

10th August, 2022

Mr. Kemraj Parsram
Executive Director
Environmental Protection Agency
Ganges Street, Sophia
Georgetown

Dear Mr. Parsram,

**Decision of the Environmental Assessment Board (EAB) on the Projects:
Canje Block Twelve (12) Well Exploration and Appraisal Drilling Campaign
and Kaieteur Block Twelve (12) Well Exploration and Appraisal Drilling
Campaign**

Background

The Environmental Assessment Board (EAB) has recorded one formal appeal dated 9th April 2022, regarding the Environmental Protection Agency's (EPA) decision to waive the requirement for an Environmental Impact Assessment (EIA) for the projects listed below:

1. Canje Block Twelve (12) Well Exploration and Appraisal Drilling Campaign
2. Kaieteur Block Twelve (12) Well Exploration and Appraisal Drilling Campaign

This appeal is in response to the EPA's public notice dated 13th March 2022 notifying of its decision to not require an EIA for the project. The EAB convened a public hearing on the 30th of June 2022 for which the appellant communicated her intent to not appear at the Hearing. Nevertheless, in the interest of transparency and accountability, the Hearing proceeded to allow the submitted appeal to be appropriately addressed. Presentations were made by the EPA and the Operator of the Canje and Kaieteur Blocks, Esso Exploration and Production Ltd (EEPGL).

The appeal argued that previously done Baseline Studies and Cumulative Impact Assessments lack the needed information to justify the EPA's decision – specifically, locations of coral reefs and nurseries relative to existing drill sites and/or proposed exploratory drill sites and deep-sea current and seabed contour information. Additionally, the appeal noted the unavailability of information on fish and mammal life cycles and migratory patterns, the economic and socio-economic value of affected offshore fisheries, and overall fishery-related baseline studies. At the Hearing, the EPA provided an overview of the two drilling campaigns and their screening process and results, while EEPGL presented a description of the project, and previous work done with relevance to the Environment Permit.

Summary of Information under Consideration

The EAB examined the information provided to the Board on this project, including submissions made at the Public Hearing. As the two projects will be conducting very similar activities, utilizing the same vessels, and producing the same potential impacts, they were considered simultaneously. The pertinent facts are summarised below:

Previous Environmental Baseline Studies and Cumulative Impact Assessments

Over the years, EEPGL has conducted a number of studies and Environmental Baseline Surveys in the project areas:

1. Since 2014, EEPGL has been conducting a series of Environmental Baseline Surveys assessing water and sediment quality and benthic fauna with sample points in both Blocks.
2. An Offshore Marine Mammal and Protected Species Observation Study, performed by trained observers, was initiated in both Blocks in 2015.
3. A bird study was initiated in late 2017 and has included offshore and coastal components. This also included both blocks.
4. Offshore Marine Fish Studies were initiated in late 2017, including deepwater, continental shelf, and nearshore /estuarine components and covered both Blocks.
5. In 2018, a geotechnical survey was commissioned in the Canje Block.

Additionally, it was noted that EEPGL benefits from the knowledge gained from previously approved exploratory drilling campaigns in these Blocks – a three (3) well Environmental Assessment and Management Plan (EA&MP) in 2019 and one (1) well EA&MP in 2020 in the Canje and Kaieteur Blocks, respectively.

Biological Resources: Marine Mammals, Marine Turtles, Seabirds and Fish

Baseline data has been provided in the aforementioned studies on marine mammals, protected species, birds and marine fishes. In its review, the EAB found that EEPGL has conducted a baseline study of the fisheries sector (the '*Participatory Fishing Study*') from January 2019 to 2020. This study was focused primarily on engagement with the fishing community and sought to supplement data collected during the '*Nearshore and Offshore Fisheries Studies*' conducted from 2017 to 2019. The baseline data collected describes seasonal productivity, species diversity, biometrics, prices and markets, and fishing grounds.

The EAB understands that impacts will be localized and temporary since fishing nurseries are located outside of the project area, and the drill ship will be stationary once operations commence - reducing the possibility of collisions with marine biological resources. Vertical Seismic Profile (VSP) exercises may be conducted and last for 20 to

30 hours. The EAB also found that the Operator will be maintaining an Oil Spill Response Plan (OSRP) and Wildlife Response Plan, applying the Joint Nature Conservation Committee (JNCC) guidelines for VSPs, and employing trained Protected Species Observers (PSOs) onboard when conducting VSPs. Vessel masters will have standing instructions to avoid rafting seabirds, and screening will be done for seawater intakes to avoid entrainment and impingement of fauna.

Marine Water

In reviewing the information presented, the EAB found that discharges are expected to be short-term and previous wells drilled allows the EPA to expect that discharged volumes would be less than the stipulated discharge limits. IFC EHS Guidelines for Offshore Oil and Gas Development and International Prevention for Pollution from Ships (MARPOL 73/78) will be applied to the operations as a mitigation measure along with the maintenance of the Oil Spill Response Plan (OSRP). The EAB noted that the Operator will also be utilizing water-based drilling fluids for open water work (OWW) and the upper sections of the wells. Where Non-Aqueous Drilling Fluids (NADF) are needed, a low toxicity International Oil and Gas Producers (IOGP) Group III NADF will be used along with a solids control and cuttings drying system to ensure that the NADF retained on cuttings does not exceed 6.9% wet weight at the time of discharge.

