With Memorial's many industry connections, Gosine said its relationship with Noia has been valuable. Faculty members have long participated in Noia events as speakers, delegates and planning committee members and benefit from networking opportunities. The relationship was highlighted a few years ago when Memorial chose the annual Noia conference to launch its new research plan.

"Noia was incredibly supportive and we felt that it was the right place for us to do that because much of our research growth that we were celebrating at that time was a direct result of the collaboration with industry, and Noia by extension," Gosine stated. "That had a lot of value as a point in time but it was reflective of a long-standing relationship that's valued." ■



SHIPPING TO NEWFOUNDLAND & LABRADOR.

OCEANEX

**RELIABLE SERVICE YOU CAN COUNT ON
FOR ALL YOUR TRANSPORTATION NEEDS!**

Contact us at: **www.oceanex.com** or **1-888-875-9595**

**CANADA'S BEST
MANAGED
COMPANIES**

DNV-GL

**Shipper
2016
SOPHIE'S
CHOICE**



ABM is the current EPCM contractor for the Sable Offshore Energy Project. Photo courtesy of ABM.

ABM celebrates 30 years as Noia member

Amec Black & McDonald (ABM) is being recognized for 30 years of Noia membership and service in Atlantic Canada. ABM President Julie Hebert said the company has proven itself as a leading engineering, procurement, construction and maintenance (EPCM) contractor for the oil & gas industry.

"Somebody had the vision to set up an organization to service the industry and really become experts in the field," Hebert explained. "We combine the engineering function with field execution so we really can call ourselves a one-stop shop."

Based in Atlantic Canada (with offices in Halifax and St. John's), ABM resulted from a Canadian joint venture between Amec Foster Wheeler, a global leader in project management and engineering services in the energy sector, and Black & McDonald Limited, one of Canada's largest electrical and mechanical contractors. The company currently has about 50 engineering and support services staff plus a team of 200-300 that can be tapped through joint venture relationships. Field personnel number 50-200 at any given time. Hebert said ABM hires local crafts people at its various project locations.

Asset support solutions range from conceptual studies through engineering, procurement, fabrication, installation and commissioning for brownfield projects. Comprehensive

operations and maintenance services also include shutdown and maintenance strategies and resource support capability. Hebert said there is no limit to the size of scope ABM undertakes.

"It could be a \$50 million job or it could be a \$5000 job."

ABM has been pivotal in many East Coast Canada projects, including the region's first offshore energy project – Cohasset Panuke – where it was involved from the construction phase right through to and including some of the decommissioning work for the field. ABM is also the current EPCM contractor for the Sable Offshore Energy Project in Nova Scotia, a contract to the end of project life, including decommissioning. It has serviced Nova Scotia's third oil & gas project, Deep Panuke, first during the hook up and commissioning phase, and now as a provider of maintenance services for the field.

ABM also has a presence in the Newfoundland and Labrador offshore, in large part through modifications and operations & maintenance support to ExxonMobil, Husky Energy and Suncor, as well as some of the region's rig owners. Hebert said the company's strong HVAC

capabilities in design work and field support have also been in demand in the province, including contracts for the Hibernia and Hebron projects.

Hebert said the company has grown with the industry in Atlantic Canada.

"We always had the vision of providing all the services under one package but at times it was difficult to convince our clients, who would pick and choose tiny scopes of work, resulting in having many vendors working for them," Hebert stated. "Now I find there's a shift in the approach and organizations are recognizing the value of being able to avail of our services as a big package under one umbrella."

As ABM celebrates its 30-year anniversary as a Noia member, Hebert said that it is important to recognize what membership means.

"I believe the value that Noia provides is paramount to member companies. They're there to provide networking, as well as a voice for the member companies, and to be an advocate for the industry." ■



Whether in St. John's or Argentia, the clear choice is A. Harvey.

Argentia Freezers and Terminals is A. Harvey's full-service marine logistics and cargo management facility – just a bay away from our Marine Base in St. John's.

ARGENTIA AT A GLANCE:

- Ideal location for subsea construction, project cargo, and marshalling yard operations
- 600m of docking facilities with up to 11m draught
- 100 acres of secured port land

- Offshore & Marine Logistics
- Marshalling Yard Services
- Stevedoring

www.aharvey.com



Noia at OTC

About 100 representatives of 50 Noia member companies attended this year's Offshore Technology Conference (OTC) in Houston. Founded in 1969 and the largest event in the world for the oil & gas industry, this annual event is where energy professionals meet to exchange ideas and opinions to advance scientific and technical knowledge for offshore resources and environmental matters.

More than 64,700 people attended OTC this year. Just under 80 per cent were from the United States, with the remaining 20 per cent from one of 100 other countries which sent representatives this year. Almost 2,500 companies, half of which were international, were exhibitors at the trade show.

The Newfoundland and Labrador Department of Natural Resources organized the province's participation.



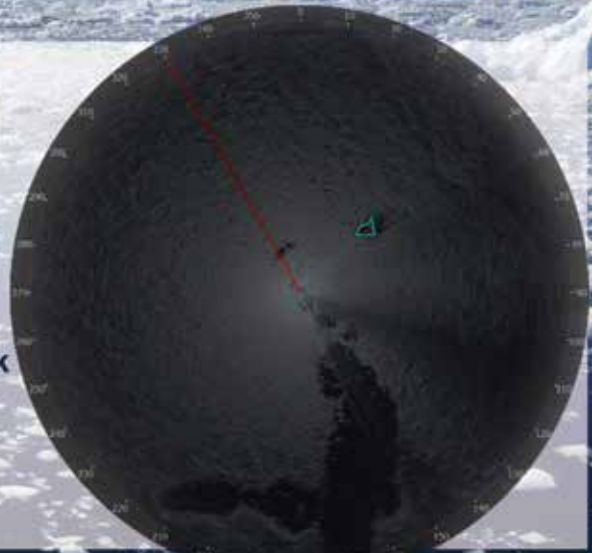
Introducing the next generation of ice radar.

sigma S6 ICE NAVIGATOR™
ADVANCED ICE ANALYSIS

Rutter's *sigma* S6 Ice Navigator™ Advanced Ice Analysis provides enhanced situational awareness in ice-infested waters.

