

Part III

**MEMORANDUM OF UNDERSTANDING (MOU)**

Respecting the administration of Part III of the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act* and the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act*

AMONG:

**Her Majesty in Right of Canada,  
represented by the Minister of Natural Resources (“NRCAN”)**

and

**Her Majesty in Right of Newfoundland and Labrador,  
represented by the Minister of Natural Resources (“NR”) and the Minister for Intergovernmental and  
~~Aboriginal~~ Affairs**

and

**The Canada-Newfoundland and Labrador Offshore Petroleum Board (“the Board”)**

hereinafter collectively referred to as the “Parties”

**WHEREAS** under the federal *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act* and the provincial *Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act* (“the Accord Acts”) the Board has responsibility for administering the provisions of the Accord Acts on behalf of the Government of Canada and Government of Newfoundland and Labrador, including matters respecting safety, protection of the environment, conservation of petroleum and joint production arrangements;

**AND WHEREAS** on behalf of the Government of Canada, NRCAN has responsibilities related to the Accord Acts for the management of offshore petroleum resources and petroleum related work and activity conducted in the offshore area, including matters respecting safety, protection of the environment, conservation of petroleum and joint production arrangements;

**AND WHEREAS** on behalf of the Government of Newfoundland and Labrador, NR has responsibilities related to the Accord Acts, other than Part III.1, for the management of offshore petroleum resources and petroleum related work and activity conducted in the offshore area, including matters respecting safety, protection of the environment, conservation of petroleum and joint production arrangements;

**AND WHEREAS** the Minister for Intergovernmental and ~~Aboriginal~~ Affairs of Newfoundland and Labrador has responsibilities pursuant to the *Intergovernmental Affairs Act*;

**AND WHEREAS** it is appropriate to describe more formally the process to be followed by the Parties in respect of matters of mutual concern and the understanding among them in relation to the effective administration of the operational safety regime under the Accord Acts;

**THEREFORE**, the Parties agree as follows:

**1. GENERAL**

- 1.1. The purpose of this MOU is to establish an understanding between the Parties in relation to the administration of provisions under Part III of the Accord Acts.
- 1.2. Any terms not otherwise defined have their meaning as set out in the Accord Acts.
- 1.3. If the name of any Party changes after the signing of this agreement, the new entity is bound by this agreement.

**2. ROLES AND ADVICE**

- 2.1. The Board will provide NRCAN and NR with reports of a Serious Incident, as defined in Annex 2, and information respecting the immediate safety of persons. Upon request, the Board will provide NRCAN and NR with any reports required to be published under Part III of the Accord Acts and any other information in respect of the exploration and drilling for and the production, conservation and transportation of petroleum in the offshore area.
- 2.2. The Board may consider the regulatory practices provincially, federally and in other offshore regulatory regimes when formulating recommendations or establishing guidelines and interpretation notes respecting matters in the offshore area in an effort to ensure best practices are being applied in the offshore area.
- 2.3. NR will provide information and advice to the Board or the Chief Safety Officer or the Chief Conservation Officer on matters that may impact the administration of Part III.
- 2.4. NRCAN will provide information and advice to the Board or the Chief Safety Officer or the Chief Conservation Officer on matters that may impact the administration of Part III.
- 2.5. It is understood by the Parties that any information which may have an immediate effect on the integrity of an installation, as defined in the *Offshore Petroleum Installations Newfoundland and Labrador Regulations*, or the environment in the offshore area must be provided to the other Parties without delay.
- 2.6. It is understood by the Parties that information referred to in provisions 2.3 - 2.5 is subject to any privilege or confidentiality that may attach to that information.
- 2.7. The NRCAN and NR will consult each other prior to making any recommendation to the Governor in Council or Lieutenant-Governor in Council with respect to proposed legislation made under Part III, and NRCAN and NR will also be responsible for consultation with equivalent counterparts who are responsible for the administration of safety, protection of the environment, conservation of petroleum and joint production arrangements in the offshore area, and will consult with other departments and agencies with expertise on subject areas that may affect the administration of Part III. The Board will provide technical advice in such matters as appropriate.

### **3. NOTIFICATION AND COMMUNICATION**

- 3.1. The Board will notify NRCAN and NR in writing when either the Chief Safety Officer or the Chief Conservation Officer has been designated.
- 3.2. NRCAN and NR will notify the Board in writing when an operational safety officer or a conservation officer has been designated and the scope of the matter for which the operational safety officer or conservation officer has been designated.
- 3.3. The Board will advise NRCAN and NR in writing when it suspends or revokes an authorization.
- 3.4. The Board will, on a timely basis, notify NRCAN and NR of any Serious Incident and follow up with a briefing on the event, as requested.
- 3.5. The Parties shall advise each other of any judicial or quasi-judicial proceedings or decisions that may affect the interpretation of Part III of the Accord Acts and its respective application in the offshore area.
- 3.6. Where practicable, NRCAN and NR agree to assist the Board, if requested, in matters related to the Board's administration and enforcement of Part III.

