

Draft Regulations

Draft Minister's Order

Mining Act
(chapter M-13.1)

Conditions and requirements to which exploration work for petroleum, natural gas and underground reservoirs on the lands of Île d'Anticosti reserved to the State is subordinated

Under the fourth paragraph of section 304 of the Mining Act (chapter M-13.1), the Minister of Energy and Natural Resources may allow, by order, on land reserved to the State, mining exploration or mining operations in accordance with the Act for such mineral substances as are determined by the Minister.

Notice is hereby given, in accordance with sections 10 and 12 of the Regulations Act (chapter R-18.1), that the draft Minister's Order respecting the conditions and requirements to which exploration work for petroleum, natural gas and underground reservoirs on the lands of Île d'Anticosti reserved to the State is subordinated, appearing below, may be made by the Minister, with or without amendment, on the expiry of 20 days following this publication.

Under section 12 of the Regulations Act, the draft Minister's Order may be made at the expiry of a shorter period than the 45-day period provided for in section 11 of the Act.

The Minister is of the opinion that the shorter publication period is justified by the urgency resulting from the following circumstances:

— each additional day of delay jeopardizes the completion of the work scheduled for the 2014 summer season on Île d'Anticosti;

— each additional day of delay before the implementation of the work framework results in additional costs, as it makes economy of scales impossible by reducing the number of stratigraphic borings that can be carried out.

Any person wishing to comment on the draft Minister's Order is requested to submit written comments within the 20-day period to Christyne Tremblay, interim Associate Deputy Minister of Energy, ministère de l'Énergie et des Ressources naturelles, 5700, 4^e Avenue Ouest, bureau A 407, Québec (Québec) G1H 6R1.

PIERRE ARCAND,
Minister of Energy and Natural Resources and Minister responsible for the Northern Plan

Order concerning conditions and requirements governing the exploration work for petroleum, natural gas and underground reservoirs on the land of Île d'Anticosti reserved to the State

Mining Act
(chapter M-13.1)

THE MINISTER OF ENERGY AND NATURAL RESOURCES,

CONSIDERING the arrêté ministériel 2009-033 dated 18 August 2009 (2009, *G.O.* 2, 4646) which provides that a portion of the land on île d'Anticosti is reserved for the State in accordance with section 304 of the Mining Act (chapter M-13.1);

CONSIDERING the fourth paragraph of section 304 of the Mining Act which provides that the Minister may allow, by order, on land reserved to the State, mining exploration or mining operations for such mineral substances as are determined by the Minister;

CONSIDERING the arrêté ministériel 2009-033 which determines that, on the land of île d'Anticosti reserved to the State, only sand, gravel, rocks used as crushed stone, petroleum, natural gas and underground reservoirs may be the object of mining exploration and mining operations;

CONSIDERING that the Order subjects the mining operations to conditions and obligations determined by the Minister;

CONSIDERING that the preliminary surveys to explore for petroleum, natural gas and underground reservoirs is planned on île d'Anticosti during the summer 2014;

CONSIDERING the requirement to put in place conditions to warrant the safety and protection of persons, goods and the environment while the operations are conducted;

CONSIDERING that it is necessary to promote development that is associated with Québec communities and integrated into their environment;

CONSIDERING that the exploration for petroleum, natural gas and underground reservoirs must be promoted in keeping with the principle of sustainable development;

CONSIDERING that it is expedient to determine the conditions and requirements governing the exploration work for petroleum, natural gas and underground reservoirs on the land on the land of Île d'Anticosti reserved to the State under the Minister's Order 2009-033;

CONSIDERING the fifth paragraph of section 304 of the Mining Act which provides that a minister's order made under the fourth paragraph of the section comes into force on the day of its publication in the *Gazette officielle du Québec* or on any later date specified therein;

ORDERS AS FOLLOWS:

The conditions and requirements governing the exploration work for petroleum, natural gas and underground reservoirs on the land of Île d'Anticosti reserved to the State are those mentioned in Schedule 1;

This Minister's Order comes into force on the day of its publication in the *Gazette officielle du Québec*.

PIERRE ARCAND,
Minister of Energy and Natural Resources

SCHEDULE I

Conditions and requirements governing the exploration work for petroleum, natural gas and underground reservoirs on the land of Île d'Anticosti reserved to the State

1. Only stratigraphic survey may be carried out by the holder of a licence to explore for petroleum, natural gas and underground reservoirs (licensee). Such surveys include coring, sampling, analyses and logging.

2. The licensee who plans to carry out a stratigraphic survey must send the Minister, for approval, not later than 15 days before the work is to begin:

(a) a detailed program of the work planned by the licensee, certified and sealed by an engineer who is a member of the Ordre des ingénieurs du Québec, which must include, especially, an estimated cost of planned work, a plan to seal the stratigraphic survey and a site rehabilitation and restoration plan made in accordance with section 232.3 of the Mining Act (chapter M-13.1);

(b) a mitigation plan showing that the planned work takes into account the harmonizing the uses of the territory and mitigate disturbances for local communities and the environment;

(c) an emergency measure plan and a plan to protect forests against fire;

(d) a timetable for the road traffic caused by the carrying out of the work indicated in the detailed plan, including the volume of heavy trucks, the duration of the truck's trips, the distances to be covered and a map showing the planned routes.