Automatically detect ice ridges, icebergs in pack ice, and outline open water leads.

www.rutter.ca



Only pay for the speed you need... Dynamic Routing!™

At Lynden, we understand that plans change but deadlines don't. That's why we proudly offer our exclusive Dynamic Routing system. Designed to work around your unique requirements, Dynamic Routing allows you to choose the mode of transportation — air, sea or land — to control the speed of your deliveries so they arrive just as they are needed. With Lynden you only pay for the speed you need!



www.lynden.com/linf 709-368-8678

Hebron nearing production

The journey to Hebron first oil is nearing an end, as the massive platform continues towards final installation on the Grand Banks, offshore Newfoundland and Labrador. The province's fourth major oil project is on schedule to begin production by the end of this year. Located in the Jeanne d'Arc Basin, 350 kilometres southeast of St. John's, the field is estimated to contain more than 700 million barrels of recoverable resources.

Engineered for the region's unique environment, the concrete, stand-alone gravity-base structure (GBS) has a reinforced concrete base built to withstand sea ice, icebergs, meteorological and oceanographic conditions. At 120 metres tall and 130 metres across the base, the platform features an integrated topsides deck which includes living quarters, drilling and production facilities. It is designed to store approximately 1.2 million barrels of crude oil and support 52 well slots.

The GBS, accommodations module, drilling support module, flare boom, helideck and lifeboat stations, as well as the offshore loading system, were built in the province, making the end of this journey a proud moment for the thousands who have worked to bring the field onstream. The \$14 billion project employed some 5,700 people in the province at its construction peak in September 2014. The project is expected to generate \$10 billion in royalties and benefits to the province over the next 20 years.

Oil was initially discovered in the Hebron Project area in the Ben Nevis I-45 well in 1980, although the first hydrocarbons were deemed uneconomic at the outset due to the poor reservoir quality. Additional drilling throughout the eighties and nineties proved the significant potential of the area and delineated three fields, named Hebron, Ben Nevis and West Ben Nevis.

The project began in earnest after the Hebron agreement was reached in August 2008. This agreement included an equity ownership position of 4.9 per cent for the provincial government through its energy corporation, Nalcor Energy – Oil & Gas. The other partners include

ExxonMobil Canada Properties (operator), Chevron Canada Resources, Suncor Energy and Statoil Canada.

Front-end engineering and design (FEED) work began in 2010, followed by official project sanction in January 2013. Prior to project sanction, construction of the GBS was underway at Bull Arm where project contractors Kiewit Kvaerner and WorleyParsons (along with numerous subcontractors and suppliers) built the GBS, assembled the living quarters (LQ) and brought together all the platform components for integration, hook-up and commissioning prior to the start of tow-out to the offshore oil field.

The Kiewit Offshore Services Cow Head Fabrication Facility in Marystown was another major construction site for the Hebron Project topsides.

Project contractor WorleyParsons and subcontractor Kiewit Offshore Services built the drilling support module (DSM), which was then floated to the Bull Arm site to be assembled with the rest of the topsides components.

Hyundai Heavy Industries of Ulsan, Korea, as WorleyParsons' subcontractor, fabricated the derrick equipment set (DES) and the utilities/process module (UPM) of the topsides. The DES was transported to Bull Arm in late 2015 and integrated with the drilling support module (DSM). In 2016, the UPM was transported from Korea to Bull Arm for integration with the DES, DSM, LQ and other ancillary modules.

Project co-venturers, senior government officials and oil & gas industry notables celebrated the completion of the platform at a ceremony on April 17 in Bull Arm. The ceremonial chain-cutting recognized the end of the construction phase and beginning of the next – the platform's tow-out to the Hebron field.

Photos showing the progression of GBS construction and completed ancillary structures are provided on the following pages. ■

The project is expected to generate \$10 billion in royalties and benefits to the province over the next 20 years.



1. Drydock prior to construction start



2. Early slip forming within drydock area



3. Tow-out begins from drydock to deepwater site, July 2014



4. Construction continues, surrounded by flotilla of construction barges



5. Integrated topsides ready for transport to GBS



6. Concrete base at deepwater site



7. Aerial view of concrete base and construction flotilla.



8. Drilling support module leaving Kiewit Offshore Services, Marystown



9. Completed flare boom at Talon Energy's construction facility



10. Living quarters completed by Cahill Group at Bull Arm



11. CW Offshore staff with completed helideck at Bay Bulls



12. Christening Day, April 18, 2017



Oil was first discovered at what would become the White Rose field in 1984. It took several more discoveries between 1984 and 1999 to delineate the field and confirm commercial viability. Husky Oil Operations filed a development plan application in 2001 and first oil was produced using the SeaRose FPSO in 2005.

From Prospectivity to Production: How can we speed up industry development?

The Way Forward: A vision for sustainability and growth in Newfoundland and Labrador is the provincial government's roadmap to future prosperity.

Released in November 2016, the strategy lays out long range targets and identifies tactics to achieve them, including some specific to the oil & gas industry. Certain actions have already been taken (see "Actions Taken" sidebar) while one, in particular, will require a more concerted effort: "Decrease the time from exploration and discovery to development, a major consideration for companies when making global investment decisions."

This is a point upon which Noia wholeheartedly agrees – the sooner new projects begin, the sooner we all benefit from them. But there is much to unpack within this commendable objective.

What is being done to remove them, and when we might expect to see real change take place?

"Progress is being made on a number of different fronts, toward reducing the time between exploration and development," said Noia President & CEO Bob Cadigan. "These things don't happen quickly and there are still challenges to be resolved, but there is also reason to be at least cautiously optimistic. It's important that all Noia members stay apprised of these issues and make their own voices heard, whenever necessary."

