



2021-22

A N N U A L R E P O R T



June 29, 2022

The Honourable Jonathan Wilkinson, M.P.  
Minister of Natural Resources  
Government of Canada

The Honourable Andrew Parsons, Q.C, MHA  
Minister of Industry, Energy and Technology  
Government of Newfoundland and Labrador

The Honourable Sarah Stoodley, MHA  
Minister of Digital Government and Service NL  
Government of Newfoundland and Labrador

Dear Ministers:

Pursuant to section 29 of the legislation implementing the **Atlantic Accord**, we are pleased to present the Annual Report, together with the financial statements, of the Canada-Newfoundland and Labrador Offshore Petroleum Board for the fiscal year ending March 31, 2022.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Roger Grimes".

Roger Grimes  
**Chair**

A handwritten signature in blue ink, appearing to read "Scott Tessier".

Scott Tessier  
**Chief Executive Officer**

## INTRODUCTION

The Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) is the independent regulatory agency created in 1986 under the **Atlantic Accord Implementation Acts (Accord Acts)**, with a mandate that includes offshore safety, environmental protection, resource management and industrial benefits. Safety and environmental protection are paramount in all Board decisions.

As of March 31, 2022, the C-NLOPB had 102 permanent staff and its budget for fiscal year 2021-22 was \$22,375,000. Pursuant to the **Cost Recovery Regulations and Guidelines**, the C-NLOPB recovered 100% of its actual costs of \$21,680,270 from industry for 2021-22.

The Board's main office is located at 240 Waterford Bridge Road, The Tower Corporate Campus-West Campus Hall, Suite 7100, St. John's, and its Core Storage and Research Centre is located at 30-32 Duffy Place, St. John's.

The Annual Report of the C-NLOPB highlights its accomplishments and activities for 2021-22. The report is aligned with the C-NLOPB's strategic plan and business plan and includes audited financial statements.

For more information about the activities of the C-NLOPB please visit [www.cnlopbc.ca](http://www.cnlopbc.ca), e-mail [information@cnlopbc.ca](mailto:information@cnlopbc.ca), follow the C-NLOPB on Twitter @CNLOPB, or phone (709) 778-1400.



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## BOARD MEMBERS



**Roger Grimes, C.M.**  
Board Chair and Board Member



**Lori Bevan, LL.B**  
Board Member



**Kim Dunphy**  
Board Member  
Audit and Evaluation Committee Member



**Wes Foote, P. Eng**  
Board Member  
Governance Committee Member



**Brian Maynard, CA, CPA**  
Board Member  
Audit and Evaluation Committee, Chair



**Sharon Murphy**  
Board Member  
Governance Committee Member



**Ted O'Keefe, P.Eng, MBA**  
Board Member  
Audit and Evaluation Committee Member  
Governance Committee, Chair

## MANAGEMENT

**Scott Tessier**  
Chief Executive Officer

**Jeff O’Keefe**, P.Eng., P. Geo  
Chief Conservation Officer

**Kelly Batten Hender**, Ph.D., P. Geo.  
Director of Resource Management

**Susan Gover**, B.Comm. (Hons), LL.B.  
Chief Legal Officer

**John Kennedy**, P.Eng., CRSP  
Director of Operations

**Tim Murphy**  
Director of Regulatory Coordination and  
Public Engagement

**Craig Rowe**, M.Sc., P.Geo.  
Director of Digitalization and Analytics

**Paul Alexander**, P.Eng., PMP  
Chief Safety Officer

**Michael Baker**, CPHR, SHRM-SCP  
Director of Corporate Services

**Rob McGrath**  
Director of Industrial Benefits

**Stephanie Johnson**, P.Geo.  
Director of Offshore and Information Resources

**Jill Mackey**, B.Sc. (Hons), B.Ed., P.Eng., CRSP  
Director of Safety

**Lesley Rideout**  
Communications Lead

**Elizabeth Young**  
Director of Environmental Protection

For further information on Board Members and C-NLOPB Management, please visit  
[www.cnlopb.ca/about/board/](http://www.cnlopb.ca/about/board/)

## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



In responding to the ongoing challenges of COVID-19, our staff continued to work diligently over the past year to ensure worker safety and environmental protection remain the top priorities of the C-NLOPB. Whether working remotely or from the office, we have continued to maintain the highest standard of regulatory oversight, while adhering to the requirements and recommendations of the provincial Chief Medical Officer of Health.

Despite the challenges arising from the pandemic, our regulatory oversight has been enhanced in a number of noteworthy areas, including emissions reduction, **Impact Assessment Act** implementation, protection of important marine ecosystem components, digitalization, performance-based regulation and guidance, compliance and incident investigations, and transparency and stakeholder relations.

Our mandate is to regulate in the public interest. We are proud to actively support the transition to lower carbon and renewable sources of energy, recognizing it needs to happen in a rapid, planned and orderly way, also reflecting today's serious energy security, economic, social and health care challenges.

Our increased oversight of emissions reduction targets on behalf of governments consists of ensuring Operators' annual emission reports comply with the **Management of Greenhouse Gas Act** regulations, as well as proactive efforts to track emissions data on a quarterly basis in order to benchmark progress against the yearly targets assigned to Operators.

Of course, the Canada-Newfoundland and Labrador Offshore Area is important to many beyond those who directly make their livelihoods in the energy sector. Continuing to establish and maintain relationships with Indigenous Groups, the fishing industry and other stakeholders is a vital part of what we do. This past December saw the completion and publication of the Labrador Strategic Environmental Assessment (SEA) Update Report. I would like to thank our co-chair, the Nunatsiavut Government, as well as the Labrador SEA Update Working Group members for their dedication and collaboration during this multi-year effort. We also remained active participants in One Ocean and continued to build upon our very productive working relationship with fisheries stakeholders, by being fully transparent with respect to planned and approved activities in our offshore.

Stakeholder engagement and sharing lessons learned are fundamental to the safety of offshore workers and the protection of the environment. In keeping with recommendations from public health authorities, we held this year's Safety Forum virtually. We were pleased to see a significant increase in participation from offshore workers and we will continue to offer a virtual participation option for future such events. We also participated with One Ocean to help organize the virtual, industry-led, 2022 Environmental Forum, which focused on spill response, emissions reduction, enhancing communications and updates on research and technology.

The C-NLOPB recognizes the ever-increasing importance of digitalization and has initiated a number of changes to ensure we are keeping in-step with advances in technology. During the reporting period a new management position, the Director of Digitalization and Analytics, was created to oversee all of the Board’s digitalization projects and coordinate engagement efforts with external parties in this area. An operational review of our information technology (IT) functionalities and capabilities was also conducted, to ensure appropriate IT resources are available in an ever-increasing digital workspace.

As the industry has moved toward more modern exploration technologies, digital data submissions have grown in size and frequency. This year saw the launch of our new Data and Information Hub, along with the development of a new Disclosure of Digital Data and Information Policy. The Data and Information Hub is a map-based tool that modernizes access to information previously only accessible by request. The transition to disclosing data in a modern, digital format affords numerous benefits to the petroleum industry, other stakeholders and the general public, including the simplification of data submissions, efficient access, and enhanced data usage.

We are also working towards an increasingly performance-based regulatory regime. The start of 2022 saw the seamless transition to permanent **Occupational Health and Safety Regulations**. Board staff also provided expert technical advice to governments as efforts progressed toward a **Canada Gazette 1** version of proposed new Framework Regulations, which is expected in 2022.

Though our focus is always on incident prevention, compliance verification and enforcement remain important roles of the C-NLOPB. Significant progress was made in several ongoing incident investigations, with the issuance and payment of two Administrative Monetary Penalties during the reporting period. Another investigation resulted in a prosecution that is currently before the court.

As we continue to tackle and hopefully move beyond the challenges of COVID-19, we are relying on expert advice, evidence, science and the assessment and mitigation of risk – as is the case in all of our regulatory oversight and decision making. To ensure the safety of our staff and those working in our Offshore Area remains everyone’s number one priority, we continue to work with Operators, governments, other regulators and industry stakeholders to respond collectively to this global pandemic, building on the local industry’s commendable efforts since its onset.

The C-NLOPB stands ready to address today’s challenges head on because of the depth and breadth of the regulatory competencies of our 100+ professional staff and the support and leadership of our Board: Roger Grimes (Chair), Lori Bevan, Kim Dunphy, Wes Foote, Brian Maynard, Sharon Murphy and Ted O’Keefe. Our staff and our Board members together demonstrate an unwavering commitment regulating in the public interest. I am proud of what we have accomplished in 2021-22 and thank them all for their continuing professionalism and diligence.



Scott Tessier

**Chief Executive Officer**



# SAFETY OF OFFSHORE WORKERS

## SAFETY ASSESSMENTS

Prior to being issued an Operations Authorization (OA) in relation to any petroleum related activity in the Canada-Newfoundland and Labrador Offshore Area (Offshore Area), an Operator must submit comprehensive documentation demonstrating how they will take all reasonable and practical measures to achieve the required level of safety for the proposed scope of work.

The C-NLOPB conducts systematic and comprehensive safety assessments of an Operator’s application, which includes the review of safety plans and other safety-related information submitted in support of the application. Audits and inspections may also be conducted prior to and after issuing an authorization.

In 2021-22, the C-NLOPB’s Safety Department conducted 22 safety assessments as part of this oversight, as outlined in Table 1 below.

**Table 1: Safety Assessments Completed in 2021-22**

OPERATOR	ACTIVITY	NUMBER COMPLETED
Cenovus Energy Inc. (Formerly known as Husky Oil Operations Limited. Amalgamation date December 30, 2021) (Husky/Cenovus)	Compliance Verification Matrix (CVM)	1
China National Offshore Oil Corporation Petroleum North America ULC (CNOOC)	OA	1
Equinor Canada Ltd. (Equinor)	Geotechnical Authorization	1
Equinor	OA Amendment	1
Equinor	CVM	1
ExxonMobil Canada Properties (EMCP)	OA Amendment	3
EMCP	OA Renewal	1
EMCP	CVM	1
Hibernia Management Development Company Ltd. (HMDC)	Construction Program Authorization	1
HMDC	OA Amendment	2
HMDC	CVM	1
Multiklient Invest AS (MKI AS)	Geophysical Program Authorization	1
Suncor Energy Inc. (Suncor Energy)	OA Renewal	1
Suncor Energy	OA Amendment	2
Suncor Energy	CMV	4

## COMPLIANCE AND ENFORCEMENT

Safety Officers conduct inquiries, issue orders, investigate work refusals and verify compliance by conducting safety inspections, safety audits, pre-approval safety audits and other oversight activities. During 2021-22, the C-NLOPB completed 12 audits, inspections and oversight activities, as listed in Table 2.

**Table 2: Audits, Inspections and Oversight Activities Completed in 2021-22**

OPERATOR/PROVIDER OF SERVICE	INSTALLATION/VESSEL	AUDIT/INSPECTION/OVERSIGHT	NUMBER COMPLETED
Husky/Cenovus	SeaRose Floating, Production, Storage and Offloading Vessel (FPSO)	Audit - Leadership, supervision and workforce engagement	1
Husky/Cenovus	SeaRose FPSO	Inspection	1
CNOOC	M/V Stena Forth	Pre-approval inspection	1
Equinor	M/V Horizon Enabler	Pre-approval inspection	1
EMCP	Hebron Platform	Audit - Leadership, supervision and workforce engagement	1
EMCP	Hebron Platform	Inspection	1
HMDC	Hibernia Platform	Audit - Leadership, supervision and workforce engagement	1
HMDC	Hibernia Platform	Inspection	1
MKI	M/V Ramform Atlas	Pre-approval inspection	1
MKI	M/V Ramform Titan	Pre-approval inspection	1
Suncor Energy	M/V Maersk Nexus	Inspection	1
Suncor Energy	M/V Seven Falcon	Pre-approval inspection	1

During 2021-22, Enquiries continued for a number of safety occurrences summarized in Table 3.

