EL 1105 lies on the west (Newfoundland and Labrador) side of the Old Harry structure in the Gulf of St. Lawrence, and it’s one of the prized assets in this small Halifax-based oil and gas company’s portfolio. (Corridor also holds two exploration licences on the Quebec side of the structure.) Some estimates claim there might be two billion barrels of oil waiting to be discovered in the structure. That’s why Corridor would like to drill a single exploration well on Old Harry. But it can’t. The company is still waiting for the Canada-Newfoundland and Labrador Offshore Petroleum Board to authorize a drilling plan it submitted in 2011. The wait continues. “Corridor has been prevented from completing its Environmental Assessment for a drilling licence while the C-NLOPB undertakes a review of its consultation process,” reads the May 2 press release issued by Corridor. “On numerous occasions over this time period, Corridor has requested the C-NLOPB provide clarity as to the next steps forward in the EA consultation process. To date, Corridor has received no clear direction.”

Corridor’s drilling plans in the Gulf have not gone unnoticed. Natural Resources Magazine/Vol. 18 No. 3 2016 NR 20 Natural Resources Magazine / Vol. 18 No. 3 2016
Fishers, environmental organizations like the David Suzuki Foundation and aboriginal groups have all voiced objections to drilling on Old Harry – a structure that is approximately 30 kilometres long and 12 kilometres wide and is located on the Quebec-Newfoundland and Labrador border about 80 kilometres northwest from the Magdalen Islands. American actor Ethan Hawke even got into the act in the fall of 2015, attending an event organized in Nova Scotia by four First Nations groups from Quebec and Nova Scotia who were looking to raise awareness about protecting the Gulf of St. Lawrence from oil and gas exploration. Hawke, the start of hit films like “Training Day” and “Boyhood” owns property in Nova Scotia near the Gulf’s waters.

Concerns about the impact oil and gas exploration on Old Harry could have on fishing activities in the Gulf of St. Lawrence is one of the chief concerns opponents have. In a 23-page letter sent to the C-NLOPB in 2014, the Conseil des Innu de Ekuanitshit of Quebec criticized Corridor’s environmental assessment to drill on Old Harry for its “poor quality of data” and added that “the EA report fails to describe the aboriginal fisheries affected by the project.”

The Conseil also took issue with the C-NLOPB’s handling of the environmental assessment at the time, saying in the letter “the Board for its part has conducted no meaningful consultation or accommodation of the Innu or the Mi’gmaq with respect to this project.” As Canada is required to consult and accommodate aboriginal people when the Crown is contemplating actions or decisions that may affect aboriginal title or treaty rights, and the aboriginal people the Conseil represent consider exploration activity on Old Harry would impact their traditional territory, this is a big deal.

Any decision to allow drilling on Old Harry when aboriginal people feel the Crown hasn’t fulfilled its duty to consult them could lead to legal challenges.

The Board finds itself in a difficult spot with Old Harry. It is the agency responsible for the regulation of petroleum activities in the Newfoundland and Labrador offshore area, and its role is to facilitate the exploration for and development of the province’s hydrocarbon resources. But the duty to consult cannot be ignored and the Board is balancing one company’s zeal to explore on Old Harry while at the same time meeting Canada’s constitutional obligations to aboriginal people. Not only that, the C-NLOPB stresses in its mandate and objectives that environmental protection will be paramount in all its decisions.

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Given that context, it’s understandable how cautious the C-NLOPB has been in this matter.

That cautiousness extends to responding to questions about where it is with the review of the Old Harry environmental assessment consultation process. When asked by Natural Resources Magazine about the status of the consultation review, C-NLOPB spokesperson Sean Kelly produced a carefully worded e-mail response that had few specifics. Kelly’s response said the Board is committed to “rigorous, project-specific environmental assessments” and that it “remains committed to providing the time required for a robust regulatory process and has previously indicated that it will consider surrender and reissuance of EL 1105 if necessary to ensure meaningful public engagement with respect to proposed drilling in the Gulf of St. Lawrence.”

Time is of the essence for Corridor when it comes to EL 1105. The licence expires on January 13, 2017. If the company hasn’t drilled at least one exploration well on it by that date, the licence will revert back to the C-NLOPB. However, Corridor has been in discussions with the Board the past two years about extending the licence beyond its expiration date. “The rationale for the extension is that, for over four years, Corridor has been prevented from completing its Environmental Assessment for a drilling licence while the C-NLOPB undertakes a review of its consultation process,” the company said in its May 2 press release.

Natural Resources Magazine made several requests to interview Corridor president and CEO Steve Moran for this story, but he didn’t respond as this magazine went to press. However, in an earlier interview, Moran made it clear the company is not putting all its eggs into the Old Harry basket. It opened an office in Calgary in 2015 with the intention of exploring opportunities in Western Canada. If it can’t get the drill bit working on Old Harry, Moran says, the company will still survive. “Corridor is a well-financed company,” Moran says. “One of the reasons we are looking out West for some properties is because we see great opportunities out there. Our job is to evaluate the best opportunities in oil and gas regardless of where they are.”

Moran and Corridor still seem to think one of those opportunities is Old Harry. But if the past five years are any indication, they’ll need to remain very patient if they hope to capitalize on it.