The factors that influence how slowly or quickly a project moves from exploration to discovery to development are numerous and inter-connected, involving rig availability, operator development timelines, environmental assessments, industry regulations, federal and provincial health and safety requirements, and more. Some happen consecutively, while others can evolve concurrently.

Exploration

It can take upwards of three years, from when an exploration license (EL) is awarded to when drilling begins. Can this time be shortened? Quite likely so, though it is impossible to say by how much because so many steps in the process can happen simultaneously.

For one thing, the decision of when to drill an exploration well must cycle through the business planning process of the license holder. Where does this EL rank against other holdings in the company's global portfolio? Depending on the availability of capital within the organization, it may not emerge as a priority for two years or more. Either way, this is a private sector decision over which governments have no influence, beyond the expiry date of the license.

The process of procuring a drilling rig can also take time, depending on current market conditions. For example, when crude oil prices were at their peak in 2008, suitable rigs were more difficult to find and expensive to contract. In the current downturn, rigs are readily available and day rates have dropped dramatically.

However, the planning phase of a drilling project and rig procurement can happen in parallel with other external components, such as obtaining regulatory approvals and environmental assessments (EAs).

Some regulatory requirements can slow down the start of drilling, most notably the Certificate of Fitness that all drill rigs must receive before they can operate in the Newfoundland and Labrador (NL) offshore.

"The process of rig certification can take anywhere from six months to a year," Cadigan said. "It is especially onerous for a new rig that hasn't drilled in this area previously, and less so for rigs that return frequently."

Industrial regulation

The Certificate of Fitness is just one of five different sets of industrial regulations that apply to the NL offshore, the other four applying to geophysical, operations, installation, and drilling and production.

"These regulations have not been renewed or modernized since work began in the NL offshore industry," Cadigan explained. "Suffice to say that regulatory processes for the oil & gas industry in this region are more onerous than in other parts of the world, and do not respond as quickly to a changing

Who Can? EAST CAN!
Professional service with a personal touch
St. John's, NL

Tel: (709) 722-1991
Fax: (709) 722-8742
Glen: (709) 682-3500
1-800-461-1991

General freight service throughout
Canada and the United States.

*Specializing in time sensitive
deliveries for the oil and gas
industry between Newfoundland,
Alberta, Texas and Louisiana.*

*Service includes truckload, LTL,
exclusive use and Hot Shot
service, using flatbeds, extendable
and double drop trailers. All trucks
are equipped with satellite
tracking and communication.*



Smart Business

You can't decrease the time between prospectivity to production without knowing where to look for hydrocarbons in the first place, and that's exactly what is being accomplished by Nalcor Energy's resource assessment work.

Nalcor has been utilizing a variety of tools, including satellite slick data, 2D long offset seismic, 3D long offset seismic and seabed coring, to identify potential new discoveries in the offshore.

"This work has recently identified a new lower tertiary play in the West Orphan Basin," said Noia President & CEO Bob Cadigan. "Beicip Franlab has conducted a resource assessment on this prospect, identifying resource potential of more than 25 billion barrels of oil and 20 trillion cubic feet of gas. To put that into perspective, last year Hibernia celebrated production of one billion barrels of oil – and we all know the impact Hibernia has had on the provincial economy. We congratulate Nalcor Energy and the Government of Newfoundland and Labrador for their wisdom and foresight in carrying out this important resource assessment work."

Provincial government revenues have been shrinking in recent years, due in part to declining oil prices, and the province is grappling with a deficit approaching \$1 billion. There is plenty of discussion and debate about whether government should cut spending, increase taxes or a combination of both.

"We have absolutely no reason to think that the province might cut funding for Nalcor's resource assessment work," Cadigan said. "After all, it pretty much pays for itself through licensing of the seismic data to interested oil & gas companies. The big pay-off, however, comes in the form of new discoveries, which are crucial to the economic future of Newfoundland and Labrador. This work is vitally important and we are confident that its funding will be sustained by the province."

industry. On the positive side, it looks like these long-standing issues could be resolved by the Frontier Offshore Regulatory Renewal Initiative (FORRI), in which Noia has been actively involved."

FORRI is a partnership of the government departments responsible for frontier and offshore petroleum, and the independent regulators that ensure compliance. It was created through the Atlantic Energy Roundtable, which included federal and provincial governments and their regulators, as well as industry and labour representatives. Noia acted as secretary for the roundtable.

FORRI's objective was to modernize and consolidate regulations by reducing redundancy, bringing standards up to date, and moving as much as possible from prescriptive, inflexible regulations to performance-based requirements with a focus on outcomes.

"The intent is to streamline and harmonize regulations without compromising safety or environmental performance," Cadigan said.

The FORRI group consulted with industry stakeholders, aboriginal groups and the general public during 2016, regulations have been drafted and the new legislation is expected to be in force before the end of next year.

"FORRI is making great progress," said Siobhan Coady, minister of the provincial Department of Natural Resources. "Phase I and II policy intent and stakeholder consultations are complete and ready for federal drafting. Phase III policy intent is under active development and stakeholder consultations will follow. The FORRI Workplan anticipates Canada Gazette I publication in 2018."

Land tenure

When oil companies bid for and receive an EL, it is for a fixed period of nine years. They must drill a well within the first six years. If they don't, they can apply for an extension with a \$5 million drilling deposit. However, when drilling is successful and operators apply for a significant discovery license (SDL), there is no time limit on how long they can hold that license.

"Essentially, the operator can hold that license into perpetuity, if they so desire," Cadigan said. "There is no term limit. So, oil companies have the upper hand when it comes to decisions around the timing of projects, or if they will proceed at all. There are industry discussions underway now – in which Noia is a participant – about instituting a fixed term for ELs and SDLs together. We think a reasonable limit is 35 years, from winning the EL to developing the SDL, but that is a matter of some debate right now."

