

Too many unknowns to recommend fracking in western Newfoundland: review panel

May 31, 2016 5:07 AM The Canadian Press | 0 Comments

ST. JOHN'S, N.L. – There are too many science, technology and risk-assessment gaps to green-light fracking in western Newfoundland, says a panel that studied the contentious oil-extraction process.

In a report released Tuesday, it recommends the province continue its freeze on fracking applications until major questions are answered.

"The science, the studies that have been done, have been somewhat limited — certainly limited compared to what we'd expect to have done in order to plan this kind of operation," said Ray Gosine, an engineering professor at Memorial University of Newfoundland who led the government-appointed panel.

"There are a number of gaps and deficiencies that are significant," he said in an interview. "These must be addressed before we feel that conditions could reasonably exist that would allow hydraulic fracturing operations to proceed responsibly."

Natural Resources Minister Siobhan Coady said in a statement that the province is studying the findings.

"In the meantime, the current policy to not accept applications for hydraulic fracturing will not be changing. Any future decisions regarding the hydraulic fracturing industry will be based on scientific evidence, and most importantly, on a social license from the Newfoundlanders and Labradorians who may be affected."

It's believed Newfoundland's west coast has deep shale formations that hold oil, unlike more shallow coal bed gas deposits in parts of the U.S. and western Canada.

The province has not approved hydraulic fracturing — or fracking — for oil and gas by pumping water, nitrogen, sand and chemical additives at high pressure to split shale rock formations. It's a process supporters say has been safely used for decades.

Critics blame fracking for groundwater contamination, air pollution and increased earthquakes.

Newfoundland and Labrador blocked any related applications in 2013, pending a review, after a proposal to frack for oil near Gros Morne National Park touched off intense public debate.

"There are concerns that industrial activity around Gros Morne National Park could threaten its designation as a UNESCO world heritage site or could negatively impact the enclave communities around the park that have developed a tourism industry based largely on Gros Morne," says the panel's report.

"An appropriate buffer zone around Gros Morne National Park must be established."

Steps that should be taken before fracking is allowed should also include assessing potential health effects, greenhouse gas emissions and a modern seismic study of the Green Point Shale south of Gros Morne, says the report.

On Friday, Canada was once again urged in a draft decision by the UNESCO World Heritage Committee to act on its 2014 call for a buffer zone around the park's famous cliffs, fjords and hiking trails.

Simon Jansen of the Newfoundland and Labrador Fracking Awareness Network said there are better, renewable energy options.

"It confirms all the uncertainties that we have been pointing out," he said of the review panel.

"So many people have created a living around sustainable tourism. Even if fracking can be done in whatever shape or form, is this a good fit for the existing lifestyle with respect to fisheries and tourism?"

The report offers a graduated series of several other recommendations when and if the province lifts its current "pause"

on fracking. They include studying how wastewater would be handled, and the extent of existing rural fire and emergency services.

"Risks must be identified, assessed and effectively managed," it says. "The public must have confidence that an industry will be managed and regulated in a manner that protects the health of people and the environment, and that advances the interests of the communities most affected by development."

Paul Barnes, Atlantic Canada manager for the Canadian Association of Petroleum Producers, said the report offers a balanced way forward.

"It represents a prudent approach to shale development on the west coast here based on responsible, fact-based information."

Barnes believes there's economic potential for fracking — if public confidence is bolstered with those answers.

The Canada-Newfoundland and Labrador Offshore Petroleum Board says there's no activity off the province's west coast at this time. There are five exploration licences in western Newfoundland, but none adjacent to Gros Morne.

The panel offered a hypothetical "illustrative scenario" of hydraulic fracturing for the Green Point Shale, including 480 production wells to be drilled over six years from about 35 onshore well pads near the coast around Port au Port Bay. It concluded truck traffic would soar and that such a project to produce oil for export wouldn't be fiscally attractive for the province below a price of about US\$85 a barrel.

Moreover, estimated yearly revenues of \$84 million to \$136 million would not "be a 'game-changer' with respect to the fiscal position of Newfoundland and Labrador," says the report.

Brent crude prices have crashed since 2014, recently trading at just under US\$50 a barrel.

New Brunswick announced last week it has no plans to lift its moratorium on hydraulic fracturing. A related commission report last February recommended several conditions — including a single independent regulator — to allow a shale gas industry to grow in the province.

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