



# **CANADA-NOVA SCOTIA BENEFITS**

## **DEEP PANUKE 2019 ANNUAL REPORT**

DMEN-RP-CO-0030.01I

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Ovintiv Canada ULC  
Halifax, Nova Scotia

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## I. Executive Summary

This report is submitted in compliance with Condition 10 (Monitoring, Reporting and Auditing) of the Canada-Nova Scotia Benefits Plan Decision Report (“the Decision Report”) for the Deep Panuke Offshore Gas Development as issued by the Canada-Nova Scotia Offshore Petroleum Board (CNSOPB). This report covers the period from January 1, 2019 to December 31, 2019.

Highlights of the report include:

- Total spending by Ovintiv on Deep Panuke was \$127 million Canadian dollars.
- 363,765 person hours of work by Nova Scotians.
- 81,691 person hours of work by Canadians from other provinces.
- 404,767 person hours of work carried out within Nova Scotia.

### Person Hours (January-December 2019) & Cumulative Hours

	<b>2019</b>	<b>CUMULATIVE</b>
<b>CATEGORY BY RESIDENCE</b>	<b>PERSON HOURS</b>	<b>PERSON HOURS</b>
Nova Scotia Residents	363,765	7,881,130
Canadian Residents from other provinces	81,691	1,372,895

Note: Table above includes all Nova Scotian and all Canadian Person Hours for Deep Panuke.

## II. Local Office

Ovintiv’s local office for Deep Panuke is located at Founders Square at 1701 Hollis Street in Halifax. Resident in the office is the Asset Manager/Project Director, Decommissioning Project Manager, and an interdisciplinary management team supported by employees and contract staff. Encana’s Halifax based employees who were previously working on production operations have transitioned into roles supporting decommissioning and abandonment. The Deep Panuke project team includes personnel responsible for project management, engineering, procurement, commercial arrangements, accounting, regulatory, stakeholder engagement, and environment, health, safety and quality.

SBM Nova Scotia Contractors (SBM), as operator of the Production Field Centre (PFC), maintain an office in Dartmouth led by a Nova Scotian unit manager, with local staffing to support their offshore activities in Nova Scotia.

At December 31, 2019, the total complement of fulltime Ovintiv employees and contract staff supporting Deep Panuke was 38. In 2019, Ovintiv personnel worked at the Ovintiv office, at Deep Panuke pipeline landfall in Goldboro, the offshore supply base, offshore at the PFC and onboard the drill rig Noble Regina Allen in Halifax harbour.

## III. Business Opportunities & Supplier Development

### III.I Communication of Business Opportunities

In 2019, Encana and SBM continued to share business opportunities for Deep Panuke with the local supply community. Information is posted to the Business Opportunities section of the Deep Panuke pages on the Ovintiv website ([www.ovintiv.com/deeppanuke](http://www.ovintiv.com/deeppanuke)), shared with the electronic bulletin board BIDS Alert, distributed via an email distribution list to disadvantaged group

representatives. Business opportunities are also reported through third party organizations such as the Maritimes Energy Association.

### **III.II Stakeholder Communications**

Ovintiv is committed to relationships with stakeholders to inform and involve them in Deep Panuke. Stakeholder liaison in 2019 included meetings, presentations and/or participation at conferences and workshops, phone calls, email notices, print material distribution, media relations, participation and/or support of community events and ongoing website updates to Ovintiv's Atlantic Canada webpage [www.ovintiv.com/deeppanuke](http://www.ovintiv.com/deeppanuke).

Ovintiv has also issued seven (7) information updates on decommissioning and abandonment plans since March 2018 and will continue to publish updates regularly throughout the decommissioning program. Updates are posted on [www.ovintiv.com/deeppanuke](http://www.ovintiv.com/deeppanuke) as well as emailed directly to interested parties.

Through 2019, there were 4,630 unique visitors and 8,146 visits (includes repeat visitors) to Deep Panuke web pages on the Ovintiv website.

## **IV. Business Expenditures and Employment**

### **IV.I Business Expenditures**

The total expenditure for Deep Panuke during the period of January 1-December 31, 2019 was \$127 million Canadian.

### **IV.II 2019 Person Hours**

Total Nova Scotia Person Hours for Deep Panuke from January 1 to December 31, 2019 were 363,765 and Other Canadian hours were 81,691, with 404,767 hours of work performed within the Province of Nova Scotia during the period.