Coady acknowledged that SDLs should not be held into perpetuity, adding that a resolution is imminent.

"We hear that this is an issue for both sides of the industry," she said. "If someone is holding onto an SDL that isn't getting developed, sometimes oil & gas developers want that released as well. This has been an ongoing discussion between the federal and provincial governments for the last number of years and they have been working very collaboratively with industry – including Noia and CAPP – to identify the right mechanism. If it's not into perpetuity, which

we all agree is too long, then what is the right time frame? There have been ongoing discussions on this issue and those continue."

However, the minister was not in a position to divulge what that term limit might be.

"The general purpose of the land tenure initiative is to bring more clarity, stability, and predictability to the land tenure regime in Atlantic Canada's offshore. The matter of SDLs is much broader than just a fixed time frame and includes, for example, requirements to show that work is being advanced to commercialize the discovery. Also, the vastness of the province's offshore region is such that consideration must be given to the different challenges associated with different regions. For example, there are significantly different challenges moving to development in a mature area on the Grand Banks versus a low activity, deep water frontier region, and this will be recognized. However, the specific time frames are still under consideration and being informed through industry consultation and international best practices to ensure that we are competitive."



Meet Rick and Julie.

It takes teamwork and collaboration to coordinate the movement of materials, equipment, and people around the world. That's why, at PF Collins, we consider our employees to be our greatest asset.

Everyday, dedicated and experienced professionals like Rick and Julie work diligently to ensure our clients receive the highest quality of service while maintaining a healthy and safe working environment.

So whether you are importing a single shipment or managing a major offshore project, let our team handle the logistics so you can focus on your greatest assets.

Visit us online or contact us today to learn more.



www.pfcollins.com | 709-726-7596

Occupational safety and health

The safety of workers is paramount and should never be compromised. However, there are issues with occupational safety and health (OSH) regulations that have hindered industry development and need to be resolved.

OSH regulations in eastern Canada fall under shared jurisdiction, federally by the Offshore Health and Safety Act and provincially, in NL and Nova Scotia, through the Atlantic Accord Acts. The OSH regulations prepared for the offshore have been in draft form since the 1980s, but were never implemented. The problem is that, on the federal side, regulations that might apply to land-based operations were being applied to the offshore, with often frustrating results. And too many pieces of legislation were coming into play at once.

Recognizing these problems, both levels of government commenced a renewal process in 2014 that aims to see a streamlined set of regulations in force by 2019. In the interim, transitional regulations have been developed and are in force. A consultation session to gather input from industry on these new regulations was held in St. John's during July 2016, with 66 operators, service providers and government regulators in attendance.

"The transitional regulations have created some confusion and additional burden on our developing offshore," said Trevor Giles, senior project manager with TechnipFMC, a global supply and services company. "Vessels scheduled to work in this region now are subject to these transitional regulations during audit, and any departure from the

regulation requires regulatory query forms to be prepared and submitted to the regulator for review and approval." This can be quite an exercise, Giles added, because specialist vessels performing subsea works are built to international standards, not necessarily Canadian standards.

"They do not seem to recognize international standards such as SOLAS (Safety of Life at Sea) for vessels that are certified and operate internationally and imported into the country on a short-term basis to perform subsea construction."

Giles applauded the efforts thus far by both federal and provincial governments to establish the new regulations, and the consultations with industry. However, he expressed concerns about the timeline, noting that the Hebron development is nearing completion with no new developments immediately on the horizon.

"The NL offshore urgently requires new industry activity. Any element of our industry that is – or perceived to be – uncompetitive will cause unwanted delays to new development."

The regulatory approval process to perform work offshore typically takes six to nine months, Giles said.

"Starting the process any later than this would put the project at risk. This can be quite a challenge at times when project timelines are short, and/or nominated vessels must be substituted due to unforeseen circumstances. The process is quite labour intensive requiring significant resources from the contractor, operator, regulator and certifying authority, which



Jiffy Cabs
722-2222

Jiffy Cabs prides itself in providing you with the great service you expect. Customer Service is our number one priority.

We also specialize in:

- ☺ Package Delivery
- ☺ Corporate Charge Accounts
- ☺ Out of Town Pick-Up & Delivery
- ☺ Early Morning bookings
- ☺ City Tours available upon request
- ☺ Clean, Non-Smoking Vehicles

results in significant – and arguably more – costs than necessary to our clients and their developments.”

Siobhan Coady said the process is on schedule and that the new regulations will be ready for implementation by the target date in 2019.

“The goals of the OHS initiative is to promulgate modern, effective, goal based regulations in support of the comprehensive OHS amendments to the Accord Acts made in December 2014,” Coady said. “Following Phase I consultations, governments embarked on a process to make amendments to select sections in the temporary OHS regulations that were identified through the regulatory query process. These proposed amendments were published in Canada Gazette I on December 31, 2016 and are currently proceeding through the federal regulatory process. As for ‘permanent’ regulations, we remain on target to complete within the legislated five-year timeframe.”

Environmental assessment

All involved in the oil & gas industry agree that protection of the environment is crucial. However, many are also

of the view that the environmental assessment (EA) process in this province is needlessly complex and must be streamlined – and issues of jurisdiction resolved – to truly enable industry growth.

Exploration activities in the province are required, in the case of seismic activity, to comply with the C-NLOPB’s Accord Act EA review process, while proposed exploration drilling on new licences is subject to federal EA review under the *Canadian Environmental Assessment Act* of 2012 (CEAA 2012).

“Notwithstanding the overall utility and beneficial uses and outcomes of the EA review process, it can still be an unnecessarily onerous, drawn-out and repetitive one, and there are a number of procedural aspects of the EA process that need to be improved by governments to make EA more effective and efficient for all participants,” said Steve Bonnell, EA practice leader with Amec Foster Wheeler. “This includes issues around the types and scales of projects that require EA review, as well as around the types and levels of information and analysis they require and the particular environmental issues upon which they are focused.”