### **4. DESIGNATES FOR NOTIFICATION**

The following is the title of the designate and contact information for the purposes of giving notice as required by this MOU:

#### **Chair**

Canada –Newfoundland and Labrador Offshore Petroleum Board  
709.778.1455

#### **Assistant Deputy Minister**

Energy Policy  
Newfoundland and Labrador Department of Natural Resources  
709.729.1406

#### **Director General**

Energy Sector/Petroleum Resources  
Frontier Lands Management Division  
Natural Resources Canada  
613.992.8609

A Party may change the designate or contact information by notifying the other Parties in writing.

### **5. REPORTING**

- 5.1. The Board will consult with NRCAN and NR concerning the reports and statistics which are required under the Accord Acts or are necessary for the purposes of NRCAN and NR.

5.2. NRCAN and NR will provide the Board with lists and descriptions of the incidents which they wish to be reported to them, which lists and descriptions may be amended from time to time, and Annex 2 attached to this MOU provides the initial list and description.

## **6. DESIGNATION OF OFFICERS**

6.1. The requisite skills, qualifications and training requirements necessary for operational safety officers and conservation officers to be designated under the Accord Acts are set out in Annex 3 attached to this MOU. It is understood by the Parties that the requirements may be amended from time to time.

6.2. The Board will ensure that operational safety officers and conservation officers are trained in accordance with the requirements and maintain eligibility for the necessary certifications in relation to such designation.

6.3. Upon the Board being satisfied that a Board employee or other recommended person meets the necessary skills, qualifications and training requirements, the Board will initiate the designation process of the employee or other recommended person as an operational safety officer or conservation officer by forwarding the request to NRCAN and NR, to designate the employee or other recommended person. It is understood that such a request must be accompanied by the curriculum vitae and training qualifications of the candidate.

6.4. NR and NRCAN will advise the Board of the date on which they have received a recommendation of designation pursuant to Section 6.3.

6.5. The Board will immediately advise NRCAN and NR when a Chief Safety Officer, Chief Conservation Officer, operational safety officer or conservation officer ceases to remain in that capacity.

## **7. OTHER**

7.1. The Parties may provide services to one another in support of matters that may impact the administration of Part III in addition to those identified in this MOU. Such services will be provided upon such terms as may be agreed by the Parties from time to time.

7.2. The Board agrees that best efforts will be made to ensure qualified individuals are appointed in a timely manner to the Oil and Gas Committee established under the Accord Acts, as needed.

7.3. Issues arising out of this MOU that cannot be resolved at the staff level will be referred to the Deputy Minister, NR, the Director General, NRCAN, and the Chair of the Board.

7.4. Officials of NRCAN, NR and the Board, or their delegates, will meet as frequently as necessary, but no less frequently than annually, to review the operation of the MOU and to consider any amendment which may be required.

7.5. This MOU replaces all previous agreements between the Parties on the administration of Part

III, including the memorandum of understanding among the Parties dated July 5, 2001.

#### **8. AMENDMENT AND ANNEXES**

- 8.1. This MOU may be amended upon the mutual consent of NRCAN, NR and the Board. Unless another date is agreed, an amendment will become effective upon the date of the last signature of NRCAN, NR or the Board.
- 8.2. Any document describing a co-operative arrangement affecting this MOU which may, from time to time, be concluded between the Director General, NRCAN, the Deputy Minister, NR and the Chair of the Board , or any other document which the Parties agree, may be annexed to this MOU, and, a list of such Annexes will itself be Annex 1.
- 8.3. Annex 2 to this MOU may be amended upon mutual consent of the Director General, NRCAN and the Deputy Minister, NR.
- 8.4. Annex 3 to this MOU may be amended upon mutual consent of the Deputy Minister, NR, the Director General, NRCAN, and the Chair of the Board.

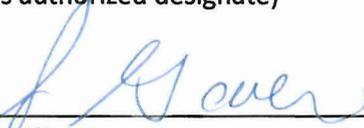
#### **9. EFFECTIVE DATE**

- 9.1. This MOU is effective from and after the 25<sup>th</sup> day of November, 2014.