**Table 3: Summary of Safety Enforcement Activities for 2021-22**

INCIDENT DATE	NATURE OF INCIDENT	STATUS
September 6, 2019	A worker onboard the Mobile Offshore Drilling Unit (MODU) <b>Transocean Barents</b> suffered a serious injury when they were pinned between a steel adapter weighing 1400kg and a rail during crane operations.	Enquiry ongoing
December 29, 2019	A worker onboard the <b>Terra Nova</b> FPSO was injured after falling from a ladder in a ballast tank.	Enquiry ongoing
January 15, 2020	The Chief Safety Officer (CSO) issued an Order Respecting Dangerous Operations to Suncor Energy in relation to the <b>Terra Nova</b> FPSO, to take immediate measures to ensure the use of a fall protection system for all vertical ladders greater than six metres in length that are not fitted with a protective cage at or near the <b>Terra Nova</b> FPSO.	Active

## MONITORING

Following authorization of an Operator's work activity, the Safety Department conducts monitoring activities that include the review of operational reports, incident reports, complaints, the installation's workplace committee meeting minutes and training exemptions or equivalencies submitted against the **Atlantic Canada Offshore Petroleum Industry: Training and Qualifications of Personnel Standard Practice**.

The Operator is required to report and investigate all incidents as described in the **C-NLOPB Incident Reporting and Investigation Guidelines**. During 2021-22, the Safety Department reviewed 132 safety related incident reports from Operators.

During this reporting period 3,060,814 hours were worked in the Offshore Area. There were eight incidents that resulted in a reportable injury or illness, which translates to a reportable injury frequency rate of 2.61 per million hours worked.

## HEALTH AND SAFETY COMPLAINTS

During 2021-22, the C-NLOPB received one health and safety complaint, which is being processed. Safety Officers will review the circumstances surrounding the complaint with the Operator and resolve the complaint appropriately.

## SAFETY FORUM

The purpose of the safety forum is to provide an opportunity for offshore industry stakeholders to exchange information so that safety issues can be proactively identified and addressed and to highlight any additional areas of concern. During 2021-22, one Forum and two workplace committee meetings were held. The Forum was held October 19, 2021, both in-person and virtually and the theme was **Transformation and Modernization in Regulatory Oversight in the Oil and Gas Industry**.



Terra Nova FPSO

# PROTECTION OF THE ENVIRONMENT

## ENVIRONMENTAL PROTECTION PLANS

An Environmental Protection Plan (EPP) is a document or set of documents that describes an Operator’s responsibilities, expectations and methodologies for environmental protection associated with an authorized work or activity. An Operator’s EPP is reviewed as part of its application for an authorization. If an Operator amends an EPP, the C-NLOPB reviews the proposed changes for acceptability before the changes can be implemented. During the reporting period, 10 new or amended EPPs were reviewed for the following fields or installations, as shown in Table 4.

**Table 4: New EPPs or Amendments to Existing EPPs during 2021-22**

OPERATOR	FIELD/INSTALLATION/VESSEL	NEW OR AMENDED
Husky/Cenovus	SeaRose FPSO	3
CNOOC	Exploratory Drilling Program Pelles Well	2
EMCP	Hebron Field	1
ExxonMobil Canada Limited (EMCL)	L-42A Harp Subsea Wellhead Removal	2
HMDC	Hibernia Field	1
Suncor Energy	Terra Nova FPSO	1

## STRATEGIC ENVIRONMENTAL ASSESSMENT

During the reporting period, the C-NLOPB continued with its update to the 2008 Labrador Shelf Offshore Area SEA with the assistance of a Working Group co-chaired by the Nunatsiavut Government and the C-NLOPB. The C-NLOPB successfully worked with contractor, Aivek Stantec Limited Partnership, to conduct Indigenous and stakeholder engagement sessions and public review of the report, following feedback from the Working Group in the summer of 2021. Following completion of revisions based on feedback from engagement sessions and public review, the report was finalized. The final SEA Update was published and posted to the C-NLOPB website in December 2021.

## REGIONAL ASSESSMENT

Throughout the reporting period, the C-NLOPB worked with the Impact Assessment Agency of Canada (IAAC), Natural Resources Canada (NRCan) and the department of Industry, Energy and Technology (IET) on the Regional Assessment (RA) follow-up program, which tracks and reports on the progress of commitments outlined in the June 4, 2020 Ministerial Response to the **Report for Offshore Exploratory Drilling East of Newfoundland and Labrador**. Additionally, the C-NLOPB provided support to IAAC during the update to the Geographic Information System decision support tool, in June 2021.

Additional information on the RA can be found at

<https://iaac-aeic.gc.ca/050/evaluations/proj/80156?culture=en-CA>

## ENVIRONMENTAL ASSESSMENT

As part of its responsibilities under the **Accord Acts** for environmental protection, the C-NLOPB assesses the potential environmental effects of petroleum related work or activity proposed for the Offshore Area.

In accordance with the C-NLOPB’s responsibilities under the **Accord Acts** and section 82 of the **Impact Assessment Act (IAA)** (S.C. 2019, c. 28, s. 1), there was one **Accord Acts** Environmental Assessment (EA) initiated and one determination made on a proposed EA amendment by the C-NLOPB during the reporting period, as shown in Table 5. Documents related to ongoing and completed assessments by the C-NLOPB for offshore activities are available on the C-NLOPB website at <https://www.cnlopb.ca/assessments/>.

**Table 5: Accord Acts Environmental Assessments during 2021-22**

OPERATOR	PROGRAM	LOCATION	STATUS
Electromagnetic Geoservices Canada Inc.	Controlled Source Electromagnetic Survey	Eastern Newfoundland (EN) and Southern Newfoundland (SN)	Initiated
MKI AS	4D, 3D and 2D Seismic	EN and SN	Amendment not approved

Throughout the reporting period, the C-NLOPB, in its role as a “Federal Authority”, provided expert information or knowledge to support the IAAC in conducting Impact Assessments (IAs) pertaining to planned projects in the C-NLOPB jurisdiction, which had been initiated under the **Canadian Environmental Assessment Act, 2012 (CEAA 2012)** and those which would be initiated, continued or completed under the **IAA** (S.C. 2019, c. 28, s. 1).

In accordance with its responsibilities under section 23 of the **IAA**, the C-NLOPB provided expert information and knowledge to the IAAC concerning exploratory drilling EAs and the Bay du Nord Development EA. Designated Projects supported by the C-NLOPB during the reporting period and their status are provided in Table 6 below. Further information on these assessments can be obtained from the IAAC Registry at <https://iaac-aeic.gc.ca/050/evaluations>.

**Table 6: Canadian Environmental Assessment Act, 2012 and Impact Assessment Act Designated Projects for 2021-22**

OPERATOR	PROJECT	LOCATION	REFERENCE NUMBER	STATUS
Equinor*	Bay du Nord Development	EN and Flemish Pass	80154	Ongoing
EMCL*	Exploration Drilling Southeastern Newfoundland	South Eastern Newfoundland (SEN)	80158	Ongoing
Suncor Energy Offshore Exploration Partnership*	Exploration Drilling (Tilt Cove)	Jeanne d’Arc (JDA)	80177	Ongoing

\*CEAA 2012 Assessments continued under the Impact Assessment Act

The C-NLOPB also provides ongoing compliance verification and enforcement services in respect of the conditions imposed by assessments completed under the **Accord Acts**, **CEAA 2012** or the **IAA** for operations authorized by the C-NLOPB. Conservation Officers and Environmental Assessment Officers review program applications to ensure that planned activities are compliant. Compliance with the conditions imposed by assessments and conformance to Operator commitments made during the

assessment process, are made enforceable by condition of C-NLOPB-issued OAs. Compliance verification activities occurred throughout the reporting period for three Operators conducting exploration drilling or supporting activities: CNOOC; Equinor; and EMCL.

**COMPLIANCE AND ENFORCEMENT**

Operators must report all pollution incidents to the C-NLOPB for all offshore installations, including those related to petroleum spills, unauthorized and/or unplanned discharges and releases, and issues with effluent quality. The C-NLOPB reviews these reports and conducts follow-up, as required.

There were three spills of petroleum during the reporting period. A summary of spill information for the 2021-22 reporting period is provided in Table 7 and more information is available at the C-NLOPB’s website at [www.cnlopb.ca/information/statistics/](http://www.cnlopb.ca/information/statistics/).

**Table 7: Summary of Spill Information for 2021-22**

COMPONENT	LITRES	PERCENTAGE OF ANNUAL TOTAL	NUMBER OF INCIDENTS
Crude Oil	1	61	1
Hydraulic and Lubricating Oil	0.65	39	2



Hebron Platform

During the 2021-22 period, Enquires continued or were completed, for a number of environmental occurrences as summarized in Table 8.

**Table 8: Summary of Environmental Enforcement Activities for 2021-22**

INCIDENT DATE	NATURE OF INCIDENT	STATUS
November 16, 2018	Spill of 250,000 litres of crude oil from a failed subsea weak-link at the South White Rose Extension Drill Centre. A formal Enquiry was conducted and charges were laid against Husky Oil Operations Limited on October 19, 2021.	Prosecution Ongoing
May 26, 2019 – July 4, 2019	Husky Oil Operations Limited did not meet a commitment outlined in Condition 11 of an OA to conduct seabird and marine mammal observations while working at the Tiger's Eye well. A formal Enquiry was conducted by C-NLOPB Officers and a Notice of Violation (NOV) was issued on May 26, 2021. Husky did not file a Request for Review and paid the penalty of \$16,000 in full.	Administrative Monetary Penalty (AMP) Paid
July 17, 2019	Spill of 12,000 litres of petroleum from the crude storage system of the <b>Hibernia</b> Platform. A formal Enquiry is ongoing.	Enquiry Ongoing
August 17, 2019	Spill of 2,194 litres of petroleum from the drainage system of the <b>Hibernia</b> Platform. A formal Enquiry was conducted by C-NLOPB Officers and a NOV was issued to HMDC on August 13, 2021. A review was requested and completed by a Review Committee of the Board. HMDC paid the adjusted penalty of \$28,000 in full.	AMP Paid
October 11, 2019 - May 11, 2020	EMCL did not meet Condition 20 of its OA to conduct daily monitoring for live seabirds during work at the Hampden and Harp wells. A formal Enquiry was conducted by C-NLOPB Officers and a NOV was issued on August 13, 2021. EMCL did not file a Request for Review and paid the penalty of \$40,000 in full.	AMP Paid

Environmental Protection staff completed a number of audits, offsite and onsite verifications throughout the year. These are described in Table 9 and included onshore document review, questionnaires, interviews and onsite verification of compliance.

**Table 9: Summary of Environmental Audits, Offsite and Onsite Verification for 2021-22**

OPERATOR/VESSEL	DATE	TYPE	TOPIC
Husky/Cenovus	January 2021 - June 2021	Audit	Management of discharges and other waste.
Husky/Cenovus	February 2022	Onsite Verification	Verification of oil spill response capability.
CNOOC (and contractors)	April 2021	Offsite Verification	Awareness of, and readiness to implement plans for light control and bird monitoring, in accordance with conditions of the <b>Minister's Decision Statement</b> issued under section 54 of <b>CEAA 2012</b> , and the documents submitted by CNOOC to the C-NLOPB as part of its application for an authorization for exploration drilling.
CNOOC (and contractors)	April 2021	Onsite Verification	Verification of seabird monitoring requirements during drilling.
CNOOC	May 2021 - September 2021	Audit	Management of discharges and other waste.
Equinor (and contractors)	June 2021	Offsite Verification	Validate the capability to conduct seabird monitoring during the 2021 Geotechnical Program and Mooring Line Retrieval Program.
EMCL (and contractors)	May 2021	Offsite Verification	Validate the capability to conduct seabird monitoring during a wellhead removal program.
EMCL	February 2022	Onsite Verification	Verification of oil spill response capability.
EMCP	June 2021 - December 2021	Audit	Environmentally critical equipment with drilling and production.
HMDC	January 2021 - August 2021	Audit	Management of discharges and other waste.
HMDC	October 2021 - January 2022	Audit	Environmentally critical equipment with drilling and production.
MKI AS (and contractors)	June 2021 and August 2021	Offsite Verification	Validate the capability to implement seabird and marine mammal mitigations and conduct seabird and marine mammal monitoring during seismic acquisition campaigns.
M/V <i>Atlantic Griffon</i>	June 2021	Onsite Verification	Tier 1 Spill Response training.

Environmental Protection staff undertook enhanced communications with the Fish, Food and Allied Workers during the 2021 seismic season, to ensure that potential issues related to interactions between seismic operators and fishers were brought to the attention of the C-NLOPB in a timely manner.



## **ENVIRONMENTAL EFFECTS MONITORING**

Environmental Effects Monitoring (EEM) is used to determine the effects of ongoing industrial activity on the natural environment. In the Offshore Area, EEM has been undertaken for development drilling and production operations because of the greater variety and volume of their regulated discharges, such as produced water and the length of time they remain in the Offshore Area. EEM surveys are initiated during the first full year of offshore development drilling and are executed annually for at least two additional years, becoming biennial thereafter. The C-NLOPB and federal and provincial environment and fisheries departments review the design of each EEM program and the detailed reports from each program.