WRDC
increasing women's
participation in
trades & technology.

EMPLOYER SERVICES

CONSULTATION SERVICES:	PROFESSIONAL DEVELOPMENT SESSIONS:
Climate Surveys Coordination, Implementation, and Analysis	Recruitment & Retention Best Practices
Career Fair Coordination & Labour Market Support	Creating a Respectful Workplace (CCA Gold Seal Accredited)
Workforce & Workplace Diversity Assessments	Managing a Diverse Workforce
Diversity Planning & Policy Development	



WRDC provides these services at no cost thanks to the support of: Department of Advanced Education and Skills, Government of Newfoundland and Labrador

www.wrdc.nf.ca t: 709-738-3713
info@wrdc.nf.ca 1-800-738-3713

WOMEN
in Resource
Development Corporation

Bonnell offered several examples of how EA effectiveness and efficiency might be enhanced, noting that these issues apply largely (but not exclusively) to the CEAA 2012 process.

One such issue occurs during the EA initiation stage where, during the preparation and submission of the EA project description, unnecessarily detailed information is often requested from the proponent.

"While operators and practitioners do appreciate the feedback and guidance provided by the regulator," Bonnell said, "this seems to have evolved into a perception that government is somehow the author or editor of the project description, requesting multiple rounds of text changes and edits that add little or no value and result in lost time. The question is – and should be – does the project description comply with regulation and does it provide adequate and appropriate information to determine if federal EA review is indeed required?"

The project scope under CEAA 2012 can also be needlessly broad, encompassing not just the offshore drilling area but often the associated supply vessel traffic from the shore-base to the rig location.

"This vessel traffic is quite routine and adds just minimally to overall marine activity in the region," Bonnell explained. "Including this component does, however, often significantly increase the size of the EA study area – and associated information and analysis requirements – for no good reason, adding

no real benefit to the process and eventual EA decision."

There is also a need for greater recognition of the inherent differences between projects and contexts, and to tailor EA scopes and expectations accordingly.

"The EA process will often, whether intentionally or inadvertently, apply somewhat generic principles and requirements around EA scope, consultation, and so on, which are far more relevant to some projects and areas than others. But it is important that project-specific EA guidelines more clearly recognize that, for example, a 40-year mine next to a remote northern community will have very different types and levels of environmental issues than a 40-day exploration drilling program in an offshore area with ongoing oil & gas activity. In general, offshore exploration activities in this jurisdiction are fairly routine, their environmental effects are typically short-term, localized and well understood, and the environmental mitigation measures are generic and often based in regulation or guidelines, rather than being defined by the EA."

Another issue relates to the perceived need for environmental baseline information in exploration EAs.

"Often we have an adequate understanding of the environmental setting through existing and available information. Conducting environmental fieldwork in the offshore is difficult, time-consuming and costly, and arguably adds little value to, for example, drilling EAs where we do not yet know specific wellsite



Dedicated to helping your business succeed

Whether you need advice on tax planning, managing cash flow or strengthening your operations, our St. John's office is ready to help.

Let's start the conversation.

kpmg.ca/stjohns

KPMG

© 2016 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. 14993

locations. In such cases, the need for and value-add of any such environmental studies need to be considered, especially as the EA analysis often becomes quite 'mitigation centric,' where operators often complete seabed surveys at drill sites prior to starting the well, and then commit in the EA to apply specific mitigation as required."

Openness and stakeholder involvement are among the greatest strengths of the EA process, and there are various opportunities for government agencies and non-governmental organizations to participate. Input from these various stakeholders is important, Bonnell said, but the EA regulators need to be more active in filtering these.

"The regulator needs to consider whether questions are relevant, redundant, within scope and so on. Sometimes, we also just need more timely 'adjudication' by the regulator – that is, when the discourse has been exhausted and nobody is asking or saying anything new, it's time to end it and make a decision."

Although EAs are conducted mainly for individual project proposals, Bonnell noted that other forms of "higher order" EA are also available and being used successfully in other parts of the world.

In this jurisdiction, the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) has been completing strategic environmental assessments (SEAs) for several decades now. These regional assessments help identify any key environmental issues or sensitivities in the area for consideration in determining whether – and if so, how many – new licences might be issued there.

"This is a very proactive and progressive approach by the C-NLOPB, and while it is undoubtedly informing and improving decisions at the licencing stages, these SEAs are unfortunately not being used to their full potential in terms of helping to scope the project level EAs that come afterward," Bonnell said. "The SEA literature and experience elsewhere have long shown that SEAs can help streamline the scope of subsequent project EAs. In order to do so, however, project-specific EA guidelines need to clearly 'scope out' any environmental components or issues that

Actions Taken

While work remains to be done to advance oil & gas action items in the provincial government's *The Way Forward*, a number of items have already been accomplished.

A key measure – establishment of an Oil & Gas Industry Council – is in place. This industry council was one of the key recommendations put forward in Noia's *Redefining Oil* initiative, released in November 2015, which articulated a clear vision for the continuous development of a competitive local oil & gas industry.

During a keynote address at Noia's Oil & Gas Conference in June 2016, Premier Dwight Ball announced the imminent formation of the industry council. In December 2016, the province made appointments to the council, which is chaired by the natural resources minister, with Noia and the Canadian Association of Petroleum Producers (CAPP) serving as fixed members.

The industry council has already held several meetings, said Siobhan Coady, minister of the Department of Natural Resources.

"The industry council is certainly going to drive a lot of decision-making from the department," the minister said. "We are listening to and working with the industry to really drive results. We are developing a vision, setting goals and really looking at the opportunity: how we attract investment, enhance productivity, drive innovation and ensure that we have a regulatory environment that really works to ensure our competitiveness globally. We are having a very fulsome discussion about how we drive results."