3. The licensee must demonstrate that the work planned takes into account the regional and local geology so as to assess the risk inherent to the presence of faults or other geological structures that could have an impact on the quality of the work in the short, medium and long terms.

4. A performance guarantee corresponding to 10% of the estimated cost of work described in the detailed program must be given to the Minister before the work begins. Such guarantee may take one of the forms provided for in section 16 of the Regulation respecting petroleum, natural gas and underground reservoirs (chapter M-13.1, r. 1).

5. A certified copy of a liability insurance policy in the amount of \$10,000,000 per disaster, covering any damage due to stratigraphic survey's operations or equipments, must be given to the Minister before the work begins and be maintained until the end of the work planned in the rehabilitation and restoration plan.

6. The collar of a stratigraphic survey may not be spudded:

- (a) in a zone at risk of ground movement;
- (b) less than 100 metres from the limits of the land covered by the licence where the stratigraphic survey is carried out or less than 400 metres, if the stratigraphic survey is carried out on water-covered land;
- (c) less than 100 metres from the high-water mark;
- (d) less than 100 metres from route Transantico-stienne;
- (e) less than 500 metres from any immovable;
- (f) less than 1,000 from an airport.

7. The licensee must make sure, for each stratigraphic survey, that the work is carried out so as to optimize the quality and safety of all aspects connected to the design, construction, cementing, work integrity control and the sealing of the survey. To that effect, the licensee must :

- (a) use, during operations that leads to the installation of the surface casing, a system making it possible to safely control the arrival of fluids. For operations carried out after securing the surface casing, a blowout prevention system having at least 3 blocking mechanisms designed to resist to the various pressures as anticipated in the detailed program must be used;
- (b) use a piping system with the blowout prevention system enabling the fluids coming up to be directed to closed and tight tanks and to a flare stack in the case of gas;
- (c) check the working condition of the blowout prevention system every 24 hours;
- (d) use equipment, components, casing or piping that can resist to the various pressures indicated in the detailed program and resist to the blowing up, crushing, tension constraints and other constraints to which they might be subjected;

(e) realize pressure test to assess the tightness of equipment, components, casing or piping at the time they are installed;

(f) secure the surface casing at a depth greater than 10% of the maximum depth and at a minimal depth of 30 metres under the base of the aquifer;

(g) carry out the cementation using an appropriate method and make sure that a part of the poured cement comes to surface through the annular space;

(h) plan an excess 25% of the cement volume to be used for each stratigraphic survey calculated at the time of cementation;

(i) plan 24 hours for the cement to solidify before resuming any coring, sampling, analyses and logging;

(j) realize pressure test before resuming operations;

(k) insulate all the geological horizons encountered containing water, oil or gas and prevent migration from a geological horizon to another;

(l) carry out trajectory deviation surveys at intervals that ensure that the stratigraphic survey maintains its trajectory.

8. For each stratigraphic survey, the licensee must keep and maintain on the site the daily report of operations referred to in section 46 of the Regulation respecting petroleum, natural gas and underground reservoirs, adapted as required. A copy of that report is to be sent to the Minister weekly.

9. During the work and at the end of the work, the licensee carries out the logs required to ensure the quality of the work and the acquisition of knowledge.

10. Should gas or petroleum come to the surface, the licensee must notify the Minister without delay and proceed with the sampling and analysis of the hydrocarbons recovered.

11. At the end of the operations, the licensee must seal by cementation over all the length of the stratigraphic survey and proceed with the restoration and rehabilitation of the site in accordance with the plans approved by the Minister.

12. Within 30 days of the end of the operations, the licensee must file a declaration stating the existence and location of the stratigraphic survey collar in the land, register and send a copy thereof to the Municipalité de L'Île d'Anticosti as soon as the declaration is recorded.

13. The licensee sends to the Minister, within 90 days following the end of the sealing operation:

(a) the report referred to in section 48 of the Regulation respecting petroleum, natural gas and underground reservoirs, adapted as required. The report must be certified and sealed by an engineer who is a member of the Ordre des ingénieurs du Québec;

(b) the result of all the analyses made;

(c) at least half the core cut lengthwise;

(d) a paper copy and a copy in .LAS format of all logs carried out and their interpretations.

14. For a period of 5 years following the sealing operations, a yearly inspection must be carried out by the licensee and a report must be sent to the Minister before the anniversary date of the sealing operations. The report, certified and sealed by an engineer who is a member of the Ordre des ingénieurs du Québec, must demonstrate that the condition of the site ensures the safety of persons, property and the environment.

15. No perforation, stimulation or fracturing, no drill-stem test or extraction test may be carried out on the stratigraphic surveys carried out on land on the land of Île d'Anticosti reserved to the State.