

DOCUMENT "A"

**MINISTER'S DETERMINATION
CONDITIONS OF APPROVAL**

Pursuant to Regulation 87-83 under the Clean Environment Act
April 22, 2014.
File Number: 4561-3-1368

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1. In accordance with section 6(6) of the Regulation, it has been determined that the undertaking may proceed following approval under all other applicable acts and regulations.
 2. Commencement of this undertaking must occur within three years of the date of this Determination. Should commencement not be possible within this time period, the undertaking must be registered under the *Environmental Impact Assessment Regulation (87-83)* – Clean Environment Act again, unless otherwise stated by the Minister of Environment and Local Government.
 3. The proponent shall adhere to all obligations, commitments, monitoring and mitigation measures presented in the EIA registration document dated October 2013; all subsequent reports submitted and to all those in correspondence during the course of the registration review. Additionally, the proponent shall submit a summary table detailing the status of each Condition listed in this Determination to the Manager of the Environmental Assessment Section, Department of Environment and Local Government (DELG) every 6 months from the date of this Determination until such a time that it is determined that it is no longer necessary.
 4. Refueling and maintenance of equipment must take place in designated areas, on level terrain a minimum of 30 m from any surface water or wetland boundary and well away from private residences. Appropriate spill response equipment must be kept in readily accessible locations during project construction and operation. All spills and releases must be promptly reported to the 24 hour emergency response line at 1-800-565-1633 after hours and to the DELG office in Saint John during regular work hours (506) 658-2558.
 5. The proponent will follow a previously approved (for McCully) Environmental Management Plan (EMP) during construction and operation activities, or any future, approved revision of the EMP as applicable.
 6. The proponent shall follow the most recent version of the *Responsible Environmental Management of Oil and Natural Gas Activities in New Brunswick Rules for Industry (Rules)*.
 7. Plans applicable to this project as required by the *Rules* must be submitted to the Manager of the Environmental Assessment Section, DELG, and be approved prior to the initiation of activities associated with fracture stimulation, drilling, and/or other activities as required. Plans required include, but are not limited to the following: Chemical Management Plan, Fugitive Emissions Management and Greenhouse Gas Reduction Plan, Well Integrity Management and Monitoring

Plan, Emergency Response and Spill Prevention, Reporting and Response Plan, Emissions Inventory and Screening Level Dispersion Modelling, Assessment of Geological Containment, Assessment of Inter-Wellbore Communications, Chemical Inventory, Road Use Agreement, Road System Integrity Study, and Haul Route Plan.

8. All work for this project must be done in accordance with the requirements, limits, and conditions of the most current *Approval* issued for the project. Furthermore, application(s) and/or amendment(s) to the *Approval* may be required prior to initiation of future phases of the project. Note that all relevant plans must be updated to reflect the new activities associated with future project phases. Please contact the Manager, Industrial Processes Section, DELG at (506) 453-7945.
9. Prior to the issuance of a *Well License* for each new well, the proponent shall provide financial security in the amount of \$20,000, or amount required by future updates of the *Rules*, to DELG. This security is to be in a format that is acceptable to DELG.
10. Surface water sampling must be carried out as per the *Rules* Section 5.2 and Appendix 9. A water sampling plan must be developed in consultation with DELG.
11. Construction activities must be suspended during high water flow periods and/or if rain greater than 25 mm is predicted within 6 hours for the nearest weather station (Environment Canada – Sussex). In addition, there shall be no work carried out in areas that are within the flood plain during periods of high flows.
12. Prior to commencement of construction or initiation of future phases of this undertaking, a detailed description of the subject phase(s), along with an assessment of potential interactions between the subject phase(s) and the environment must be submitted for review and approval to the Manager, Environmental Assessment Section, DELG. The assessment must include a detailed list of all potential environmental impacts and a description of how these impacts would be avoided or mitigated. In addition, the assessment must include a description of how the requirements of the latest version of the *Rules* will be incorporated and met during implementation of the future phase(s). Future phase(s), for which a corresponding assessment is being reviewed, shall not commence or be initiated until an approval of the assessment has been received from the Manager, Environmental Assessment Section, DELG. On-going public consultation will be required as additional phases are proposed and may be required during operations to respond to public inquiries.
13. Any new activity, expansion or other modification of a well pad and any infrastructure to be installed or modified for upcoming/future activities are subject to the *Rules* requirements. This would include, but is not limited to, any new and modifications to existing tanks, pipes, reservoirs or other infrastructure and/or activities such as fracture stimulation addressed in the *Rules*.
14. An application must be filed with the NB Energy and Utilities Board (NBEUB) for a *Permit to Construct* and *License to Operate* for any pipelines where there is no Permit or License in place as required under the Pipeline Act.
15. A *Notice of Construction* and a *Notice of Pressure Testing* is required for the NBEUB to monitor construction and testing of any new well pad facilities that may be associated with a new well. For

