

**MEMORANDUM OF UNDERSTANDING  
ON ENVIRONMENTAL ASSESSMENT PROCESS  
FOR THE DEEP PANUKE PROJECT**

BETWEEN:

**CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD  
(CNSOPB)**

AND

**NATIONAL ENERGY BOARD  
(NEB)**

AND

**DEPARTMENT OF FISHERIES AND OCEANS  
(DFO)**

AND

**ENVIRONMENT CANADA  
(EC)**

AND

**INDUSTRY CANADA  
(IC)**

AND

**CANADIAN ENVIRONMENTAL ASSESSMENT AGENCY  
(CEA AGENCY)**

AND

**PROVINCE OF NOVA SCOTIA  
AS REPRESENTED BY  
NOVA SCOTIA DEPARTMENT OF ENVIRONMENT & LABOUR  
(PROVINCE)**

**WHEREAS** PanCanadian Petroleum Limited (the Proponent) proposes to develop natural gas resources from the Deep Panuke gas field in the Nova Scotia offshore which development includes drilling, production, fabrication, processing, operating and transportation activities offshore and transportation of gas and condensate onshore (the Project); and

**WHEREAS** the Project involves the construction of a platform, artificial island or any other physical work for the production of oil and gas, where the platform, island or work is located offshore in salt water or fresh water as described in the federal *Comprehensive Study List Regulations* and therefore is subject to a Comprehensive Study and the *Canadian Environmental Assessment Act* (CEAA); and

**WHEREAS** the Proponent has filed documentation with the CEA Agency, the CNSOPB and the NEB to initiate the environmental assessment process (EA process) under CEAA, which information was filed on the 23rd day of July, 2001; and

**WHEREAS** the CNSOPB, NEB, DFO, EC and IC are or may be Responsible Authorities in relation to the environmental assessment under the CEAA; and

**WHEREAS** the Province has or may have responsibilities regarding the assessment of environmental effects for the onshore portion of the Project under the Nova Scotia *Environment Act* (NSEA); and

**WHEREAS** the Parties share an interest in taking actions that promote sustainable development; and

**WHEREAS** the Parties wish to avoid unnecessary duplication and promote environmental assessment efficiency; and

**WHEREAS** the Parties wish to ensure that the public is aware of the EA process and the opportunities for public input; and

**WHEREAS** the Parties recognize that further discussions will be required should any Responsible Authority or the federal Minister of the Environment decide, at the commencement or at any time during the course of the EA process, that the Project should be assessed by a review panel or mediator, or where the Province determines that a further assessment of the environmental effects of the Project is required.

**THEREFORE** the Parties agree, should the assessment of the Project pursuant to the CEAA proceed by way of a comprehensive study and the Proponent be delegated the comprehensive study and the preparation of a report, they will coordinate their respective processes and responsibilities regarding the assessment of the environmental effects of the Project as described below:

1. For the purposes of this Memorandum of Understanding (MOU),

“Comprehensive Study” has the same meaning as set out in section 2 of the CEAA;

“Comprehensive Study Report” (CSR) means the report to be prepared in accordance with paragraph 21(a) of the CEAA and also includes, for the purpose of the NSEA, a consideration of any additional matters identified in accordance with section 8 of this MOU;

“Expert Federal Authority” means any federal departments or agencies which possesses specialist or expert information or knowledge that is relevant to the environmental assessment of the Project;

“Parties” means the signatories to this MOU;

“Responsible Authority” has the same meaning as set out in section 2 of the CEAA.

2. The purpose of this MOU is to coordinate the responsibilities of the Parties regarding the assessment of the environmental effects of the Project. The Parties intend to coordinate the EA process to include a consideration of factors identified in accordance with sections 6 to 8 of this MOU.

3. The CNSOPB will act as the lead Responsible Authority under the CEAA and coordinate this process for federal purposes. The Province will coordinate the process for provincial purposes. The Parties will work together to establish reasonable and appropriate timetables and schedules.

4. The Parties will hold further discussions on ways to ensure the public and aboriginal persons are aware of the EA process and have opportunities for public input to achieve this result.

5. The Parties intend to consult amongst themselves and coordinate any public announcements with respect to the assessment of the environmental effects of this Project, including any announcements that further environmental assessment by way of a review panel or mediation is required.

6. The Parties, after considering comments from the public on this MOU and the scope of assessment, will finalize the terms and conditions outlined in this agreement and will decide on the scope of the assessment.

7. For the purpose of complying with the requirements of the CEAA, the assessment will include a consideration of the factors listed in subsections 16(1) and 16(2) of the CEAA, and of any other matters relevant to the environmental assessment of this Project that the federal Minister of Environment, in consultation with the Responsible Authorities, may require to be considered.