During the reporting period, EEM report reviews for the Hibernia and Hibernia Southern Extension; White Rose; Terra Nova; and Hebron programs continued. Reviews of the Hibernia and Hibernia Southern Extension, 2018; Husky/Cenovus's White Rose Project, 2018; and ExxonMobil Canada's Hebron, 2019 programs were completed during the reporting period. Completed EEM program reports are available on the C-NLOPB website at <https://www.cnlopb.ca/environment/projects/>.

## **ENVIRONMENTAL FORUM**

The C-NLOPB participated in the Canadian Association of Petroleum Producers (CAPP) led 2022 virtual Environmental Forum, (formerly called the C-NLOPB Spill Prevention and Response Forum), on March 8-9, 2022. The Forum featured approximately 150 participants from Indigenous groups, regulatory agencies, government departments, industry, the fishing industry and academia. The Forum focused on spill response, air emissions and emission reduction, enhancing communications and updates on research and technology.

## **ENVIRONMENTAL STUDIES RESEARCH FUND**

The Environmental Studies Research Fund (ESRF) is a national research program for environmental and social studies. Funding is provided through levies on frontier lands paid by interest holders. The ESRF is directed by a joint government/industry/public Management Board, of which the C-NLOPB's Director of Environmental Protection is a member.

The following research projects were ongoing at the end of the reporting period:

- Assessment of the Potential Risks of Seismic Surveys to Affect Groundfish Resources (ESRF Project 2018-01S);
- Atlantic Salmon in the Eastern Canadian Offshore Regions (ESRF Regions 8 to 15): Timing, Duration and the Effects of Environmental Variability and Climate Change (ESRF Project 2019-01S);
- Laying the Groundwork: Enhancing Cross Cultural Understanding through Two-Eyed Seeing (ESRF Project 2020-01S);
- Leach's Storm Petrel Tagging (ESRF Project 2020-02S); and
- Seabirds Literature Review Focused on Attraction of Seabirds to Artificial Light and Methods of Seabird Detection on Offshore Oil and Gas Installations (ESRF Project 2021-02S).

Further information on the ESRF is available at [www.esrfunds.org](http://www.esrfunds.org).

## GREENHOUSE GAS EMISSIONS

### ADMINISTRATION OF THE MANAGEMENT OF GREENHOUSE GAS ACT MEMORANDUM OF UNDERSTANDING (MOU)

The C-NLOPB is cognizant that climate change is real, caused by human behavior and must be urgently addressed. We support the energy transition, recognizing it needs to be planned and orderly. Our mandate is to regulate in the public interest, which must reflect the realities of climate change as well as consideration of serious economic, social and health care challenges.

As per the Administration of the **Management of Greenhouse Gas Act (MGGA)** MOU between the C-NLOPB and the Newfoundland and Labrador provincial government, the C-NLOPB is responsible for reviewing emission reports submitted annually by Operators in the Offshore Area, to ensure they comply with the **MGGA** or regulations. Operators of each facility are required to submit three annual reports including a greenhouse gas emissions report, a verification report completed by a certified verification body, and a compliance report no later than June 1 of the following calendar year. These reports are analyzed upon receipt for completeness, accuracy and regulatory compliance. Once the review process is complete and the reports are deemed satisfactory, staff develop and provide reports to the Provincial Department of Environment and Climate Change.

### VERIFICATION

An annual site visit to each facility is typically required as a part of the verification process; however due to the COVID-19 pandemic, virtual inspections took place in lieu of physical visits to complete verifications. These virtual inspections were conducted by the verification body between June and August of 2021.

### GREENHOUSE GAS EMISSIONS FROM OFFSHORE FACILITIES

For the 2020 reporting year, six facilities - four production facilities and two MODUs - were required to report to the C-NLOPB. The following greenhouse gas (GHG) emissions were reported for each producing facility in the Offshore Area, during the 2020 calendar year.

**Table 10: Greenhouse Gas Emissions from Producing Facilities in 2020**

FACILITY	GHG EMISSIONS (t CO <sub>2</sub> e)	2020 PRODUCTION (BARRELS)	CO <sub>2</sub> EMISSIONS PER BARREL (kg/bbl)
Hibernia Platform	566,731	43,129,856	13.1
Hebron Platform	504,464	51,671,157	9.76
SeaRose FPSO	362,362	9,203,025	39.4
Terra Nova FPSO	62,560	1,932	N/A

**Table 11: Greenhouse Gas Emissions from Mobile Offshore Drilling Units in 2020**

<b>FACILITY</b>	<b>GHG EMISSIONS (t CO2 e)</b>	<b>HOURS OF OPERATION</b>	<b>CO2 EMISSIONS PER BARREL (t CO2 e /hr)</b>
<b>Transocean Barents MODU</b>	26,142	4,872	5.37
<b>Henry Goodrich MODU</b>	1,315	518	2.54

Further information can be found at [www.gov.nl.ca/ecc/occ/greenhouse-gas-data/](http://www.gov.nl.ca/ecc/occ/greenhouse-gas-data/).

C-NLOPB staff have recently requested that Operators also report emissions data for the current year on a quarterly basis, in order to benchmark performance with their yearly targets. In addition to the responsibilities outlined in the above mentioned MOU, C-NLOPB staff:

- collect all GHG emissions data from exploration and development drilling and production activities from Operators, including venting and fugitive emissions;
- review EPPs to ensure Operators have included a periodic review of the management strategy and technology associated with emissions of offshore activities;
- review Development Plan submissions for proposed offshore installation GHG emissions, along with the proposed management approach and technology to be implemented, to reduce emissions to the lowest amounts achievable for safe operations;
- set and approve flaring and venting limits for offshore production facilities;
- provide guidance to Operators through the Board’s Offshore Waste Treatment Guidelines;
- play a lead role in verifying Operator compliance with all Decision Statement Conditions pursuant to federal project-specific environmental/impact assessments that refer directly to mitigating GHGs;
- participate in the Newfoundland and Labrador Oil and Gas Task Force - Energy Transition Working Group. This Working Group is responsible for publishing a report on how the Newfoundland and Labrador oil and gas industry can optimize the use of technology and innovation to meet current energy needs, while at the same time improving safety and reducing carbon emissions while remaining competitive in a net zero future. Focus areas for the Offshore Area include emissions reduction, efficiencies, electrification and digitization, carbon capture and storage and hydrogen economy;
- hosted, along with CAPP and One Ocean, the 2022 Newfoundland and Labrador Offshore Environmental Forum, with a focus on spill prevention and response and emissions reduction in the Offshore Area; and
- participate in the RA Follow-up Program Working Group, to carry out a sector analysis of GHG emissions from offshore exploratory drilling in the defined RA Study Area.

# INDUSTRIAL BENEFITS

## BENEFITS PLANS

In 2021-22, the offshore production activities of the Hibernia, Terra Nova, White Rose/North Amethyst and Hebron projects continued to be monitored for compliance with the approved benefits plan provisions in relation to contracting and employment, supply of goods and services, diversity, research and development (R&D) and education and training (E&T).

Staff reviewed and assessed two benefits plans and supplementary benefits information for various offshore activities, including:

- bp Benefits Plan for 2022-2027 operations;
- Equinor Exploration Benefits Plan for 2021-2026 operations;
- Equinor Exploration Benefits Plan Supplement for a seabed, environmental and geotechnical survey in the Flemish Pass basin; and
- MKI Exploration Benefits Plan Supplement, to support the Geophysical Program Authorization for planned 3D seismic acquisition projects during the 2021 season.

In addition, staff reviewed complaints from individuals and companies regarding Operator employment and procurement practices. The C-NLOPB's role in such reviews is to ensure that Operators have provided manufacturers, consultants, contractors and service companies in the province and other parts of Canada with a full and fair opportunity to participate on a competitive basis in the supply of goods and services. First consideration must be given to services provided from within the province and to goods manufactured in the province, where those services and goods are competitive in terms of fair market price, quality and delivery; and residents of the province must be given first consideration for training and employment. Multiple comprehensive reviews were conducted in these areas in 2021-22, along with others of lesser scope.

## EXPENDITURE AND EMPLOYMENT DATA

During the 2021 calendar year, Operators reported expenditures of \$1.7 billion related to work in the Offshore Area. Since 1966, cumulative expenditures total approximately \$71.1 billion.

As of December 31, 2021, there were 4,000 Newfoundland and Labrador and other Canadian residents working in direct support of petroleum-related activity in the Offshore Area. During the 2021 calendar year, approximately \$164.7 million was spent on exploration programs generating approximately 1,823 person-months of employment. Ongoing production activities accounted for expenditures of \$1.20 billion in 2021, of which approximately 59 percent of annual expenditures occurred in Newfoundland and Labrador and a further 20 percent in the rest of Canada.

The following tables summarize the participation of Newfoundland and Labrador residents and other Canadians in the production phase at the Hibernia, Terra Nova, White Rose/North Amethyst and Hebron projects, as well as the West White Rose construction phase.

## HIBERNIA MANAGEMENT AND DEVELOPMENT COMPANY LTD.

HMDC reported expenditures of approximately \$377 million in the 2021 calendar year, with 79 percent Canadian content including 62 percent Newfoundland and Labrador content.

As of December 31, 2021, total direct employment in the province in support of the Hibernia project was 1,023 persons. Of this amount, 91 percent of the workers were Newfoundland and Labrador residents at the time of hire and four percent were other Canadian residents.

**Table 12: Hibernia Employment** (as of December 31, 2021)

LOCATION	RESIDENCY			TOTAL
	NEWFOUNDLAND AND LABRADOR	OTHER CANADIANS	NON-CANADIANS	
Onshore Operations	352	16	7	375
Offshore Operations	581	22	46	649
<b>Total</b>	<b>933</b>	<b>38</b>	<b>53</b>	<b>1,024</b>

## TERRA NOVA

Suncor Energy reported expenditures of approximately \$150 million in the 2021 calendar year, with 72 percent Canadian content including 54 percent Newfoundland and Labrador content.

As of December 31, 2021, total direct employment in support of the Terra Nova project was 800 persons. At the time of hire, 74 percent of this total were Newfoundland and Labrador residents and 20 percent were other Canadian residents.

**Table 13: Terra Nova Employment** (as of December 31, 2021)

LOCATION	RESIDENCY			TOTAL
	NEWFOUNDLAND AND LABRADOR	OTHER CANADIANS	NON-CANADIANS	
Onshore Operations	566	159	43	768
Offshore Operations	29	1	2	32
<b>Total</b>	<b>595</b>	<b>160</b>	<b>45</b>	<b>800</b>

## WHITE ROSE/NORTH AMETHYST/WEST WHITE ROSE

Husky/Cenovus reported expenditures of approximately \$472 million in the 2021 calendar year, with 65 percent Canadian content including 43 percent Newfoundland and Labrador content.

As of December 31, 2021, total direct employment in support of the White Rose/North Amethyst/West White Rose projects was 1,172 persons. At the time of hire, 72 percent of this total were Newfoundland and Labrador residents and four percent were other Canadian residents.

**Table 14: White Rose/North Amethyst/West White Rose Employment** (as of December 31, 2021)

LOCATION	RESIDENCY			
	NEWFOUNDLAND AND LABRADOR	OTHER CANADIANS	NON-CANADIANS	TOTAL
Onshore Operations	608	34	285	927
Offshore Operations	235	10	0	245
<b>Total</b>	<b>843</b>	<b>44</b>	<b>285</b>	<b>1,172</b>

**HEBRON**

ExxonMobil reported expenditures of approximately \$498 million in the 2021 calendar year, with 71 percent Canadian content including 57 percent Newfoundland and Labrador content.

As of December 31, 2021, total direct employment in the province in support of the Hebron project was 1,178 persons. Of this amount, 94 percent of the workers were Newfoundland and Labrador residents at the time of hire and four percent were other Canadian residents.