Another action item in *The Way Forward* – designation of industry facilitators for the natural resources sector – is already in place, with Andrew Peddigrew representing the oil & gas industry within the provincial Department of Natural Resources. According to *The Way Forward*, the facilitators "will liaise with operators and companies in early stages of exploration and development providing guidance with provincial policy and regulatory frameworks and coordination supports when engaging with other government departments."

The Way Forward also states that the launch of a generic offshore oil royalty regime is "moving through final approval states and will be released in coming weeks. This new regime and corresponding regulations will serve to provide certainty in a competitive global environment."

have been dealt with in the SEA, or shown to not be a concern through the SEA.”

Another potential tool that is currently not being used is “Class EA”, which involves the completion of a single, comprehensive EA for a particular type of activity within a defined geographic region.

“These assessments provide a detailed but generic project description and environmental analysis, as well as the identification of key mitigation for that type of activity. Following completion and approval of the class EA, projects that adhere to the identified mitigation, and which do not otherwise have different environmental sensitivities associated with them, may then be exempt from individual EA review. In other cases, any project-specific EAs are allowed to focus only on any new or site-specific environmental issues. Certain types of offshore exploration surveys would potentially be ideal candidates for a class EA approach here in Newfoundland and Labrador, given the rather generic and standard nature of the equipment and procedures involved, and the inherent commonality in

their environmental interactions and mitigations. For this reason, the individual EA reports for such projects are often extremely repetitive, providing environmental baseline information, effects analysis and standard and accepted mitigations that are often equally applicable to any such project.”

Bonnell added that the use of tools such as class EA are not about compromising on environmental protection or shortchanging the EA process.

“Rather, it’s about doing things better and more efficiently. A single, comprehensive EA review in this manner can result in better analysis and decisions than numerous repetitive and unfocussed individual EA reviews,” he said.

Some in the industry feel that these and other issues would be addressed if offshore oil & gas exploration and production projects were removed from the purview of the CEAA 2012 legislation. This is a point on which Siobhan Coady agrees wholeheartedly.

100% Newfoundland and Labrador Owned & Operated

EAST COAST HYDRAULICS

HYDRAULICS & MARINE SERVICES

Mount Pearl: 709-747-2121

St. Anthony: 709-454-3131

www.eastcoasthydraulics.ca

Tim O'Connor, *General Manager*
toconnor@eastcoasthydraulics.ca

"The federal government started an expert panel in the fall of 2016 that recently reported to federal (Environment and Climate Change) Minister Catherine McKenna," Coady said. "The results have just come out on that and comments were invited up to May 5. From the provincial government's perspective, and this has been shared with Noia and CAPP, we want and require the C-NLOPB to be the responsible authority for EA."

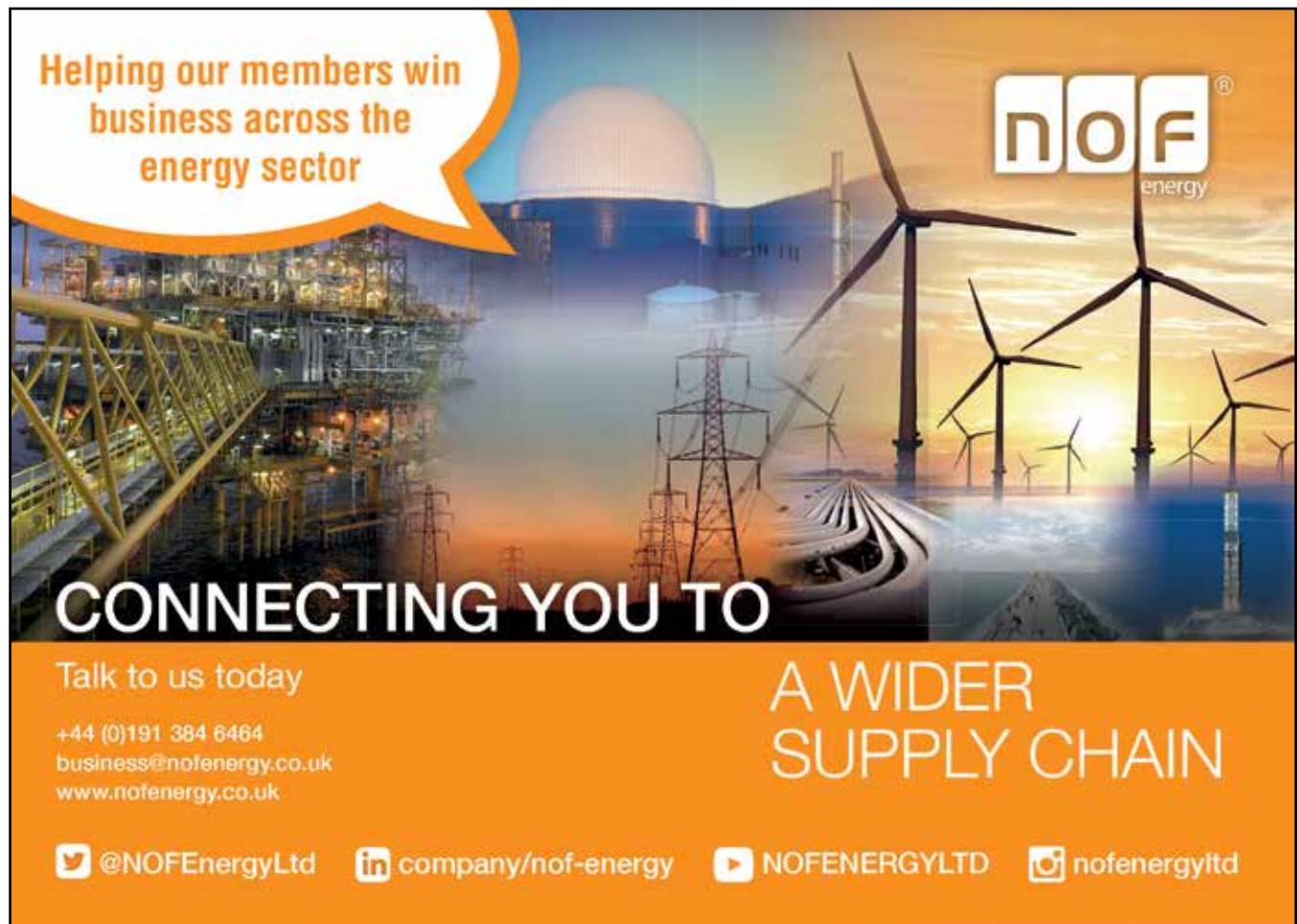
"To back up a little: for the last 30 years, the C-NLOPB was responsible for EA, but with the introduction of the *Canadian Environmental Assessment Act* in 2012 that responsible authority was removed. The province has been in discussions with the federal government to ensure that the C-NLOPB is designated the responsible authority... That is the appropriate mechanism. The expert panel is saying, no, we want one super regulator in Canada for this. We have met with CAPP, Noia and others, including my counterpart in Nova Scotia, and we are saying that, no, we are firm that the responsible authority for EA must be the C-NLOPB, as stated in the Atlantic Accord."

