

SPECIAL COUNCIL MEETING
February 3, 2014

The meeting was called to order by the Warden at 7:00 p.m., in the Conference Room, in the Administrative Centre, in Barrington, N.S., with the following members present:

- Warden Lindsay (Eddie) Nickerson
- Deputy Warden Donna LeBlanc-Messenger
- Councillor Jody Crook
- Councillor George El-Jakl
- Councillor Shaun Hatfield

- Brian Holland, Municipal Clerk
- Larry Lalonde, Manager, Communications, Shell Canada Ltd.
- Scott MacDonald, East Coast Operations Manager, Shell Canada Ltd.
- Erik B. Goodwin, North Atlantic Frontier Team Leader, Shell Exploration & Production Company

PURPOSE OF MEETING

The purpose of this meeting was to have representatives from Shell Canada explain their exploration process taking place at the Shelburne Basin Offshore Nova Scotia.

Erik Goodwin, who is venture team lead, made a 35 minute power point presentation. He indicated that Shell has 18 deep water rigs and drills approximately 18 deep water wells per year. The Shelburne Basin wells are considered to be deep water wells which will be 2700 metres deep, or less. This is Shells' fourth drilling campaign off Nova Scotia. The depth of the Shelburne Basin ranges from 500 metres to 3500 metres.

In 2013, Shell conducted a seismic data gathering exercise during the summer in which they obtained wide azimuth information on a 11,000 square kilometre area in the Shelburne Basin.

In 2014, beginning sometime during the month of May, Shell will obtain high resolution bathymetry information. This is gathered through a multi beam sonar system. This information will be obtained over a 40 to 60 day period, or less, depending on the weather. This exercise will provide information on the water column and the sea floor. It will also provide subsurface data to between 300 and 400 metres below the surface. The drilling program to be conducted by Shell will follow beginning in 2015.

In 2015 it is anticipated two (2) wells will be drilled. There is an 8000 square kilometre area being assessed for the drilling. During the bathymetry program in 2014 there will be Marine Mammal Observers and Fisheries Liaison Officers aboard the ships gathering this information. If the two wells drilled during 2015 prove to be unsuccessful then the drilling program will cease. If the two wells prove to be successful there will be five additional wells drilled in approximately 2017. The rigs for these drills are dynamically positioned and maintained over the drill holes. Supply bases are provided through competitive biddings. Requests for Proposals are put out for this purpose and independent companies provide this service to Shell. The supply base that is to be used for the 2015 drilling has been tendered by RFP. Four responses were received and an announcement will be made in the near future who the successful bidder is. Three of the bids were received from companies in the Halifax/Dartmouth area, and one bid was received from a company in the Port Hawkesbury area.

Mr. Goodwin indicated that safety is a primary concern, and a major priority of Shell. Shell operates with a two barrier model. Their philosophy is that prevention is key to forestalling “top events”. A mitigation plan is still necessary, however, is less likely to need to be used. There are various capping systems located around the world by Shell. The closest capping system for an oil well is in Aberdeen. At the present time Shell uses zero discharge vehicles so that waste such as bilge oil are not discharged to the ocean. The area in which the wells will be drilled are in water too deep for lobsters so that there are no anticipated conflicts with the lobster fishery in this area.

Members then discussed some of the potential economic benefits for local communities, which included hiring locally, educating oil industry employees, and various supply contracts for the industry. Local content is mandated through the Canada Nova Scotia Offshore Petroleum Board, and further information on Canadian and Nova Scotia content will be contained in the Environmental Assessment which will be released over the next six months.

There was some question as to where do the provincial revenues go from royalties from oil wells. It was the opinion of members that these revenues went to general revenues of the Province and were not designated for specific local or regional use. Shell is required to give first consideration to Nova Scotian, Canadian suppliers and employees. This is what is called a “full and fair opportunity” which is contained in the competitive bids. All of the subcontractors hired by Shell must meet their safety standards. In Nova Scotia last summer there were six Supplier Information Sessions held so that local businesses could obtain information in supplying Shell and other subcontractors during the drilling process. Another Supplier Information Session is scheduled for the week of April 28, 2014.

It was indicated that if oil should be obtained in adequate amounts, it would be brought in from floating production platforms to a “hub” and then sent from a hub through a pipeline to a refinery. The exploration term is usually six years in length before actual production begins. There is a Maritimes Energy Association that includes most of the suppliers to the oil industry. This Association can be contacted through the internet for more information. The Environmental Assessment that will be issued in phases over the next six months will receive a decision from the Federal Government sometime during the 2015 calendar year. It was indicated that the nearest hub to which oil could be brought at the present time was either Saint John, New Brunswick or Portland, Maine. It was strongly suggested to members that local businesses should attend the Supplier Information Session to be held in late April.

Having completed their discussion, the representatives from Shell Oil retired from the meeting at approximately 9:00 p.m.

PERSONNEL MATTER

Closed Session

Members then entered into Closed Session for the purpose of discussing a personnel matter and for purposes of discussing an offer recently received by email on municipal property advertised for sale.

The written performance evaluations of Shelly Blinkhorn and Cameron Whiteway were presented to members in Closed Session.

Members also instructed the Clerk to contact the Real Estate Agent regarding the offer received for the purchase of municipal property.

Members then returned to Open Session.

NHL LEGENDS HOCKEY GAME

The price of tickets for the NHL Legends Hockey game was discussed by members.

Resolution C140201

Moved by S. Hatfield and seconded by G. El-Jakl that the Arena Manager be notified that Council is confident in the Organization Committees' ability to set the appropriate price for tickets to the NHL Legends Hockey Game to be held in October 2014, at a price that will enable the event to sell out, or to at least break even.

Motion carried unanimously.

Resolution C140202

Moved by S. Hatfield and seconded by G. El-Jakl that the performance evaluation of the Arena Manager be accepted, and her increment approved accordingly.

AFFIRMATIVE

Jody Crook
George El-Jakl
Shaun Hatfield
Donna LeBlanc-Messenger

NEGATIVE

Eddie Nickerson

Motion carried.

ADJOURNMENT

The meeting was adjourned by mutual consent of members at approximately 10:30 p.m.

Warden

Secretary for the Meeting

On website February 4, 2014.