**Table 15: Hebron Employment** (as of December 31, 2021)

LOCATION	RESIDENCY			
	NEWFOUNDLAND AND LABRADOR	OTHER CANADIANS	NON-CANADIANS	TOTAL
Onshore Operations	486	18	15	519
Offshore Operations	627	24	8	659
<b>Total</b>	<b>1,113</b>	<b>42</b>	<b>23</b>	<b>1,178</b>

**RESEARCH AND DEVELOPMENT, EDUCATION AND TRAINING**

The C-NLOPB continued to monitor Operator obligations to carry out R&D and E&T in the province. Before making R&D/E&T expenditures, Operators may submit proposed projects to the C-NLOPB for determination of eligibility under the C-NLOPB's R&D/E&T guidelines. There were six R&D/E&T applications submitted during 2021-22. These applications account for approximately \$667,000 in potential R&D/E&T funding. Areas of interest related to submitted applications include:

- Women in Science and Engineering NL Student Summer Employment Program;
- Canadian Engineering Leadership Conference;
- Suction Pile Capacity with Mooring Line Technology;
- Wisting FPSO Iceberg Loads Analysis;
- Mooring Chain Inspection Tool; and
- Corrosion in Umbilicals.

R&D/E&T expenditures for the 2020 calendar year were reviewed in 2021 to determine eligibility under the C-NLOPB's guidelines. Based on a review of work expenditure reports, it was determined that approximately \$38 million was spent on eligible R&D and E&T, bringing the total expenditure to approximately \$645 million since the C-NLOPB's guidelines came into effect on April 1, 2004. A breakdown of expenditures for the 2021 calendar year can be found on the C-NLOPB's website. Updates to these expenditures will be posted on an annual basis and can be found at the following link under the Industrial Benefits tab at <https://www.cnlopb.ca/information/statistics/>.

# OFFSHORE OPERATIONS

## WELL OPERATIONS

Regulatory oversight of industry's well operations is an important function of the C-NLOPB. Well operations activities may be approved in the form of an Approval to Drill a Well (ADW) in relation to the initial drilling of a well, or an Approval to Alter the Condition of a Well (ACW) where an Operator re-enters a well to perform any subsequent well operation, including a well intervention, workover operation, completion, re-completion, suspension or abandonment. In the case of well termination operations, these activities are also assessed to verify that the completion, plugging and abandonment and suspension operations conform to regulatory requirements, particularly in relation to the dual well barrier requirement.

During 2021-22, six development wells, two delineation wells and one deepwater exploration well were drilled. Special Oversight Measures were applied to the deepwater well program with a focus on pressure surveillance practices, plugging and abandonment procedures and well control measures.

During the reporting period, staff reviewed a proposal for remote drilling operations monitoring for platform wells. Focus was placed on well surveillance plans, communication protocols, aspects of training and competency verification and contingency measures.

Staff also reviewed four OA applications, which included an exploration drilling program and two wellhead recovery programs. Staff provided technical support during the safety assessment review of the OA applications, conducted a special oversight rig inspection (for the exploration drilling program) and assessed drilling, well integrity and preventative maintenance related policies and procedures. This was to ascertain that Operator practices were appropriately risk assessed and in compliance with local regulations and good industry practice. Four additional OA applications for drilling and/or production activities remained under review at the end of the reporting period.

## PRODUCTION OPERATIONS

Regulatory oversight of production operations is another important function of the C-NLOPB. Staff continued to provide technical support during safety assessment reviews and conducted ongoing monitoring of offshore production facilities. During the past year, C-NLOPB staff conducted an offshore audit which focused on production operation critical procedures. Monthly meetings were held with Operators, providing efficient and consistent risk-based discussions regarding production operation issues and any proposed production system modifications.

Staff also provided key technical assessment and input during the review and monitoring of an Operator's ongoing approach to phase in the use of onshore control room operations.

## DEVELOPMENT WELL INTEGRITY MONITORING

During the reporting period, the C-NLOPB continued to assess quarterly reports on the integrity status of all development wells within the Offshore Area, to be satisfied that Operators were maintaining well integrity to the highest standards. During 2021-22, 98.9% of development wells had a healthy well status, with no well integrity impairments. An impairment was addressed on one well through

intervention activity to replace a failed valve. Staff continued to verify that Operators had additional mitigations and monitoring plans in place for wells with impairments, while progressing plans toward repairs.

Table 16 summarizes the number of approvals and monitoring activities completed during the reporting period.

**Table 16: Well Operations Oversight Activity for 2021-22**

ACTIVITY	NUMBER COMPLETED
ACWs	21
ADWs	8
Development Wells - Integrity Monitoring	180
OA Operational Safety Assessments	1
Operational Audits/Inspections	4
Production Operations Oversight Meetings	39
Wells Subject to Special Oversight	1
Well Operations Monitored	36
Well Termination Notifications	14

### REGIONAL TECHNICAL COLLABORATION

C-NLOPB staff continued to assist the Canadian Standards Association Offshore Structures Technical Working Group in the development of related standards. In addition, a technical committee of regulator and industry personnel was established to progress work on a regional best practice document related to source control in well planning for subsea wells.

### CERTIFICATION OVERSIGHT

C-NLOPB staff continued to assess proposed Scopes of Work that describe the verification activities that Certifying Authorities (CAs) will conduct, in order to issue and maintain Certificates of Fitness for prescribed installations operating in the Offshore Area. These are assessed for compliance with the regulations and then presented for approval by the CSO, as required by the legislation. During the reporting period, C-NLOPB staff reviewed and assessed revised Scopes of Work for each of the existing offshore installations as a result of new **Occupational Health and Safety (OHS) Regulations** that came into force on January 1, 2022. As part of the ongoing oversight of certification activities, staff of the C-NLOPB also reviewed CA reports, met regularly with CAs and attended select CA offshore surveys.

CAs also undertake verification activities as Class Societies and as Delegated Authorities on behalf of Flag States. In the context of Det Norske Veritas (DNV) and Lloyd’s Register (LR) as delegated authorities for Canadian Flagged installations, C-NLOPB staff continued ongoing interaction with Transport Canada (TC) to share information on mutual matters of marine safety. This included quarterly meetings with the local TC Marine office to further enable sharing of information, with a focus on robust regulatory oversight related to marine safety.

The move toward goal oriented regulations through the Frontier and Offshore Regulatory Renewal Initiative, has identified requirements for Certification Plans that would contain details which CAs would undertake verification activity against, and reference in Scopes of Work. As of March 31, 2022,



staff were continuing to develop processes to enable effective and efficient review of these new documents that are contemplated in the proposed Regulations. Discussions occurred with industry regarding this new requirement and a draft plan was submitted for one installation to be used as a trial by both industry and the C-NLOPB, to aid in the development of respective protocols. A draft Certification Plan was reviewed and feedback provided to the Operator, who subsequently shared this feedback with other Operators.

Table 17 outlines the installations that were monitored for CA activities during 2021-22.

**Table 17: Installations Monitored for Certifying Authority Activity in 2021-22**

INSTALLATION NAME	INSTALLATION TYPE	CERTIFYING AUTHORITY
Hebron Platform	Production	LR
Hibernia Platform	Production	LR
Stena Forth MODU	Drilling	DNV
SeaRose FPSO	Production	DNV
Terra Nova FPSO	Production	LR

Table 18 outlines the CA oversight activities for the fiscal year.

**Table 18: C-NLOPB Oversight of Certifying Authority Activity for 2021-22**

ACTIVITY	NUMBER COMPLETED
C-NLOPB/CA Oversight Meetings	71
Scope of Work Assessments	6
Oversight of CA Installation Verification	3

### ASSET LIFE EXTENSION

During the reporting period, staff continued to assess and monitor Suncor Energy’s plan to execute life extension for the **Terra Nova** FPSO. As a result of the COVID-19 pandemic, Suncor Energy was not able to undertake the planned 2020 shipyard work required to support its life extension program. Suncor Energy progressed approval to undertake the identified work and as of March 31, 2022, the **Terra Nova** FPSO was in dry dock in Spain undergoing life extension work. A preliminary asset life extension plan for the **SeaRose** FPSO was received from Husky/Cenovus and is under review.

### SUBSTITUTIONS, EQUIVALENCIES OR EXEMPTIONS

The CSO and/or the Chief Conservation Officer (CCO) may authorize the use of equipment, methods, measures or standards in lieu of any required by regulations, or grant an exemption from any regulatory requirement, excluding OHS Regulation requirements, if satisfied that it will provide a level of safety, protection of the environment and resource conservation greater than, or equivalent to, that provided by compliance with regulations. A regulatory query (RQ) process is in place to evaluate and render decisions on applications for regulatory equivalencies, substitutions or exemptions.

Substitutions and Exemptions can be found on the C-NLOPB website

<https://www.cnlopb.ca/legislation/equivalencies/>.

As a result of the new OHS Regulations that came into force on January 1, 2022, facility owners have been required to assess all existing related RQs. By the end of the reporting period, submissions had

been received and assessed for all existing active installations and were being progressed for installations proposed to return to the Offshore Area during 2022. As a result of the new OHS Regulations, a high percentage of RQs were no longer required. Table 19 outlines the RQ activity for the fiscal year.

**Table 19: Regulatory Query Activity for 2021-22**

STATUS	NUMBER OF EQUIVALENCIES, SUBSTITUTIONS OR EXEMPTIONS
Applications Received	33
Approved	27
Not Required	0
Rejected	0
Withdrawn	94
Still Under Consideration	26

Note: Applications processed and under consideration may include carryover

**REGULATORY REFORM PROJECT TEAM UPDATE**

During the reporting period, the C-NLOPB’s Regulatory Reform Project Team, with participation from staff of the Canada Nova Scotia Offshore Petroleum Board (CNSOPB), continued to provide technical assistance to NRCan during the development of the new OHS Regulations. At the same time, staff from both Boards progressed the development of related OHS Guidelines, which were posted for public and stakeholder consultation in early March 2022 and continued to support a review of industry’s plans to transition to the new OHS Regulations. An internal review of the proposed Framework Regulations was completed and staff provided consolidated feedback to NRCan, as efforts progressed toward a **Canada Gazette 1** version of the Regulations. In 2022-23, efforts will focus on progressing the development of guidance associated with the proposed Framework Regulations. Work has also been undertaken internally to update processes, documents and website content associated with the new OHS Regulations. Similar effort will be undertaken in 2022-23 in preparation for the proposed Framework Regulations. Additional guidance documents currently available on the C-NLOPB website will be revised as necessary and updated on the website as they are completed.

Table 20 highlights existing guidelines requiring updates. There are other guidelines, interpretation notes, codes of practice, etc. that are also being assessed for updates or consolidation, but as the changes are not considered significant they are not listed in the table below. Industry continues to be engaged and updated on these efforts through quarterly meetings held with CAPP.

**Table 20: List of Key Existing Guidelines Requiring Revision**

NAME OF GUIDELINE
Data Acquisition and Reporting Guidelines
Development Plan Guidelines
Environmental Protection Plan Guidelines
Geophysical, Geological, Environmental and Geotechnical Program Guidelines
Incident Reporting and Investigation Guidelines
Physical Environmental Program Guidelines
Safety Plan Guidelines

## RIGHTS MANAGEMENT

### CALLS FOR NOMINATIONS

Pursuant to the Scheduled Land Tenure System, the C-NLOPB issued the following Calls for Nominations in the 2021-22 fiscal year.

**Table 21: Calls for Nominations during 2021-22**

CALL FOR NOMINATIONS	ISSUANCE DATE	CLOSING DATE
NL21-CFN01 (Parcels-Sector NL05-EN)	September 28, 2021	November 10, 2021
NL21-CFN02 (Parcels-Sector NL02-SEN)	September 28, 2021	November 10, 2021
NL21-CFN03 (Parcels-JDA)	September 28, 2021	November 10, 2021
NL22-CFN01 (Areas of Interest – EN)	January 14, 2022	March 9, 2022

### CALLS FOR BIDS

Pursuant to the Scheduled Land Tenure System, the following Calls for Bids were offered as of March 31, 2022.

**Table 22: Active Calls for Bids during 2021-22**

CALL FOR BIDS	PARCELS OFFERED	PARCELS AWARDED	CLOSING DATE	SUCCESSFUL BID (WORK EXPENDITURE COMMITMENTS)
NL16-CFB03 (Labrador South (LS))	10	0	December 22, 2021	nil

### STATUS OF LICENCES

The C-NLOPB issues land rights in the form of exploration licences (ELs), significant discovery licences (SDLs) and production licences (PLs). In the 2021-22 fiscal year, five ELs expired and two ELs were surrendered. No licences were issued.

As of March 31, 2022 there were 21 ELs, 58 SDLs and 12 PLs in the Offshore Area.

### OPERATING LICENCES

Any person planning to undertake any petroleum-related work or activity in the Offshore Area must obtain an Operating Licence (OL). Table 23 shows the 16 OLS issued by the C-NLOPB during the 2021-22 fiscal year.