**IN WITNESS WHEREOF** our signatures are hereunto inscribed:

  
\_\_\_\_\_  
Chair  
Canada-Newfoundland and Labrador  
Offshore Petroleum Board  
(or his authorized designate)

Nov 25, 2014  
\_\_\_\_\_  
DATE

  
\_\_\_\_\_  
WITNESS

Nov 25, 2014  
\_\_\_\_\_  
DATE

  
\_\_\_\_\_  
Minister for the Department of  
Natural Resources  
(or his authorized designate)

NOV 13 2014  
\_\_\_\_\_  
DATE

  
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NOV 13 2014  
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Minister of Natural Resources Canada  
(or his authorized designate)

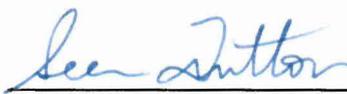
OCT 24 2014  
\_\_\_\_\_  
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WITNESS

OCT 24 2014  
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DATE

  
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Minister of Municipal and  
Intergovernmental Affairs  
(or his authorized designate)

October 24, 2014  
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## **Annex 1**

### **List of Annexes**

Annex 2: Serious Incident

Annex 3: Qualifications of Conservation Officers – Environmental Protection  
Qualifications of Conservation Officers – Resource Management  
Qualifications of Operational Safety Officers

## **Annex 2**

### **Serious Incident**

The incidents which the Board will promptly report to NRCAN and NR, pursuant to Section 5.3 of this MOU, are hereby defined to be (“Serious Incidents”):

- (a) an incident which formally invokes the C-NLOPB’s Emergency Response Plan
- (b) The occurrence of an operator exceeding the daily flare allowance.

## **Annex 3**

### **Qualifications of Conservation Officers – Environmental Protection**

#### **EXPERIENCE**

- (a) Minimum five (5) years experience in environmental regulation;
- (b) Bachelor's degree in Engineering or Science; or
- (c) An equivalent combination of (a) and (b)

#### **DEMONSTRATED COMPETENCIES**

- Completion of six-month probationary period
- Candidates must possess sufficient qualifications (experience, competencies, certifications and training) to carry out their functions efficiently and effectively

#### **CERTIFICATIONS & TRAINING**

- Law Enforcement Investigation Training

If offshore travel is to be included:

- Basic Survival Training,
- Hydrogen Sulfide Safety (eg. H2S Alive)
- WHMIS- First Aid/ CPR
- Offshore Medical Fitness Certification

#### **OTHER CONSIDERATIONS**

Temporary appointments of Conservation Officers may be required in specific circumstances (e.g. for incident inspections, inquiries and investigations, as a result of staff resignations, etc.). Such appointments may include external consultants.

Qualification requirements for a candidate for temporary appointment as a Conservation Officer shall be determined on a case by case basis. The appointment process will be the same as for any Conservation Officer; however the specific circumstances and recommended qualifications shall be clearly described.

## **Qualifications of Conservation Officers – Resource Management**

### **EXPERIENCE**

- (a) Minimum five (5) years petroleum experience
- (b) Professional Engineer or Petroleum Technologist, or
- (c) an equivalent combination of (a) and (b).

### **DEMONSTRATED COMPETENCIES**

- Completion of six-month probationary period
- Act as co-lead, or lead accompanied by an appointed Conservation Officer, for at least two onsite compliance verifications (ie. Audits, witness or inspections).

### **CERTIFICATIONS & TRAINING**

- Basic Survival Training,
- Hydrogen Sulfide Safety (eg. H2S Alive)
- WHMIS- First Aid/ CPR
- Law Enforcement Investigation Training
- Offshore Medical Fitness Certification

### **OTHER CONSIDERATIONS**

Candidates must possess sufficient qualifications (experience, competencies, certifications and training) to carry out their functions efficiently and effectively.

Temporary appointments of Conservation Officers may be required in specific circumstances (e.g. for incident inspections, inquiries and investigations, as a result of staff resignations, etc.). Such appointments may include external consultants.

Qualification requirements for a candidate for temporary appointment as a Conservation Officer shall be determined on a case by case basis. The appointment process will be the same as for any Conservation Officer; however the specific circumstances and recommended qualifications shall be clearly described.

## Qualifications of Operational Safety Officers

### **EXPERIENCE**

- (a) Minimum five (5) years petroleum and/or safety and health related experience
- (b) Professional Engineer or a recognized safety designation, or
- (c) An equivalent combination of (a) and (b).

### **DEMONSTRATED COMPETENCIES**

- Completion of six-month probationary period
- Candidates must possess sufficient qualifications (experience, competencies, certifications and training) to carry out their functions efficiently and effectively

### **CERTIFICATIONS & TRAINING**

- Law Enforcement Investigation Training
- Regulatory Inspection Training

If offshore travel is to be included

- Basic Survival Training
- Hydrogen Sulfide Safety (e.g. H2S Alive)
- WHMIS- First Aid/ CPR
- Offshore Medical Fitness Certification

### **OTHER CONSIDERATIONS**

Act as co-lead, or lead accompanied by an appointed Operational Safety Officer, for at least two onsite compliance verifications (i.e. audits or inspections).

Temporary appointments of Operational Safety Officers may be required in specific circumstances (e.g. for incident inspections, inquiries and investigations, as a result of staff resignations, etc.). Such appointments may include external consultants.

Qualification requirements for a candidate for temporary appointment as an Operational Safety Officer shall be determined on a case by case basis. The appointment process will be the same as for any Operational Safety Officer; however the specific circumstances and recommended qualifications shall be clearly described.