further information, please contact Mr. Todd McQuinn, Director of Pipeline Safety, NBEUB, at (506) 643-2906.

16. The proponent shall ensure that operations are maintained in a safe and secure manner during all phases of the project and do not pose a threat to public safety or include activities that would threaten human health. Owner/operators must take proper precautions to ensure that regular communication takes place with local Fire and Emergency Services during all phases.
17. The proponent should be aware of and follow *NB Regulation 91-191* under the Occupational Health and Safety Act in particular Sections 58-79; and 230.2 to 230.5 and *NB Regulation 88-221* under the Occupational Health and Safety Act in addition to practices as outlined on the material Safety Data Sheets (MSDS). The proponent shall ensure that all developers, contractors and operators associated with the project comply with the above requirements.
18. All surface facilities shall be secured with fencing to prevent access for safety reasons.
19. The proponent shall develop a protocol for testing drill cuttings for Naturally Occurring Radioactive Materials (NORMS) that is acceptable to DELG. Approval for the protocol must be obtained from DELG prior to commencement of drilling activities. The protocol, or future revisions thereof, shall be followed during all phases of the project.
20. On-site toilet facilities must be acceptable to the NB Department of Health.
21. There shall be no fracture stimulation at depths of less than 600 metres.
22. Any water well must be drilled by a water well driller licensed in the Province of New Brunswick. The pumps must have a capacity of less than 7.6 lpm or 50 m³ per day. Flow meters and a low water pump shut-off must be installed in any water well developed on site. The Environmental Assessment Section, DELG must be consulted prior to construction/installation of any water wells.
23. If the proponent proposes to hydraulically fracture a well and it has been five or more years since the casing and cementing was initially installed, then the proponent must first provide evidence to the Department of Energy and Mines (DEM) that the well cementing and casing is of sufficient strength and condition to maintain well integrity during the proposed hydraulic fracturing.
24. Prior to undertaking new well drilling operations, the proponent must receive a *Well License* from DEM. An Application for a *Well License* shall be submitted to the Petroleum Tenure Coordinator within the Petroleum Resource Development Section of the Resource Exploration and Development Branch, DEM.
25. Prior to undertaking any new casing installation, cementing operation, well deepening, hydraulic fracturing operations or any other operations that would result in a change to the original approved Drilling and/or Completion program or a change in the existing wellbore integrity design, the proponent must receive approval for an amendment to a *Well License* from DEM. An application to amend a *Well License* shall be submitted to the Petroleum Tenure Coordinator within the Petroleum Resource Development Section of the Resource Exploration and Development Branch, DEM.