This outcome will require expeditious action and continued pressure from all industry stakeholders in Newfoundland and Labrador, including Noia and its membership.

"There are still many things up in the air but perhaps the biggest question right now is, will the federal government agree with the stand our government and industry have taken, to remove CEAA 2012 from the process and return full authority to the C-NLOPB? We are going to maintain a sharp focus on this issue in the months ahead, and will speak up at every opportunity to preserve the rights enshrined by the Atlantic Accord," said Coady.

The province updated *The Way Forward* in March 2017, setting out targets for fiscal year 2017-2018, and included new actions to "Complete an assessment of the province's benefits and equity arrangements to align with vision goals by March 31, 2018. Also in 2018, we will complete a review of international regulatory standards to identify opportunities for enhancement."

The province says it will issue updates, including progress reports and new action items, at the beginning of each fiscal year. ■



Helping our members win business across the energy sector

CONNECTING YOU TO

A WIDER SUPPLY CHAIN

Talk to us today
+44 (0)191 384 6464
business@nofenergy.co.uk
www.nofenergy.co.uk

@NOFEnergyLtd company/nof-energy NOFENERGYLTD nofenergyLtd

40



Counter-clockwise, from top left: Noia's first logo (1977), designed by Herb Reid; Noia's second logo; Noia's third logo, 1996 - 2003.



The podium used by Noia Chair, Geoff Cunningham, at NOIA's 2009 AGM displayed the logo used from 2003-2011.



Amanda Lang, a speaker at Noia's 2013 conference, sits in front of Noia's current logo, in use since late 2011.

Noia at 40: Just look at us now!

Changing hairstyles and fashion aside, a glance back through the pages of Noia News and Noia's membership directories, conference guides and photo albums reveal the evolution of Noia's brand over the last 40 years.

When the Newfoundland Ocean Industries Association (NOIA) was formed in 1977 with a broad focus on encouraging participation in ocean industries, artist Herb Reid designed the first logo, featuring a circular logo with the acronym NOIA above ocean waves. A second variation of a wave logo later replaced the original.

In 1996, NOIA introduced a new logo, teal in colour, featuring a map of Newfoundland and Labrador. This logo was introduced as the association sought a new look that would reflect its increasing focus on the oil & gas industry (as well as a short-term interest in aerospace and defence.) Because of some graphic design limitations associated with the logo, as well as a desire to more explicitly highlight the oil & gas industry, this logo was phased out in early 2003.

At this time, discussion around NOIA's name also led to a decision to move away from using the full name "Newfoundland Ocean Industries Association" in favour of the acronym NOIA, with the addition of the tagline "The voice of East Coast Canada's Oil & Gas Industry."

The new NOIA logo featured the acronym with an oil drop added to the letter "O" in NOIA. The Association's colours were changed from teal to a deeper blue with a gold "O" and oil drop symbolic of the light sweet crude.

After several years of discussion regarding the association's desire to have its name reflect its oil & gas focus, NOIA officially changed its name to the Newfoundland and Labrador Oil & Gas Industries Association in 2008.

In December 2011, Noia launched its current brand to reflect a dynamic new direction for Noia, while borrowing elements from its previous look. The stylized "O" is dynamic, expressing movement and energy. The two halves of the "O" are facing each other, symbolizing the collaborative nature of our organization. The shape and positioning of the "O" implies forward movement, appropriate for the forward-thinking association that is Noia. With this relaunch, the acronym remained Noia, written however with only the first letter capitalized.