**Table 23: Operating Licences Issued during Fiscal Year 2021-22**

OPERATING LICENCE	OPERATOR
OL 2101	Multiklient Invest AS
OL 2102	Equinor Canada Ltd.
OL 2103	Suncor Energy Inc.
OL 2104	BP Canada Energy Group ULC (BP)
OL 2105	CNOOC Petroleum North America ULC
OL 2106	Chevron Canada Limited
OL 2107	Chevron Canada Limited, as Managing Partner for Chevron Canada Resources
OL 2108	Husky Oil Operations Limited
OL 2109	ExxonMobil Canada Ltd.
OL 2110	ExxonMobil Canada Ltd., as Managing Partner for ExxonMobil Canada Properties
OL 2111	Imperial Oil Resources Limited
OL 2112	BHP Petroleum (New Ventures) Corporation
OL 2113	Hibernia Management and Development Company Ltd.
OL 2114	Fugro Geosurveys, a division of Fugro Canada Corp.
OL 2115	Shoal Point Energy Ltd.
OL 2116	Schlumberger Canada Limited

**FUNDS COLLECTED AND RECORDED**

Under the **Accord Acts**, the C-NLOPB is responsible for the collection of certain fees, forfeitures and rentals. In 2021-22, \$113,026,715.17 was collected and recorded by the Receiver General for Canada (see Table 24).

**Table 24: Funds Collected and Recorded on Behalf of the Receiver General for Fiscal Year 2021-22**

FEES, FORFEITURES AND RENTALS	AMOUNT COLLECTED
Rentals	\$1,343,025.00
Forfeitures (Security Deposits)	\$111,594,900.17
Access to Information Requests	15.00
Operating Licences*	\$775.00
Registry Fees (New Licences) **	\$4,000.00
Forfeitures (Drilling Deposits)	\$0.00
AMP fees	\$84,000.00
Total	<b>\$113,026,715.17</b>

\*includes \$175.00 collected by C-NLOPB in 2020-21 but recorded by Government for fiscal year 2021-22

\*\*funds collected by C-NLOPB in 2020-21 but recorded by Government for fiscal year 2021-22

Since its inception, the C-NLOPB has collected \$414,192,830.17 on behalf of the Crown for land tenure transactions.

## MANAGEMENT OF RESOURCES

### CORE STORAGE AND RESEARCH

The C-NLOPB's Core Storage and Research Centre (CSRC) archives core, cuttings, fluid samples, petrographic slides, biostratigraphic slides and other geological material derived from wells drilled in the Offshore Area. The CSRC provides public access to materials for studies and viewing once the legislated privilege period has expired. For 2021-22, the CSRC was open to modified public access while adhering to all public health guidelines to enable client access to the facility.

### GEOSCIENTIFIC PROGRAMS

Six geoscience programs without Fieldwork covering various Land Tenure regions and study types were approved during 2021-22, as shown in Table 25. The C-NLOPB reviewed and authorized one application for a geophysical program with fieldwork and one geotechnical program in the Offshore Area in 2021-22, as detailed in Table 26.

**Table 25: Geoscientific Programs without Fieldwork Authorized during 2021-22**

COMPANY	STUDY TYPE	REGION
EMCL	Geomechanical	LS
EMCL	Geophysical	JDA, SEN
EMCL	Petrographic	JDA
MUN	Stratigraphic	SEN
MUN	Geomechanical	EN
TNO-Geological Survey of the Netherlands	Geochemical	SEN, SN

**Table 26: Geoscientific Programs with Fieldwork Authorized during 2021-22**

OPERATOR	PROGRAM	REGION	SEISMIC ACQUIRED	GRAVITY/MAGNETIC ACQUIRED	OTHER DATA
MKI AS	3D Seismic	EN, JDA	13,484.7km <sup>2</sup>	N/A	N/A
Equinor	Geotechnical/ ROV Survey	EN	N/A	N/A	747.7 km video 1864.8 km MBES 1864.8 km SBP 1864.8 km SSS 28 CPT

#### Key for Tables 25 and 26

3D = Three Dimensional  
CPT = Cone Penetration Testing  
EN = Eastern Newfoundland  
EMCL = ExxonMobil Canada Ltd.  
JDA = Jeanne d'Arc

MBES = Multibeam Echosounder  
MKI AS = Multiklient Invest AS  
MUN = Memorial University of Newfoundland and Labrador  
SBP = Sub-bottom Profiling  
SSS = Sidescan Sonar

ROV = Remote Operated Vehicle  
SEN = South Eastern Newfoundland  
SN = Southern Newfoundland  
LS = Labrador South

## PRODUCTION ACCOUNTING

Production volume data received from Operators is entered into production accounting software, reviewed for accuracy, formatted and compiled. This information is then provided to government officials and posted monthly to the C-NLOPB website. These reports include produced oil, gas and water volumes for each well found in all of the producing fields, located in the Offshore Area. Efforts are underway to move to a more robust production accounting software, to accommodate the increasing quantity of data generated from the Offshore Area.

## PRODUCTION ACTIVITIES

As part of the C-NLOPB’s mandate, the Resource Management Department provides oversight of Operator production activities for consistency with the goals of maximum recovery, adherence to good oilfield practice and accurate production accounting. Resource Management staff conduct daily monitoring and review monthly production data to ensure Operators are following their approved development plans. The following table shows production for each field during 2021-22.

**Table 27: Field Production Statistics for 2021-22**

FIELD	PRODUCTION			GAS DISPOSITION				WATER INJECTED	DAILY OIL AVERAGE
	Oil	Gas	Water	Flared	Fuel	Injected	Lift		
	MMbbl	Bscf	MMbbl	Bscf	Bscf	Bscf	Bscf		
<b>Hibernia</b>	34.52	92.54	47.70	1.98	5.60	84.95	12.88	81.86	94,578
<b>Terra Nova</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>White Rose</b>	5.41	36.80	5.23	1.19	3.30	26.36	10.01	5.42	14,834
<b>North Amethyst</b>	1.49	4.48	11.61	0.15	0.41	3.51	8.04	5.73	4,104
<b>Hebron</b>	49.68	19.53	13.37	0.79	5.94	12.79	23.13	69.23	136,141

Note: North Amethyst gas injection goes into White Rose Field.

Table 28 shows total cumulative production for each field up to March 31, 2022.

**Table 28: Field Production Statistics Cumulative to March 31, 2022**

FIELD	PRODUCTION			GAS DISPOSITION				WATER INJECTED
	Oil	Gas	Water	Flared	Fuel	Injected	Lift	MMbbl
	MMbbl	Bscf	MMbbl	Bscf	Bscf	Bscf	Bscf	
<b>Hibernia</b>	1,220.38	2,119.03	729.28	103.39	129.01	1,886.55	42.83	1,873.13
<b>Terra Nova</b>	425.03	842.35	378.15	64.65	75.27	702.43	144.52	810.58
<b>White Rose</b>	260.61	383.90	167.27	40.59	49.65	288.96	149.23	560.89
<b>North Amethyst</b>	57.95	53.29	100.98	4.40	8.53	39.76	69.60	145.54
<b>Hebron</b>	178.16	76.08	21.34	10.17	22.35	43.58	57.53	188.01

Note: North Amethyst gas injection goes into White Rose Field.

#### MEASUREMENT AUDITS AND WITNESSING

Resource Management staff are responsible for witnessing fiscal metering recertification and calibrations on all production facilities. The meter prover package is used to ensure that fiscal meters used for measuring volumes of oil and gas offloaded to transport tankers remain within an accuracy of +/- 0.25%. The accuracy of these meters is critically important because they are used in royalty calculations, therefore the recertification and calibration occurs annually.

During the reporting period, recertification and calibration witnessing took place virtually for the **Hibernia** and **Hebron** Platforms. Husky/Cenovus was granted an extension for the **SeaRose** FPSO master meter recertification, with witnessing to take place in the spring of 2022. Suncor Energy did not conduct recertification of the **Terra Nova** FPSO's fiscal package during the 2021-22 fiscal year, as it was not producing.

## **CORPORATE SERVICES**

### **COVID-19 PANDEMIC RESPONSE**

During 2021-22, the C-NLOPB continued to adapt its safety measures to prevent the spread of COVID-19 in the workplace. In February 2021, in line with the advice of Newfoundland and Labrador's Chief Medical Officer of Health, the C-NLOPB transitioned its employees to a "work-from-home" arrangement. This continued throughout the summer and employees were given the option of returning to the office at reduced capacity, while adhering to safety protocols. In September 2021, employees returned to "in-office" work and back again to a "work-from-home" arrangement in December 2021. A new remote work policy was established in response to the changing work environment, which enabled the C-NLOPB to position itself favourably for recruiting and retaining staff. The C-NLOPB transitioned to an Endemic COVID-19 plan in March 2022.

### **BUSINESS MANAGEMENT SYSTEM**

During 2021-22 the C-NLOPB commenced work on the Business Management System (BMS) and its core processes. In particular, a documentation framework for documenting policies, procedures and workflows was developed, a continual improvement process was implemented, and a BMS Team was created to support Quality Management activities. An internal audit plan was also implemented and several internal audits were conducted during the fiscal year.

### **CORE STORAGE AND RESEARCH CENTRE (CSRC)**

In January 2022, a tender was awarded for minor renovations to the office area and construction of a dedicated information IT server room at the CSRC. At the end of the reporting period, this work was nearing completion.

### **INFORMATION TECHNOLOGY AND CYBER SECURITY**

Protecting IT systems and data housed within those systems is a vital priority of the C-NLOPB. Early in 2021-22, focus was placed on user awareness training to educate employees about cyber threats and cyber security protection practices. From December 2021 onward, significant attention was focused on the Apache Log4j vulnerability, which was discovered to be a global threat existing in many third party application services. This vulnerability was ranked exceptionally high for severity and potential impact by cyber security experts. Once alerted to the existence of the vulnerability, the C-NLOPB performed an extensive discovery of all network attached devices and performed regular checks of vendor sites for patches and updates, to ensure all devices/software were protected from Log4j and other vulnerabilities. Several other cyber security changes have been implemented since the detection of Apache Log4j, to detect and block malicious cyber activity.

### **LAUNCH OF NEW FRENCH C-NLOPB WEBSITE AND BILINGUAL SERVICES**

In April 2020, the Office of the Commissioner of Official Languages issued an investigation report in response to complaints received by the federal government, regarding the availability of French language information from both the C-NLOPB and CNSOPB. The Commissioner of Official Languages recommended that the content of both Boards' websites be available in both official languages and that each Board has the ability to communicate with, and provide services of equal quality to, Canadians in both English and French. These recommendations were directed to NRCan, the federal responsible body. NRCan has committed to fully covering the incremental costs associated with



providing bilingual services for both Boards and is committed to meeting its obligations under the Official Languages Act. These costs will not be recovered by industry.

Since 2020, NRCan, in consultation with the C-NLOPB, has progressed the translation of in-scope website content and the development of the C-NLOPB mirror French website, which has required the translation of thousands of C-NLOPB-generated documents. NRCan anticipates to have all remaining in-scope documents translated and available on the C-NLOPB French website, by early 2023.

The C-NLOPB, in collaboration with NRCan, has developed a steady-state document, which outlines the go forward plan for funding and incremental costs, website development, technical assistance, translation services, and out of scope content for the French website and bilingual services. This plan can be found on both English and French C-NLOPB websites at [www.cnlopb.ca](http://www.cnlopb.ca) and [www.ctnlohe.ca](http://www.ctnlohe.ca).

The C-NLOPB and NRCan will continue to review bilingual services provided by the C-NLOPB, to determine if additional support from NRCan is required.

The new French C-NLOPB website can be found at [www.ctnlohe.ca](http://www.ctnlohe.ca) and French Information Requests can be submitted through [information@cnlopb.ca](mailto:information@cnlopb.ca) or by calling (709) 778-1400.



Hibernia Platform

# REGULATORY INITIATIVES AND COORDINATION

## REGULATORY PROCESS IMPROVEMENTS

A number of regulatory process improvements were initiated by C-NLOPB staff in 2021-22, further to recommendations arising from the Newfoundland and Labrador Oil and Gas Industry Recovery Task Force.

C-NLOPB staff have made presentations to companies actively planning exploratory drilling in 2022 to ensure there is clarity regarding the rig intake/OA process. Positive feedback has been received from Operators and no significant issues with the rig intake process are anticipated for the 2022 exploratory drilling programs.