8. For the purpose of coordinating the responsibilities of all the Parties regarding the assessment of the environmental effects of the Project, the assessment will also include a consideration of any additional matters relevant to the assessment of the environmental effects of the Project under the NSEA that are identified by the Province.
9. The final scope of the environmental assessment will be forwarded by the CNSOPB to the Proponent.
10. The Responsible Authorities intend, pursuant to subsection 17(1) of the CEEA, to delegate the comprehensive study and the preparation of the report referred to in paragraph 21(a) of the CEEA to the Proponent. The Parties also intend to request the Proponent to consider any additional matters identified with section 8 of this MOU, and to report in the CSR on the said consideration.
11. A draft CSR will be submitted by the Proponent to the Parties and Expert Federal Authorities for review and comment.
12. Written Comments on the draft CSR will be provided by the Parties and Expert Federal Authorities to the CNSOPB and the CNSOPB will forward them to the Proponent. The CNSOPB will coordinate comments by the Responsible Authorities and Expert Federal Authorities and will arrange for the provision of those comments to the Proponent. The Province will coordinate provincial comments and will provide them to the CNSOPB for forwarding to the Proponent.
13. The Proponent will submit a revised CSR, as appropriate. The Parties, in consultation with the Expert Federal Authorities, will review the CSR to ensure its completeness in consideration of their respective legislative requirements. The Province will coordinate provincial comments of the review of the revised CSR.
14. Once the Parties are satisfied that the CSR is complete, the CSR shall be forwarded to the federal Minister of the Environment and the CEA Agency. The CEA Agency will invite public comment on the conclusions, recommendations and any other aspect of the CSR, in accordance with section 22 of the CEEA.
15. Notices of the commencement of respective regulatory public hearings by the CNSOPB and NEB will be published after the final CSR is submitted to the federal Minister of Environment. Notices of the commencement of regulatory public hearings by the Province will be published after the final CSR is submitted to the provincial Minister of Environment and Labour.

**Execution Copy**

16. Once and if the federal Minister of the Environment takes the decision pursuant to subparagraph 23(a) of the CEAA, the CNSOPB agrees the CSR will form part of the Development Plan Application (DPA) filed by the Proponent to the CNSOPB under the DPA approval process.
17. The CNSOPB will maintain a public registry as required under the CEAA and establish a website for the registry (<http://www.cnsopb.ns.ca/deeppanuke>). The Province will provide information on its Environmental Assessment Branch website (<http://www.gov.ns.ca/enla/ess/ea>) as to the federal contact for the review of documentation.
18. The CNSOPB in consultation with the other Parties will arrange for the Proponent to establish local repositories where the public may access documentation in relation to the review.
19. The provisions of this MOU shall not restrict the decision-making authority or fetter the discretion of statutory decision-makers.
20. The Parties may amend this MOU upon the agreement of all Parties. A Party, without the consent of the other Parties, upon thirty (30) days notice may withdraw from this MOU and complete an independent EA process.
21. This MOU is not intended to be a legally binding instrument or give rise to any legal rights not otherwise held by the Parties.
22. This MOU may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same original agreement.

**IN WITNESS WHEREOF** the Parties have signed this MOU on the dates indicated below.

Original signed by:

_____	<u>Dec 14, 2001</u>	_____
J.E. (Jim) Dickey	Date	Witness
Chief Executive Officer		
Canada- Nova Scotia Offshore Petroleum Board		

Original signed by:

_____	<u>Dec 17, 2001</u>	_____
Gaétan Caron	Date	Witness
Chief Operating Officer		
National Energy Board		

Original signed by:

_____	<u>Dec 14, 2001</u>	_____
Neil A. Bellefontaine	Date	Witness
Regional Director-General		
Department of Fisheries and Oceans		

Original signed by:

_____	<u>Dec 17, 2001</u>	_____
Garth Bangay	Date	Witness
Director General, Atlantic Region		
Environment Canada		

Original signed by:

_____	<u>Dec 17, 2001</u>	_____
F. George Richard	Date	Witness
Deputy Executive Regional Director, Atlantic Region		
Industry Canada		

Original signed by:

_____	<u>Dec 17, 2001</u>	_____
Paul Bernier	Date	Witness
Vice President, Program Delivery		
Canadian Environmental Assessment Agency		

Original signed by:

_____	<u>Dec 14, 2001</u>	_____
Kevin McNamara	Date	Witness
Deputy Minister, Department of Environment and Labour		

Province of Nova Scotia