Nova Scotia person hours focused on support for ongoing operations. Cumulative Nova Scotia Person Hours to date are recorded as 7,881,130. Total cumulative hours of work performed within the Province of Nova Scotia was 9,867,446.

## **V. Disadvantaged Groups**

As in previous years, Ovintiv continued to share information on opportunities from Deep Panuke through contact with groups and organizations representing the business, employment and educational/training interests of disadvantaged groups identified in the Decision Report, including indigenous groups, persons with disabilities, members of visible minorities, and women.

Ovintiv supported the delivery of core programs and services to members of these groups by funding events or donating fundraising items. Among the groups receiving such support in 2019 were Atlantic Policy Congress of First Nations Chiefs Secretariat, FEED Nova Scotia, Mental Health Foundation of NS, Ronald McDonald House and Special Olympics of NS.

In 2019, Ovintiv continued its liaison with representatives of indigenous groups in Nova Scotia on fisheries and environmental issues. As in previous years, any new hires to Deep Panuke participate in on-line Aboriginal Awareness Training offered by Ovintiv.

Ovintiv worked with the Entrepreneurs with Disabilities Network (EDN), a provincial organization facilitating entrepreneurship among persons with disabilities, by supporting its Mental Health Hero Luncheon, organized by EDN members in the Festival of Trees project of the Mental Health Foundation of Nova Scotia.

Data from voluntary responses to Ovintiv’s annual diversity survey of staff and data received from Ovintiv contractors supporting Deep Panuke is reported as follows:

<b>Group</b>	<b>Responses Received</b>
Aboriginal Peoples	1
Women	41
Members of Visible Minorities	1
Persons with Disabilities	0
	Note: Individual survey forms may include responses to more than one group.

## **VI. Education & Training/ Research & Development**

Ovintiv invests in research and development, education and training initiatives in Nova Scotia with a focus on advancing the development of the offshore oil and gas industry. To December 31, 2019, Ovintiv has spent approximately \$8.8 million on education & training and research & development initiatives under the Deep Panuke Education & Training and R&D Fund (the Fund).

In 2019, Ovintiv provided sponsorship to and participated in a panel discussion on decommissioning at energy3 – Canada’s Energy Conference organized by Maritimes Energy Association. Sponsorship was also provided for Science Atlantic: Atlantic Universities Geoscience Conference organized by the Department of Earth Sciences at St. Francis Xavier University and Skills Canada-Nova Scotia by donating fundraising items. Skills Canada – Nova Scotia (SCNS) is a not-for-profit organization that provides Nova Scotian youth with opportunities to explore skilled trades and technologies through a range of programming.

Ovintiv donated surplus used furniture and office supplies to the Nova Scotia Health Authority “Mental Health Day Treatment Program” and Ummah Mosque & Community Centre, both in Halifax.

In 2019, Encana funded training totaling approximately \$13,000 for its own staff working on Deep Panuke, with cumulative training totaling \$626,771. In 2019, contractors and service providers working on Deep Panuke reported 676 placements for training totaling approximately \$204,000.

## **VII. Activity Forecast for 2020**

The Ovintiv team in Halifax will continue to manage operations for marine, helicopters, logistics and other support activities until the completion of decommissioning and abandonment activities. SBM is responsible for the ongoing operations of the PFC and will maintain responsibility for offshore labour, equipment maintenance, inspection, medical services, catering and housekeeping services.

Decommissioning activities will continue through 2020. A tentative schedule with estimated durations in 2020 by program activity is provided in the table below.

Activity	Estimated Timing	Estimated Duration
<b>Production Field Centre (PFC)</b>		
PFC de-install preparatory work	Q1/Q2 2020	4-6 months
PFC de-install	Q3 2020	1 week
<b>Gas Export Pipeline (GEP) and Onshore Facilities</b>		
GEP flushing and pigging	Completed (June-July 2019)	1 month (actual)
Onshore facilities removal & restoration	Q2, 2020	1 month
<b>Subsea</b>		
Flowline flushing and cleaning	Completed (September 2019)	2 weeks (actual)
Subsea disconnects	2020	1-2 weeks
Subsea structures removal	2020	1-2 weeks
<b>Well Plugging and Abandonment</b>		
Offshore execution	Q1/Q2 2020	5-6 months