In addition, engagements are continuing with companies that may conduct exploratory drilling in 2023-24 to ensure clarity of the rig intake/authorization process. Lessons learned about the rig intake/authorization process are being received from, and provided to Operators of recent exploration drilling programs, to ensure process improvements are made for future programs. Timelines for recent rig intakes have been documented and digital options for the rig intake/authorization process are being assessed.

Consistent with presentations to Operators planning/contemplating exploratory drilling, a “process roadmap” for the rig intake/authorization process for exploratory drilling is being developed, and will be posted on the C-NLOPB website when completed.

## GUIDELINES

During the reporting period, the following Guidelines were finalized following public consultations and posted to the C-NLOPB website:

- **Allowable Expenditure Credit Guideline** and an **Application for Allowable Expenditure Credit Template**; and
- jointly developed C-NLOPB and CNSOPB **Remotely Piloted Aircraft Systems Guidelines**.

## MEMORANDA OF UNDERSTANDING

The C-NLOPB and Fisheries and Oceans Canada (DFO) have a MOU in place to support and promote the effective coordination and planning of activities of mutual interest. As part of the implementation of the MOU, the two parties develop an annual Work Plan which identifies collaborative projects and activities. An annual Activity Report is also produced to provide an overview of collaborative work conducted each year. In December 2021, the Work Plan and Activity Report for 2021-22 were posted to the C-NLOPB and DFO websites and can be found here: [www.cnlopb.ca/woplacre/](http://www.cnlopb.ca/woplacre/).

An update to the MOU between the C-NLOPB and the Transport Canada Marine Safety and Security and Aircraft Services Directorate was also made during the reporting period and posted to the C-NLOPB website.

As of March 31, 2022, work between the C-NLOPB and Canadian Coast Guard continued to finalize a MOU, that will establish the cooperation in marine pollution response operations and activities through sharing of related information and joint training and exercises.

**AUTHORIZATIONS**

During 2021-22, C-NLOPB staff coordinated the issuance of five Authorizations and issued 14 amendments to Authorizations.

**Table 29: Authorizations Issued by the C-NLOPB during 2021-22**

OPERATOR	AUTHORIZATION TYPE	INSTALLATION/VESSEL
CNOOC	Exploration Drilling	<b>Stena Forth</b> MODU
Equinor	Geotechnical Operations	Offshore Support Vessel <b>Horizon Enabler</b>
EMCL	Renewal of Operations Authorization	<b>Hebron</b> Platform
HMDC	Hibernia Crane Replacement	Deepwater Construction Vessel <b>Hareema Balder</b>
MKI	Geophysical Operations	Marine Seismic Vessels <b>Ramform Titan</b> and <b>Ramform Atlas</b>



SeaRose FPSO

The following table shows all regulatory review, licensing, auditing and approved activities for the C-NLOPB during the 2021-22 fiscal year.

**Table 30: Regulatory Review, Licensing, Auditing and Approval Activities for 2021-22**

ACTIVITY	NUMBER
Application for Regulatory Equivalency	33
Approval to Alter the Condition of a Well	20
Approval to Drill a Well	8
Benefits Plan Approval (new or amended)	1
Commingled Production Approval	1
Diving Program Authorization	0
Environmental Assessment (new, amended or updated)	5
Environmental Audit and Inspection	13
Environmental Program Authorization	0
Exploration Licence (new or amended)	2
Field Data Acquisition Program Approval	3
Flow System Application Approval	0
Flow System (Metering) Audit/Witness	4
Greenhouse Gas Audit/Witness	0
Formation Flow Test Program Approval	0
Gas Flaring Approval	3
Geological Program (without fieldwork)	5
Geological Program (with fieldwork)	0
Geophysical Operations Authorization (with fieldwork)	1
Geophysical Program Authorization (without fieldwork)	1
Geotechnical Program Authorization	1
Notice of Non-Compliance/Non-Conformance	4
Offshore Worker Complaints Processed	0
Operations Authorization (new or amended)	3
Operating Licence	16
Operational Waiver/Deviation from an Approved Well Data Acquisition Program	3
Pooling Designation	0
Production Licence (new or amended)	0
Regional Assessment (new or ongoing)	1
Safety Assessment	22
Safety Audit/Inspection	12
Significant Discovery Licence (new or amended)	0
Strategic Environmental Assessment (new or ongoing)	1

# DIGITALIZATION AND ANALYTICS

## DIGITAL TECHNOLOGY IMPLEMENTATION

C-NLOPB staff are working on a number of initiatives to support innovative regulatory oversight as the industry increasingly moves toward digital solutions. The ongoing digital transformation of the petroleum sector is generating changes in the way offshore projects are being assessed from design to decommissioning.

A significant portion of digitalization and digital technology is focused on increased safety, environmental protection, operational efficiency and emissions reduction. This continued expansion and implementation of digital technology is creating significant opportunities for improvement throughout the oil and gas lifecycle, while generating new challenges and expectations for the C-NLOPB. Working with Operators, governments and regulatory colleagues in Canada and around the world, C-NLOPB staff are focused on efficient regulatory assessment and oversight of digital technology, to ensure that safety and environmental operations in these areas produce outcomes that are equivalent to, or greater than, those achieved by previous methodologies.

In addition to detailed and rigorous regulatory approval processes, the C-NLOPB recognizes the need and importance of increased communications, education and stakeholder collaboration in the digitalization space, both internationally and within the local digital oil and gas ecosystem. Through several external initiatives including work with the International Regulators Forum (IRF) and the Newfoundland and Labrador Oil and Gas Industry Recovery Task Force, the C-NLOPB is committed to holding Operators to the safe and environmentally sound implementation of digital technology.

In an effort to increase capability, improve efficiency, provide modern access to data and enhance assessment and analytics during 2021-22, the C-NLOPB focused efforts on several key platforms in the areas of safety, resource management, IT and information management and have progressed and completed several significant internal projects.

## DEPARTMENT OF DIGITALIZATION AND ANALYTICS

In order to ensure a dedicated and focused approach to these important areas, the C-NLOPB created a new management position, Director of Digitalization and Analytics, reporting directly to the Chief Executive Officer. With a mandate of facilitation, support and oversight of digitalization and work planning activities for the C-NLOPB, the Director of Digitalization and Analytics is focused internally and externally on the implementation of digital technology allowing for increased efficiency, improved outcomes, increased analytical capabilities and enhanced oversight for the public and the oil and gas industry.

Current areas of priority include:

- regulatory equivalency of new digital technology;
- training, competency and human factors;
- data and information management;
- cyber security;
- local digitalization ecosystem; and
- efficient, optimized and accountable C-NLOPB work planning.

## **SYNERGI LIFE**

Synergi Life will be the backbone of the C-NLOPB's Safety Oversight Management Information System. It will modernize the management of incidents, audits and inspections stemming from offshore operations and will provide significant improvements in analysis and trend identification of safety data.

## **INTERNAL PRODUCTION ACCOUNTING AND TECHNICAL DATA MANAGEMENT SYSTEMS REVIEW**

The C-NLOPB commenced a multi-year project to assess and implement a new technical data management system for storing subsurface information including production data, well data and seismic data. Key drivers include increased automation and efficiencies related to data management, integrity and availability and additional capabilities in data analysis and analytics.

## **DIGITAL DATA DISCLOSURE AND IMPLEMENTATION OF THE C-NLOPB DATA AND INFORMATION HUB**

The C-NLOPB's approach to the disclosure of data and information has evolved as the industry has moved toward more modern exploration technologies and as digital data submissions have grown in size and frequency. Development of the C-NLOPB's **Disclosure of Digital Data and Information Policy** has aided the transition to disclose data in a modern digital format that affords numerous benefits to industry, other stakeholders and the general public, including the simplification of data submissions, efficient access and usage of data.

In a significant step to modernize public access to information and data, the C-NLOPB Data and Information Hub was implemented during the 2021-22 fiscal year. It provides a user-friendly ArcGIS map interface for internal and external access to over 41,000 non-privileged documents, reports and shapefiles. The initial implementation focused on well and geophysical program information and associated data listings. Subsequent phases are planned through 2023 and will include expanded data and information types. Regular updates of active exploration, development and production information and data is made available as relevant privilege periods expire.

## **IMPLEMENTATION OF ELECTRONIC FILING PLATFORM FOR FINANCIAL INSTRUMENTS**

The C-NLOPB partnered with the Royal Bank of Canada to develop an online filing system for the administration of security deposits. The pandemic highlighted the need for electronic business transactions and this initiative allowed the C-NLOPB and licence representatives to pivot from paper to electronic filings. The new system was launched in November 2021 and received positive feedback from stakeholders.

## **INCREASED CAPACITY AND CAPABILITY WITH RESPECT TO IT AND CYBER SECURITY**

As part of the overall strategy for continuous digital improvement, C-NLOPB staff completed an operational review of IT functionalities and capabilities, to ensure appropriate IT resources are available in an ever-increasing digital workspace. Through this work, both areas of excellence and areas for improvement were identified, resulting in new IT capacity and improved capabilities.

## INFORMATION AND DATA MANAGEMENT

### C-NLOPB DATA AND INFORMATION HUB

The C-NLOPB receives and disseminates information relevant to work authorized in the Offshore Area, as requests for information are received and processed in the C-NLOPB Information Resources Centre. In 2021-22, the C-NLOPB launched a new map-based Data and Information Hub, which modernizes access to technical information previously only accessible by an information request process. The majority of technical information, which has passed the statutory privilege period, may now be accessed directly through the C-NLOPB Data and Information Hub which can be accessed from [www.cnlopb.ca](http://www.cnlopb.ca), while all other requests and inquiries will continue to be directed to [information@cnlopb.ca](mailto:information@cnlopb.ca).

### REQUESTS FOR INFORMATION

During 2021-22, the C-NLOPB received 146 requests for information from external parties. These requests were primarily related to access to non-privileged offshore petroleum technical data provided to the C-NLOPB by Operators. These did not require formal applications under the **Access to Information Act**. Requests for Information received in 2021-22 can be found in the following table.

**Table 31: Requests for Information Received in 2021-22**

TYPE OF REQUEST	NUMBER OF REQUESTS
Government of Newfoundland and Labrador	12
Government of Canada	18
Education	16
Industry	94
Other	6
Total	146

### ACCESS TO INFORMATION ACT

The C-NLOPB received four formal requests under the **Access to Information Act** during 2021-22. One request was carried over from 2020-21 and three were closed during 2021-22, therefore two requests will be carried over to 2022-23. There was one formal consultation request under the **Access to Information Act** during 2021-22 which was closed. As required by the **Access to Information Act**, a separate annual report on the C-NLOPB's administration of the **Act** during 2021-22, will be tabled in Parliament in 2022. The following table outlines requests received during the reporting period under the **Access to Information Act**.

**Table 32: Requests under the Access to Information Act for 2021-22**

TYPE OF REQUEST	NUMBER OF REQUESTS
Requests Closed	3
Requests Carried over to 2022-23	2
Consultations Closed	1
Complaints	0
Court Action	0

## **INTERNATIONAL COLLABORATION**

### **INTERNATIONAL REGULATORS FORUM**

As the Chair of the International Regulators Forum (IRF) until October 2021, the C-NLOPB, along with the CNSOPB and the Canada Energy Regulator, helped Canada lead the international discussion of industry performance over the past year.

As the offshore petroleum industry continued to respond to the global pandemic, the IRF held their second virtual Annual General Meeting on October 6-7, 2021. Members reviewed industry performance indicators, discussed best practices and shared lessons learned as the industry and regulators faced the challenges associated with the global pandemic. Discussions also focused on developments in regulatory oversight in areas including digitalization, well control, investigations, inspections, renewable offshore energy, and abandonment and decommissioning.

As of October 2021, Australia has assumed the role of Chair of the IRF. The C-NLOPB and all other members will continue to share a commitment to work together to promote improvements in health and safety to protect offshore workers and the environment.

Further information is available at <https://irfshoresafety.com>.

### **INTERNATIONAL OFFSHORE PETROLEUM ENVIRONMENTAL REGULATORS**

The C-NLOPB is a founding member of the International Offshore Petroleum Environmental Regulators (IOPER), a collaborative group of national regulators whose focus is to drive improvements to environmental performance in the global offshore petroleum exploration and production industry. During the reporting period, the C-NLOPB attended the virtual IOPER Annual General Meeting in October 2021. IOPER working groups focused their efforts on acoustic effects of offshore oil and gas activities and spill preparedness and response.

IOPER members continue to share information concerning environmental impact research collaboration opportunities, decommissioning, and compliance and enforcement tool research. Further information is available at [www.ioper.org](http://www.ioper.org).

