



ENVIRONMENTAL IMPACT REVIEW BOARD

PROCESS DIRECTIVE

(November 12, 2014)

DETERMINING THE WORST CASE SCENARIO FOR THE BEAUFORT SEA EXPLORATION JOINT VENTURE DRILLING PROGRAM

WHEREAS the Environmental Impact Review Board (EIRB) recognizes that Imperial Oil Resources Ventures Limited (IORVL or the “Developer”) representing the Beaufort Sea Exploration Joint Venture Drilling Program¹ (the Development) will engage the Inuvialuit in preparing a worst case scenario for this Development as per the process set out in the ‘Beaufort Sea Steering Committee Report Volume 2 - Report of Task Group One: Worst Case Scenario. April 1991’; and,

WHEREAS a determination of the worst case scenario for this Development will be essential to the EIRB in fulfilling its responsibilities as set out in the *Inuvialuit Final Agreement* (IFA): pursuant to paragraph 13(11)(b) of the IFA, the EIRB *must prepare an estimate of the potential liability of the Developer, determined on a worst case scenario, taking into consideration the balance between economic factors, including the ability of the Developer to pay, and environmental factors*; and

WHEREAS to support the effective development and use of a worst case scenario, the EIRB has decided to initiate work on the determination of the worst case scenario, in advance of the Environmental Impact Assessment that will be conducted by the EIRB following the submission of an Environmental Impact Statement by the Developer;

NOW THEREFORE the EIRB is issuing this Process Directive, to the Developer, on the procedures and steps leading to a determination of the worst case scenario for the Development.

1.0 WORST CASE SCENARIO TERMS OF REFERENCE

The EIRB will issue to the Developer, Terms of Reference that will provide direction and information requirements to the Developer in preparing a description of the worst case scenario.

The EIRB will place both the Process Directive and the Terms of Reference on the EIRB Registry.

¹ The Beaufort Sea Exploration Joint Venture represents Imperial Oil Resources Ventures Limited, ExxonMobil Canada Ltd., and BP Exploration Operating Company Limited.

2.0 WORST CASE SCENARIO SUBMITTED BY THE DEVELOPER

The Developer shall submit to the EIRB the worst case scenario description or inform the EIRB that the worst case scenario description is available to the public.

3.0 EIRB WORST CASE SCENARIO PROCEEDING

The EIRB will release to the public and stakeholders, the worst case scenario submitted by the Developer unless the Developer has already done so. The Developer's submission will be placed on the EIRB Registry.

The EIRB will then issue a notice for a Worst Case Scenario Proceeding. The Worst Case Scenario Proceeding will be open to Registered Parties and to the public wanting to make short oral presentations to the EIRB at the Proceeding.

The notice will provide the date, time and location for the Worst Case Scenario Proceeding along with rules and procedures. Transcripts of the proceedings will be made available.

The EIRB's determination of the worst case scenario will be limited to the technical description of the worst case scenario only, including but not necessarily limited to the following: the quantitative estimate of the catastrophic release of hydrocarbons to the environment; the geographic extent of the hydrocarbon spill/release; the duration of the uncontrolled release of hydrocarbons; and the point in the drilling season that an uncontrolled release of hydrocarbons could occur. For greater clarity, this determination does not require impact assessment; impact assessment of a worst case scenario will be undertaken during the environmental assessment of the Development.

4.0 REPORTING

The EIRB will issue a Report on the EIRB's decision and conclusions regarding the definition of a worst case scenario pursuant to the IFA.

The Report may also include information on how the conclusions and recommendations by the EIRB resulting from the Worst Case Scenario Proceeding, may be included in any future Environmental Impact Assessment by the EIRB and other regulators.