Noia Bulletins

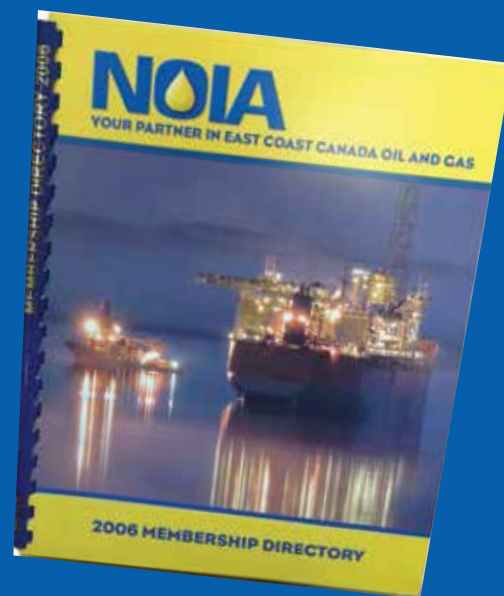
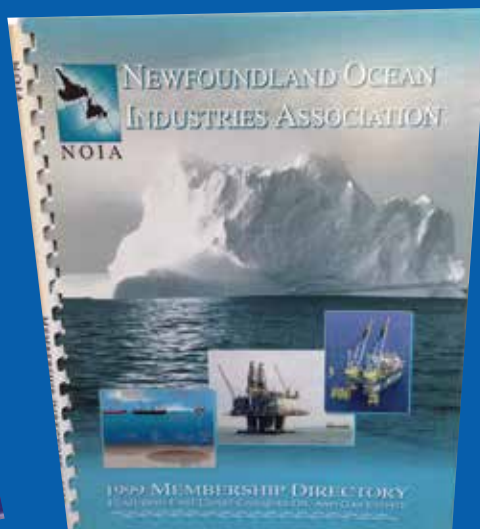
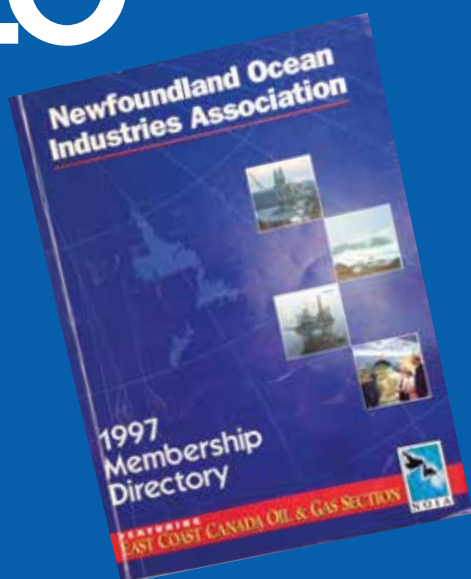
Information dissemination has been a cornerstone of Noia since its inception. With members eager to learn about opportunities to become involved in the industry, early information bulletins were distributed – by fax – twice a week. This service quickly increased to become a daily service and then, as technology evolved, a daily email bulletin, now called the Daily Barrel. From contract opportunities to local, national and international industry news, Noia continues to strive to keep members informed in a timely manner.

Noia News

As communication efforts ramped up for Noia in the nineties, Noia News was created to provide additional industry information to members. The earliest version of Noia News was a double-sided, legal page document, mailed to members every two months. A glance back through the archives shows how the publication grew in size and scope. The bi-monthly publication increased in size in the late nineties, incorporating some colour ads and NOIA's teal-coloured logo and masthead.

The April 2002 edition of Noia News featured 16 pages of information. The August-September issue grew to 24 pages. By the October-November issue, the publication had moved to a full-colour, glossy, 32-page publication. This now quarterly magazine aims to inform members about important industry news and policy issues while also





Noia membership directories through the years.

acting as a marketing tool through its distribution at international conferences and trade shows.

Noia Membership Directory

The Noia Membership Directory has always been an important source of information for and about members. A valuable tool for marketing member capabilities around the world, early directories contained basic contact information for member companies. By the early nineties, the publication included detailed information about member capabilities. Information about East Coast Canada petroleum projects and regional infrastructure and R&D capabilities were then added to the directory to further showcase the region's oil & gas industry. The shift towards a digital world in the late nineties led to

the introduction of an online version to complement the printed directory.

Noia has consistently demonstrated its ability to change with the times throughout its 40 years. Over its 40 years, however, one critical thing has not changed: Noia's mandate has never wavered from promoting the growth of East Coast Canada's oil & gas resources and facilitating member participation in global oil & gas industries. Education, information and advocacy remain the cornerstones of its work.

Noia looks forward to continuing to support its members as we work together to turn our potential into reality – a long-term, sustainable offshore oil & gas industry for the benefit of all Newfoundlanders and Labradorians. ■

Complete asset life cycle solutions

- Project & Modifications
- Operations & Maintenance
- Decommissioning Services
- Subsea
- Automation & Control
- Asset Integrity Solutions

www.woodgroup.com

f in t



ExxonMobil Canada Properties (operator of the Hebron Project) and Hibernia Management & Development Company Ltd. (HMDC) hosted an information session on March 21 for local companies interested in potential procurement opportunities by their major contractors. Coordinated by Noia, the six-hour session consisted of presentations and one-on-one meetings with more than a dozen contractors and was attended by more than 350 Noia members and other business leaders. Pictured above, presenting to session participants, is Carman Mullins, president of ExxonMobil Canada. Also pictured are (L) Mike Ryan of ExxonMobil Canada and (R) Jennifer Walck, president of HMDC and Keith Pike of HMDC. Photo courtesy of ExxonMobil Canada.



Explore Noia's refined social channels

 @NoiaNL
 NoiaNL
 NoiaNL

We're now in more places, talking about all things offshore and celebrating Noia's 40th year.



Spring Social

THANK YOU TO OUR SPONSOR



BY CHOICE HOTELS
AIRPORT

ExxonMobil  Hibernia
Supplier Forum



Pre-Summer Social

THANK YOU TO OUR SPONSOR





ATLANTIC TOWING™

To learn more, visit us today at
atlantictowing.com

Atlantic Towing brings world-class
support to offshore oil & gas development
in Canada and abroad.

CAPABLE, RELIABLE, FLEXIBLE –
that's the Atlantic Towing Advantage.



JDI Integrated Logistics, Connecting Customers to the World®

A large blue and white offshore supply vessel is shown from a low angle, looking up at its multiple decks and a satellite dish. In the foreground, a man wearing a white hard hat, sunglasses, and an orange high-visibility jacket with a life vest stands looking towards the ship. The background is a clear blue sky.

Strategic Experienced Knowledgeable

The Port of St. John's is expanding to meet the emerging needs of the offshore industry.

The Port of St. John's plays a critical role in ensuring the ongoing support of the offshore energy supply and service industry. There are great opportunities ahead and the potential of future offshore energy projects remains promising. The Port of St. John's and its cluster of businesses and people that operate here are ready for new developments. Port infrastructure is expanding to improve the overall berthing capacity of the entire port, thereby improving efficiency and operational capability to meet current and future industry needs.



One Port. One Focus. www.sjpa.com

THE ST. JOHN'S PORT AUTHORITY
One Water Street, St. John's, NL, Canada
Tel: 709.738.4782