### **ADDITIONAL INTERNATIONAL COLLABORATION**

The C-NLOPB continued with a lead role in liaising with groups such as the Wells Working Group and the Health and Safety (Asset Integrity) Working Group, for the North Sea Offshore Authorities Forum. The primary focus of these efforts is to continue networking with regulatory counterparts, support awareness and continue sharing best regulatory practices in the areas of well operations, process safety and asset integrity.

The C-NLOPB continues to work closely on digitalization and other shared priorities under the auspices of a cooperation MOU with Norway's Petroleum Safety Authority. Additionally, collaboration occurred with the Australian Regulator, the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), which focused on best practices for well suspension, well integrity and decommissioning. Continued engagement with NOPSEMA is expected throughout 2022.



## APPENDIX: LIST OF ABBREVIATIONS AND UNITS

### LIST OF ABBREVIATIONS

**ACW** (Approval to Alter the Condition of a Well)  
**ADW** (Approval to Drill a Well)  
**AMP** (Administrative Monetary Penalty)  
**BMS** (Business Management System)  
**CA** (Certifying Authority)  
**CAPP** (Canadian Association of Petroleum Producers)  
**CCO** (Chief Conservation Officer)  
**CEAA 2012** (**Canadian Environmental Assessment Act 2012**)  
**C-NLOPB** (Canada-Newfoundland and Labrador Offshore Petroleum Board)  
**CNOOC** (China National Offshore Oil Corporation Petroleum North America ULC)  
**CNSOPB** (Canada Nova Scotia Offshore Petroleum Board)  
**CSO** (Chief Safety Officer)  
**CSRC** (Core Storage and Research Centre)  
**CVM** (Compliance Verification Matrix)  
**DFO** (Fisheries and Oceans Canada)  
**DNV** (Det Norske Veritas)  
**EA** (Environmental Assessment)  
**E&T** (Education and Training)  
**EEM** (Environmental Effects Monitoring)  
**EL** (Exploration Licence)  
**EMCL** (ExxonMobil Canada Ltd.)  
**EMCP** (ExxonMobil Canada Properties)  
**EN** (Eastern Newfoundland)  
**EPP** (Environmental Protection Plan)  
**ESRF** (Environmental Studies Research Fund)  
**FPSO** (Floating, Production, Storage and Offloading Vessel)  
**HMDC** (Hibernia Management and Development Company)  
**IA** (Impact Assessment)  
**IAA** (**Impact Assessment Act**)  
**IAAC** (Impact Assessment Agency of Canada)  
**IET** (Department of Industry, Energy and Technology)  
**IOPER** (International Offshore Petroleum Environmental Regulators)  
**IRF** (International Regulators' Forum)  
**IT** (Information Technology)  
**JDA** (Jeanne d'Arc)  
**LR** (Lloyd's Register)  
**LS** (Labrador South)  
**MGGA** (**Management of Greenhouse Gas Act**)  
**MKI AS** (MultiKlient Invest AS)  
**MODU** (Mobile Offshore Drilling Unit)

**MOU** (Memorandum of Understanding)  
**MUN** (Memorial University of Newfoundland)  
**NOPSEMA** (National Offshore Petroleum Safety and Environmental Management Authority)  
**NRCan** (Natural Resources Canada)  
**OA** (Operations Authorization)  
**Offshore Area** (Canada-Newfoundland and Labrador Offshore Area)  
**OHS** (Occupational Health and Safety)  
**OL** (Operating Licence)  
**PL** (Production Licence)  
**RA** (Regional Assessment)  
**R&D** (Research and Development)  
**ROV** (Remote Operated Vehicle)  
**RQ** (Regulatory Query)  
**SDL** (Significant Discovery Licence)  
**SEA** (Strategic Environmental Assessment)  
**SEN** (South Eastern Newfoundland)  
**SN** (Southern Newfoundland)  
**TC** (Transport Canada)

## **LIST OF UNITS**

**bbbl** (barrels)  
**bscf** (billion standard cubic feet)  
**kg** (Kilogram)  
**km** (kilometres)  
**MMbbl** (million barrels)  
**t CO<sub>2</sub> e** (Tonnes of carbon dioxide equivalent)  
**t CO<sub>2</sub> e/hr** (Tonnes of carbon dioxide emissions per hour)

# FINANCIAL STATEMENTS

Financial Statements of

**CANADA - NEWFOUNDLAND AND  
LABRADOR OFFSHORE PETROLEUM  
BOARD**

And Independent Auditors' Report thereon

Year ended March 31, 2022



KPMG LLP  
TD Place  
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St. John's NL A1C 6H6  
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## INDEPENDENT AUDITORS' REPORT

To the Board Members of Canada – Newfoundland and Labrador Offshore Petroleum Board

### *Opinion*

We have audited the accompanying financial statements of Canada – Newfoundland and Labrador Offshore Petroleum Board (the Board), which comprise:

- the statement of financial position as at March 31, 2022
- the statement of operations for the year then ended
- the statement of changes in accumulated surplus for the year then ended
- the statement of net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Canada – Newfoundland and Labrador Offshore Petroleum Board as at March 31, 2022, and its results of operations and the changes in its accumulated surplus and net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditors’ Responsibilities for the Audit of the Financial Statements**” section of our auditors’ report.

We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

St. John's, Canada  
June 3, 2022

# Canada - Newfoundland and Labrador Offshore Petroleum Board

Statement of Financial Position

March 31, 2022 with comparative information for 2021

	2022	2021
<b>Financial assets</b>		
Cash and cash equivalents	\$ 17,598,547	\$ 18,444,880
Receivables (note 2)	1,895,764	269,322
	<u>19,494,311</u>	<u>18,714,202</u>
<b>Liabilities</b>		
Payables and accruals (note 3)	9,708,851	10,501,607
Accrued employee future benefit obligation (note 4)	12,657,300	11,624,400
	<u>22,366,151</u>	<u>22,126,007</u>
Net debt	(2,871,840)	(3,411,805)
<b>Non-financial assets</b>		
Prepays	615,973	1,155,937
Tangible capital assets (schedule 1)	3,598,084	4,230,237
	<u>4,214,057</u>	<u>5,386,174</u>
Commitments (note 6)		
Impact of COVID-19 (note 9)		
Accumulated surplus	\$ 1,342,217	\$ 1,974,369

See accompanying notes to the financial statements.

On behalf of the Board



Chair

  
Wes Foote

Board Member



# Canada - Newfoundland and Labrador Offshore Petroleum Board

## Statement of Operations

Year ended March 31, 2022 with comparative information for 2021

	Actual 2022	Budget 2022	Actual 2021
Revenue:			
Operating grants:			
Government of Canada	\$ 10,840,135	\$ 11,187,500	\$ 10,660,258
Government of Newfoundland and Labrador	10,840,135	11,187,500	10,660,258
	21,680,270	22,375,000	21,320,516
Add:			
Costs recovered from industry	21,680,270	22,375,000	21,320,516
Interest and other	36,828	22,777	17,912
	21,717,098	22,397,777	21,338,428
Less:			
Cost recoveries refunded to governments	21,680,270	22,375,000	21,320,516
Net revenue	21,717,098	22,397,777	21,338,428
Expenses (schedule 2)			
Board and executive office	3,046,243	3,204,955	2,475,605
Corporate services	6,965,374	7,280,844	7,089,024
Environmental affairs	1,337,526	1,301,351	1,216,670
Exploration and information resources	2,293,601	2,423,208	2,289,798
Industrial benefits	437,819	504,431	521,922
Legal	648,030	648,018	498,301
Operations	1,868,473	2,051,656	1,564,574
Regulatory coordination and public engagement <sup>1</sup>	680,891	629,096	–
Resource management	2,522,056	2,713,663	2,796,268
Safety	2,549,237	2,479,187	2,615,073
	22,349,250	23,236,409	21,067,235
Annual (deficit) surplus	\$ (632,152)	\$ (838,632)	\$ 271,193

See accompanying notes to the financial statements.

# Canada - Newfoundland and Labrador Offshore Petroleum Board

## Statement of Changes in Accumulated Surplus

Year ended March 31, 2022 with comparative information for 2021

	Actual 2022	Budget 2022	Actual 2021
Accumulated surplus, beginning of year	\$ 1,974,369	\$ 1,965,153	\$ 1,703,176
Annual (deficit) surplus	(632,152)	(836,632)	271,193
Accumulated surplus, end of year	\$ 1,342,217	\$ 1,128,521	\$ 1,974,369

See accompanying notes to financial statements.

# Canada - Newfoundland and Labrador Offshore Petroleum Board

## Statement of Net Debt

Year ended March 31, 2022 with comparative information for 2021

	2022	2021
Annual (deficit) surplus	\$ (632,152)	\$ 271,193
Acquisition of tangible capital assets	(428,078)	(1,266,963)
Amortization of tangible capital assets	1,060,231	995,771
Decrease (increase) in prepaids	539,964	(774,153)
Decrease (increase) in net debt	539,965	(774,152)
Net debt, beginning of year	(3,411,805)	(2,637,653)
Net debt, end of year	\$ (2,871,840)	\$ (3,411,805)

See accompanying notes to financial statements.

# Canada - Newfoundland and Labrador Offshore Petroleum Board

## Statement of Cash Flows

Year ended March 31, 2022 with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual (deficit) surplus	\$ (632,152)	\$ 271,193
Amortization of tangible capital assets	1,060,231	995,771
	428,079	1,266,964
Change in non-cash items:		
Accrued employee future benefit obligation	1,032,900	805,100
Receivables	(1,626,442)	1,288,916
Prepays	539,964	(774,153)
Payables and accruals	(792,756)	(2,552,099)
Operating transactions	(418,255)	34,728
Capital activity:		
Cash used to acquire tangible capital assets	(428,078)	(1,266,963)
Decrease in cash and cash equivalents	(846,333)	(1,232,235)
Cash and cash equivalents, beginning of year	18,444,880	19,677,115
Cash and cash equivalents, end of year	\$ 17,598,547	\$ 18,444,880

# Canada - Newfoundland and Labrador Offshore Petroleum Board

Notes to the financial statements

Year ended March 31, 2022

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The Canada-Newfoundland & Labrador Offshore Petroleum Board (the Board) was formed in 1985 to administer the relevant provisions of the *Canada-Newfoundland Atlantic Accord Implementation Acts* as enacted by the Parliament of Canada and the Legislature of Newfoundland and Labrador.

## 1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants and reflect the following significant accounting policies.

### a) Use of estimates:

In preparing the Board's financial statements in conformity with Canadian public sector accounting standards, management are required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of tangible capital assets, estimated accrued employee future benefits, rates of amortization, and impairment of assets.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available.

Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

### b) Revenue recognition:

Operating grants are recognized when approved, less amounts repayable for expenses not incurred.

Costs recovered from industry are recognized in the period when the related service is performed and when collection is reasonably assured.

Interest and other revenues are recognized as earned and when collection is reasonably assured.

### c) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand, balances with banks, and guaranteed investment certificates.

### d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives generally extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus (deficit), provides the change in net debt for the year.

# Canada - Newfoundland and Labrador Offshore Petroleum Board

Notes to the financial statements  
Year ended March 31, 2022

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## 1. Significant accounting policies (continued):

### e) Tangible capital assets:

Tangible capital assets are recorded at cost. Depreciation is provided annually at rates calculated to write off the assets over their estimated useful life as follows, except in the year of acquisition when one half of the rate is used.

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Buildings	4%	declining balance
Leasehold improvements	5 years	straight line
Furniture and fixtures	4 years	straight line
Data management system	3 years	straight line
Computer software	1 year	straight line
Computer equipment	3 years	straight line

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### f) Impairment of tangible capital assets:

When a tangible capital asset no longer contributes to the Board's ability to provide service, and the value of future economic benefits associated with the tangible capital asset is less than the net book value, the carrying value of the tangible capital asset is reduced to reflect the decline in the asset's value.

### g) Capital grants:

Federal and provincial grants received for annual capital expenditures are recognized as revenue in the year in which they are received.

### h) Employee future benefits:

The Board provides group life and health benefits for eligible employees. The Board currently contributes 100% of the premiums for medical and dental benefits, and 50% for life insurance for retired employees. During the 2019-2020 year this plan was amended such that it was closed to new employees hired after March 31, 2020. The plan was amended such that employees retiring after December 31, 2025 (previously March 31, 2025) will be subject to 50% retiree medical and dental benefits premium cost sharing.

These retirement benefits are recorded on an accrual basis based on an actuary's estimate. Actuarial gains and losses are amortized on a straight-line basis over the average remaining service period of the active members expected to receive benefits under the plan (15 years).