26. Prior to suspending or resuming drilling operations or plug-back or abandonment operations, the proponent must receive approval from DEM. An application shall be submitted to the Petroleum Tenure Coordinator within the Petroleum Resource Development Section of the Resource Exploration and Development Branch, DEM.
27. All applications submitted to DEM must be on a form provided by the Minister of Energy and Mines.
28. The proponent shall provide to DEM evidence of liability insurance coverage in the amount of \$10 million per occurrence (or an amount required by future updates of the *Rules*), to cover incidents caused by them or by their contractors, which would result in personal injury or damage to property or the environment. The proponent must provide notice to DEM of any changes to their insurance coverage, including cancellation. All documentation shall be submitted to the Petroleum Tenure Coordinator within the Petroleum Resource Development Section of the Resource Exploration and Development Branch, DEM.
29. If the total volume of petroleum fuel stored on any site exceeds 2000L, additional permitting is required. Please contact the Remediation and Materials Management Section, DELG at (506) 453-7945.
30. Water well sampling must be carried out as per the *Rules* Section 5.1 and Appendix 9 for all water wells within 500 m of the edge of the well pad. A water sampling plan must be developed in consultation with DELG.
31. Prior to the initiation of exploration or completion work on the F-67 well pad, the proponent must satisfy requirements as described in Section 8 and associated appendices of the *Rules* to the satisfaction of the Department of Public Safety (DPS). This includes, but is not limited to completion and approval of Emergency Management and Security Management programs and associated requirements.
32. The proponent shall notify DELG a minimum of 30 days prior to commencing drilling activities on the F-67 well pad. Any deviation from commitments made during the assessment of the 2014 program must be reviewed and approved by DELG.
33. The proponent shall fund an Environmental Monitoring and Compliance Officer position for the project to work out of the DELG office. Duties of the Officer shall include but not be limited to monitoring compliance to commitments made, coordinating reviews of plans and ensuring that the public and key stakeholder groups are adequately informed of the project's progress. Specific Terms of Reference shall be developed by the Department of Environment and Local Government.
34. The existing Community Liaison Committee shall be expanded to include additional area residents. The Terms of Reference for the committee shall be developed in consultation with DELG.
35. A Site Specific Environmental Protection Plan (SSEPP) shall be developed for the well pad expansion (to be carried out in preparation for the new well), exploration and development activities and potential connection to the gathering system. The SSEPP will describe environmental

protection commitments to the proponent and their contractor(s) to be followed during these activities. The SSEPP must be submitted to the Manager of the Environmental Assessment Section for review and receive approval prior to commencing construction activities. Upon approval, the proponent and their contractor(s) must follow the SSEPP.

The SSEPP shall include but not be limited to:

- a detailed description of the well pad expansion, well development activities and tie in to the gathering system;
- concise and clear instructions to project personnel regarding procedures for protecting the environment during construction, operation and decommissioning;
- surface water control plans; and erosion control plans, soil stabilization plans; and a description of post-closure inspection.

36. During all activities at the well pad, the proponent shall avoid flaring at night whenever possible. In the event that flaring at night is unavoidable, the proponent must prepare and submit to DELG for review a contingency plan that:

- identifies measures to be taken to avoid incidental take of migratory birds (including a statement that flaring at night must be avoided as a priority and identifying circumstances when this may not be possible); and
- includes a detailed methodology of a post-flaring bird mortality monitoring plan to be implemented at daybreak immediately after night time flaring (defined as post-sunset time as listed on the Environment Canada website for the nearest weather forecast center (Sussex)).
- Further, the proponent will submit a post-flaring mortality report to DELG within 7 days of night time flaring. In the event of a bird mortality incident involving 10 birds or more, the proponent is advised to call the Canadian Coast Guard at 1-800-565-1633 and select the option for reporting oil spills. If individual birds are found, a permitted wildlife rehabilitation center should be contacted.

37. In the event of the sale, lease, or any other conveyance or change of control of the Project, or any portion thereof:

- The proponent shall provide written notice of the conditions to the lessee, controller, or purchaser;
- The proponent shall provide written notice of such lease, change of control, or conveyance to the Minister; and
- All of the terms and conditions are an integral part of this Determination and will apply to the lessee, controller, or purchaser.

38. The proponent shall ensure that all developers, contractors and operators associated with the project comply with the above requirements and are familiar and will comply with the requirements of the Migratory Birds Convention Act (MBCA) and the Species at Risk Act and associated Regulations.