Air Quality: Emissions

The EAB was informed that the projects will produce localized and temporary emissions, with vessels being required to have International Air Pollution Prevention Certificate. Additional mitigation measures will also be taken such as the application of the International Prevention for Pollution from Ships (MARPOL 73/78) Annex VI: Prevention of Air Pollution from Ships and the use of low sulphur diesel or ultra-low sulphur diesel.

Air Quality: Noise

The EAB was informed that these impacts will also be localized and temporary measures will be in place to reduce exposure to such noise by the use of personal protective equipment (PPE) and isolating or enclosing areas that are above 100dB.

Project Activities

In addition to the wells previously drilled in both the Canje and Kaieteur Blocks, EEPGL has conducted extensive drilling campaigns in the contiguous Stabroek Block. These activities have utilized the same drill ships and supply/support vessels which allow the Operator to develop a reliable record of the nature of each operation, expected impacts, and efficacious mitigation practices. A list of these studies can be found in the attached document.

Decision of the EAB

Having allowed due process and considering all of the concerns, comments, and responses made during the Public Hearing, the EAB has completed its process to render its decision.

The EAB has thoroughly examined the assessment of the EPA for the abovementioned applications, the scope of previous studies (please see list in attachment) done by the Operator, the issues raised by the Appellant, and information provided within the presentation and applications made by the Developer and then further reflected on whether an EIA is required or not.

Drilling campaigns and the associated passage of supply/support vessels have been executed by the Operator over the past few years and are currently ongoing. The impact of these within the Stabroek Block has been examined over the years by the Operator alongside a number of studies, that also targeted both the Canje and Kaieteur Blocks. These aided in providing initial baseline data that allow a forecast of expected impacts within each block and the needed mitigation measures.

Considering the contiguous nature of Stabroek, Canje and Kaieteur Blocks, the EAB, agrees with the EPA that sufficient data exists to conclude that any negative impact of the proposed individual projects would be primarily local and short-term. The EAB, therefore, upholds the decision of the EPA that **no EIA is required** for the Projects.

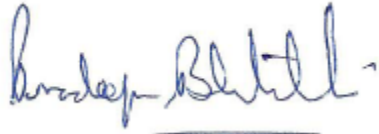
However, collectively, the impact of these projects needs to be further examined. Given the increasing drilling activity on the Stabroek Block and its proximity to the Canje and Kaieteur Blocks along with the number of wells proposed to be drilled, the EAB has decided that **the Operator must conduct an Environmental Impact Assessment of the Cumulative Impacts** of the activities within each project in keeping with Section 17 of the Environmental Protection Act along with an updated baseline assessment. In addition to this, the following recommendations are made:

1. The project will see a number of wells being plugged and abandoned after drilling and this presents some risk as Green House Gas leaks from such wells are possible. The EPA should consider a Green House Gas (GHG) management plan in the permitting condition for these wells when they are plugged and abandoned.

Environmental Assessment Board

C/o The Environmental Protection Agency
Ganges Street, Sophia
Georgetown

Yours sincerely,



.....
Pradeepa Bholanath
Chairperson
Environmental Assessment Board

c: Appellant
Developer: EEPGL

Attachment 1: List of Related Studies

1. Stabroek Block:

- a. 2014/2015 –Strategic Environmental Assessment (SEA) for Liza/Sorubim and SEA Addendum for Liza 2-well
 - b. 2015/2016 –Environmental Management Plan (EMP), assessing multi-well exploration drilling impacts and mitigations (Liza area plus four additional priority areas)
 - c. 2016/2017 –Liza Phase 1 Environmental Impact Assessment (EIA) and Environmental and Socioeconomic Management Plan (ESMP)
 - d. 2018 –EMP Addendum, assessing additional multi-well exploration drilling impacts
 - e. 2017/2018 –Liza Phase 2 EIA and ESMP
1. <https://www.epaguyana.org/epa/eepgl/download/16-eepgl/1005-liza-phase-2-vol-1-3>
 2. <https://www.epaguyana.org/epa/eepgl/download/16-eepgl/1004-liza-phase-1-vol-1-4>
- f. 2019 –12-well exploratory drilling campaign EMP assessing impacts
 - g. 2019 –Payara EIA and ESMP, assessing impacts of the proposed Payara Development Project
 - h. 2020 –Stabroek25-Well EA&MP, assessing impacts of a proposed 25-well exploratory drilling campaign
 - i. 2021/2022 –Yellowtail EIA
1. <https://www.epaguyana.org/epa/eepgl/download/16-eepgl/962-yellowtail-revised-march-2022>
 2. <https://www.epaguyana.org/epa/eia-s/download/17-esia-s/520-eepgl-payara-eia-volume-iii-mgmt-plans-july-2020-rev-4>
<https://www.epaguyana.org/epa/eia-s/download/17-esia-s/519-eepgl-payara-eia-volume-ii-appendices-july-2020-rev-4>
<https://www.epaguyana.org/epa/eia-s/download/17-esia-s/518-eepgl-payara-eia-volume-i-eis-eia-july-2020-rev-4>

2. Canje Block

- a. 2019 EA&MP, 3-well exploratory drilling campaign

Environmental Assessment Board

C/o The Environmental Protection Agency
Ganges Street, Sophia
Georgetown

3. Kaieteur Block
 - a. 2020 EA&MP, 1-well exploratory drilling campaign

4. Marine Fisheries Studies
 - a. Nearshore and Offshore Fisheries Studies (2017 – 2019)
 - b. Participatory Fishing Study (2019 – 2020)