### i) Retiring allowance:

The Board also provides a retirement allowance benefit for eligible employees. This benefit accrues over the estimated service life of the employees and is expensed according to actuarial estimates and assumptions. During the 2019-2020 year the Board made a decision to modify the Retiring allowance policy. The policy will not apply to new hires after March 31, 2020.

# Canada - Newfoundland and Labrador Offshore Petroleum Board

Notes to the financial statements  
Year ended March 31, 2022

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## 1. Significant accounting policies (continued):

### j) Financial instruments:

The Board considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Board accounts for the following as financial instruments:

- cash and cash equivalents;
- receivables; and
- payables and accruals.

A financial asset or liability is recognized when the Board becomes party to contractual provisions of the instrument.

The Board initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Board subsequently measures its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at cost include cash and cash equivalents, and receivables. Financial liabilities measured at cost include payables and accruals.

The Board removes financial liabilities, or a portion of, when the obligation is discharged, cancelled, or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net annual surplus.

## 2. Receivables:

	2022	2021
Trade	\$ 2,711	\$ 27,165
Accrued Cost Recovery	1,734,600	—
Other	158,453	242,157
	<u>\$ 1,895,764</u>	<u>\$ 269,322</u>

# Canada - Newfoundland and Labrador Offshore Petroleum Board

Notes to the financial statements

Year ended March 31, 2022

### 3. Payables and accruals:

	2022	2021
Trade	\$ 2,932,283	\$ 4,022,079
Government of Canada	3,388,284	3,239,764
Government of Newfoundland and Labrador	3,388,284	3,239,764
	<b>\$ 9,708,851</b>	<b>\$ 10,501,607</b>

### 4. Accrued employee future benefit obligation:

Group life and group health plans:

The Board provides for coverage under the group life and group health plans upon retirement from active service for its employees.

The most recent actuarial valuation for the accrued employee future benefit obligation was performed effective March 31, 2020 with and extrapolation to March 31, 2022.

The accrued benefit liability and benefits expense are outlined below:

	2022	2021
Reconciliation of funded status	\$ 11,476,600	\$ 12,488,300
Unamortized net actuarial loss	190,700	2,092,700
Accrued benefit liability	<b>\$ 11,285,900</b>	<b>\$ 10,395,600</b>

	2022	2021
Net benefit expense		
Current service cost	\$ 668,300	\$ 540,700
Amortization of actuarial loss	139,500	–
Interest cost	234,900	232,500
Cost of plan amendment	–	102,900
	<b>\$ 1,042,700</b>	<b>\$ 876,100</b>



# Canada - Newfoundland and Labrador Offshore Petroleum Board

Notes to the financial statements  
Year ended March 31, 2022

## 4. Accrued employee future benefit obligation (continued):

Retiring allowance:

The board provides a retiring allowance to employees hired before March 31, 2020 upon death or retirement. The allowance is equal to one week's pay for each year of employment with the Board, to a maximum of 20 week's pay. Employees must have a minimum of five year's employment with the Board to qualify under this policy.

	2022	2021
Accrued benefit liability	\$ 1,371,400	\$ 1,228,800

The accrued benefit liability is net of unamortized actuarial losses of \$41,900 (2021 - losses of \$103,200).

	2022	2021
Net benefit expense:		
Current service cost	\$ 127,700	\$ 119,400
Amortization of actuarial loss	6,300	1,900
Interest cost	26,100	29,400
	\$ 160,100	\$ 150,700

Significant actuarial assumptions used in calculating the accrued benefit liability for the employee future benefit and the retiring allowance is as follows:

	2022	2021
Discount rate	2.20%	1.80%
Rate of increase in compensation levels	2.00%	2.00%
Dental inflation rate	4.00%	4.00%
Medical inflation rate	4.00%	4.00%

## 5. Defined benefit public service pension plan:

The Board participates in the Government of Newfoundland and Labrador's defined benefit Public Service Pension Plan ("the Plan"). The assets of the Plan are held separately from those of the Board in an independently administered fund. Plan participation is mandatory for all full-time employees with greater than 3 calendar months of continuous employment.

Effective on January 1, 2015, pension plan changes came into effect that required increase to contribution rates, and changes to pension eligibility. Plan members must now have a minimum of 10 years of pensionable service (with a 5 year transition under the old rules) to obtain a pension benefit. Normal retirement age under the Plan is 65 however early retirement options are available.

# Canada - Newfoundland and Labrador Offshore Petroleum Board

Notes to the financial statements

Year ended March 31, 2022

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## 5. Defined benefit public service pension plan (continued):

Members of the Plan are required to make contributions toward the funding of their pension benefits as follows:

- (i) 10.75% of earnings up to the Year's Basic Exemption, the portion of earnings upon which no CPP contributions are required;
- (ii) 8.95% of earnings in excess of the Year's Basic Exemption up to and including the Year's Maximum Pensionable Earnings ("YMPE"); and
- (iii) 11.85% of earnings in excess of the YMPE.

Pensions paid under the Plan are indexed annually. Indexing is applied at the rate of 60% of the increase in the Consumer Price Index ("CPI"), with the increase in the CPI capped at 2%.

Employees who retire after January 1, 2015 shall have their pensions indexed only on the service credited before January 1, 2015. Indexing applies to benefits of pensioners who have attained age 65 prior to October 1 of each year.

For future service, pensions will be calculated by using the best 6 years of average pensionable earnings. For past service, pensions will be calculated by using the higher of: the frozen best 5 years of average pensionable earnings (calculated up to the effective date (January 1, 2015)), or the best 6 years average for all past and future service.

Employer contributions paid and expensed by the Board during the year totaled \$1,210,930 (2021 - \$1,148,006). Additional information about the plan surplus or deficit is not available.

## 6. Commitments:

The Board is committed under terms of a premises lease to make the following minimum annual lease payments:

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March 31, 2023	\$ 1,714,400
March 31, 2024	1,714,400
March 31, 2025	1,714,400
March 31, 2026	1,714,400
March 31, 2027	1,714,400

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# Canada - Newfoundland and Labrador Offshore Petroleum Board

Notes to the financial statements

Year ended March 31, 2022

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## 7. Financial instruments risks and concentrations:

The Board is exposed to various risks through its financial instruments. The following analysis provides a measure of the Board's risk exposure and concentrations at March 31, 2022.

### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Board is exposed to this risk mainly in respect of its payables and accruals in the amount of \$9,708,851 (2021 - \$10,501,607), which have a maturity of not later than one year. The Board reduces its exposure to liquidity risk by monitoring its cash flows and ensuring that it has sufficient cash available to meet its obligations and liabilities. In the opinion of management the liquidity risk exposure to the Board is low.

### *Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Board's credit risk is attributable to receivables in the amount of \$1,895,764 (2021 - \$269,322). Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote.

The Board does not believe there is exposure to interest rate risk or foreign currency risk.

## 8. Related party transactions:

The Board is jointly controlled due to ability to appoint board members by the federal Government of Canada and the provincial Government of Newfoundland and Labrador. During the year, the Board had the following transactions with these governments:

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Operating grant:	
Government of Canada	\$ 10,840,135
Government of Newfoundland and Labrador	10,840,135
Cost recoveries refunded to Government of Canada	10,840,135
Cost recoveries refunded to Government of Newfoundland and Labrador	10,840,135

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# Canada - Newfoundland and Labrador Offshore Petroleum Board

Notes to the financial statements

Year ended March 31, 2022

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## 9. Impact of COVID-19:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. At the time of approval of these financial statements, the Board has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- closure of administrative buildings based on public health recommendations; and
- work from home requirements for those able to do so.

The ongoing pandemic may continue to have an impact on future operations and an estimate of the financial effect is not practicable at this time.

# Canada - Newfoundland and Labrador Offshore Petroleum Board

Schedule 1 - Tangible Capital Assets  
Year ended March 31, 2022

	Land and parking lot	Buildings	Leasehold improvements	Furniture and fixtures	Data management system	Computer software	Computer equipment	2022	2021
Cost, beginning of year	\$ 258,297	\$ 3,317,089	\$ 241,875	\$ 528,391	\$ 1,108,298	\$ 2,033,104	\$ 5,360,327	\$ 12,847,381	\$ 12,820,465
Additions during the year	–	223,771	52,269	41,303	–	55,673	55,062	428,078	1,266,963
Disposals during the year	–	–	–	–	–	–	–	–	(1,240,047)
Cost, end of year	\$ 258,297	\$ 3,540,860	\$ 294,144	\$ 569,694	\$ 1,108,298	\$ 2,088,777	\$ 5,415,389	\$ 13,275,459	\$ 12,847,381
Accumulated amortization, beginning of year	\$ –	\$ 1,665,262	\$ 24,188	\$ 334,730	\$ 1,108,298	\$ 1,993,571	\$ 3,491,095	\$ 8,617,144	\$ 8,861,420
Amortization	–	70,548	53,602	68,328	–	67,369	800,384	1,060,231	995,771
Reversals of accumulated depreciation relating to disposals	–	–	–	–	–	–	–	–	(1,240,047)
Accumulated amortization, end of year	\$ –	\$ 1,735,810	\$ 77,790	\$ 403,058	\$ 1,108,298	\$ 2,060,940	\$ 4,291,479	\$ 9,677,375	\$ 8,617,144
Net book value of tangible capital assets	\$ 258,297	\$ 1,805,050	\$ 216,354	\$ 166,636	\$ –	\$ 27,837	\$ 1,123,910	\$ 3,598,084	\$ 4,230,237

# Canada - Newfoundland and Labrador Offshore Petroleum Board

Schedule of Expenses (continued)  
Year ended March 31, 2022

	2022	2021
<b>Board and Executive Office:</b>		
Consultants fees	\$ 433,903	\$ 425,820
Miscellaneous	2,657	7,651
Training and conferences	7,149	3,910
Travel	17,678	1,840
Wages and benefits	2,584,856	2,036,384
	<u>3,046,243</u>	<u>2,475,605</u>
<b>Corporate Services:</b>		
Amortization of tangible capital assets	1,060,231	995,771
Computer support and maintenance	1,698,397	1,588,561
General office maintenance	330,883	522,909
Rent and premises	1,865,181	2,015,228
Training and conferences	12,692	(591)
Travel	4,303	(1,069)
Wages and benefits	1,993,687	1,968,215
	<u>6,965,374</u>	<u>7,089,024</u>
<b>Environmental Affairs:</b>		
Consultants Fees	140,305	78,422
Miscellaneous	912	2,385
Training and conferences	3,893	3,277
Travel	48	-
Wages and benefits	1,192,368	1,132,586
	<u>1,337,526</u>	<u>1,216,670</u>
<b>Exploration and Information Resources:</b>		
Miscellaneous	3,104	3,601
Training and conferences	2,457	15,033
Wages and benefits	2,288,040	2,271,164
	<u>2,293,601</u>	<u>2,289,798</u>
<b>Industrial Benefits:</b>		
Miscellaneous	446	609
Training and conferences	1,032	(2,949)
Wages and benefits	436,341	524,262
	<u>437,819</u>	<u>521,922</u>
<b>Legal:</b>		
Miscellaneous	907	933
Training and conferences	3,948	3,370
Wages and benefits	643,175	493,998
	<u>648,030</u>	<u>498,301</u>
<b>Operations:</b>		
Miscellaneous	1,809	2,145
Training and conferences	23,833	22,351
Travel	1,729	-
Wages and benefits	1,841,102	1,540,078
	<u>\$ 1,868,473</u>	<u>\$ 1,564,574</u>

# Canada - Newfoundland and Labrador Offshore Petroleum Board

Schedule of Expenses (continued)  
Year ended March 31, 2022

	2022	2021
Regulatory Coordination and Public Engagement <sup>1</sup> :		
Miscellaneous	\$ 1,322	\$ -
Training and conferences	10,959	-
Wages and benefits	668,610	-
	680,891	-
Resource Management:		
Miscellaneous	3,128	3,385
Training and conferences	11,592	27,642
Wages and benefits	2,507,336	2,765,241
	2,522,056	2,796,268
Safety:		
Consultants fees	1,881	-
Miscellaneous	5,351	3,780
Training and conferences	11,183	18,028
Travel	(292)	1,106
Wages and benefits	2,531,114	2,592,159
	2,549,237	2,615,073
	\$ 22,349,250	\$ 21,067,235

<sup>1</sup> In April 2021 employees transferred from the Corporate services and the Board and executive office departments to form the Regulatory coordination and public engagement department.



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