

Shoal Point Energy readying for fracking review

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Published on October 01, 2014

Company parts ways with Black Spruce Exploration

As CEO of Shoal Point Energy, Mark Jarvis has concerns over what will result from the Government of Newfoundland and Labrador's review of the use of hydraulic fracturing (fracking).



— Map courtesy of CNLOPB

Labrador Offshore Petroleum Board (CNLOPB) issues licences and continues to allow the use of fracking.

But the near-shore Green Point shale play targeted by Shoal Point Energy could be sought using a well drilled from onshore, out into offshore area. And onshore drilling falls to the province's regulations.

At present, an onshore-to-offshore project in the area wouldn't be allowed. Depending on the findings of the province's yet-to-be-presented review panel, it might be in the future.

And a purely offshore exploration venture in the same area faces the issue of social licence.

Jarvis sees a potential significant discovery area for his company, but also the offer of jobs and royalties for the province.

"We need to change the conversation in Newfoundland around hydraulic fracturing. And we need to be completely committed to this process that the government is going through, of putting together, an independent review panel that's going to look at the science around hydraulic fracturing, assess the risks versus the potential rewards and come to a conclusion around that," he said.

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"We're 100 per cent focused on the shale play. We think this is a world-class play, so we really want to focus on that and not to sort of focus on the other, more conventional plays."

And the shale play will need fracking.

And he is ready to take part in the review.

"All I can do is do my best to try and work with the government, to look at the science and use this as an opportunity to educate the public. I would even say the odds are against me," he said in a recent interview. "However, the size of the prize is what's driving me forward."

Shoal Point Energy holds an offshore exploration licence just off the coast of the Port au Port Peninsula in western Newfoundland.

The province does not have sole jurisdiction over the offshore, where the Canada-Newfoundland and

The company's focus is at least part of the reason Shoal Point decided to part ways with Black Spruce Exploration, Jarvis said.

The two companies ended a farm-out agreement on Sept. 22.

Black Spruce Exploration has other exploration licences to move forward on. President and CEO David Murray said his company continues to look at the potential for developing conventional oil projects in the Humber Valley, on properties picked up when the company acquired the assets of Deer Lake Oil and Gas earlier this year. The company is also in discussions with Enegi Oil in relation to work on its Western Newfoundland properties. And an agreement with Ptarmigan Energy has Black Spruce looking at the potential in purely offshore operations.

"We are on conventional plays, but there's a lot of offshore conventional plays. Just like you have on the East Coast, there's also shallow offshore plays on the west coast too," Murray said.

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