



Office of the Warden

January 24, 2018

Mayor Ralph Hadley & Council
Town of Mulgrave
PO Box 129
Mulgrave, NS
B0E 2G0

ralphhadley@eastlink.ca

Dear Mayor Hadley & Council:

Re: The Nova Scotia Onshore Petroleum Atlas

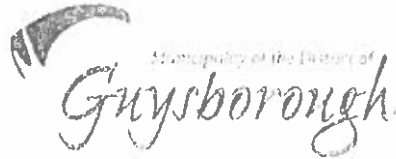
Recently the Nova Scotia Department of Energy released "*The Nova Scotia Onshore Petroleum Atlas*" (<https://energy.novascotia.ca/onshore-atlas-version-1-2017>). Based on available geological data the report indicates that the Windsor and Cumberland sub-basins hold significant potential for hydrocarbon development. The total estimated economic potential within Nova Scotia is projected at US\$20 Billion to US\$60 Billion.

In September 2014, then Nova Scotia Energy Minister Andrew Younger, introduced legislation banning hydraulic fracking in Nova Scotia. This technology, which has been used extensively in other jurisdictions, including Alberta and more recently 21 states in America utilize hydraulic fracking. This process has unlocked a period of unprecedented economic growth and has been a major contributing factor to energy independence from reliance on unstable foreign energy sources.

In Nova Scotia, we are rapidly approaching the decommissioning of both the Sable Offshore Energy project and Deep Panuke. The Sable project has had a profound impact on the Nova Scotia economy with more than \$2.7 billion spent in Nova Scotia since 1999 and annual operating expenditures of \$150-200 Million. In addition, 100's of millions of dollars have been paid to Nova Scotia in royalties as well as significant federal and municipal taxes.

Despite the potential for onshore development evidenced in the Petroleum Atlas there is currently no path to development. Recently the Province of Quebec lifted its moratorium and introduced updated guidelines to minimize risks associated with hydraulic fracking.

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For Nova Scotia to grow our economy access to competitive energy is imperative. Within the next two years we will be importing natural gas to supply Nova Scotia industry, commercial businesses, institutions and residences.

The Strait area is poised for significant developments (including Bear Head LNG and Goldboro LNG) – many will be making final investment decisions in 2018. The competitiveness of each of these developments is negatively impacted by Nova Scotia's current position related to hydraulic fracking.

We are asking our neighboring municipal partners in the Strait region to join us in calling for the Government of Nova Scotia to design new regulations that would permit investors to assess the potential of onshore natural gas production through a pilot project at one of the sites identified in the new Onshore Atlas. These new regulations would enable Nova Scotia to develop evidence-based decisions on the opportunity for development.

We all see, first-hand, the challenges we face in health care, education, highway infrastructure, etc. We owe it to our citizens to fully consider all opportunities so that we can continue to enjoy a high quality of living and offer the services of a modern society.

We hope that you will support the following motion:

THAT the Council of the Town of Mulgrave write the Premier of Nova Scotia, with copies to all members of the Legislature, indicating that, in light of the recent release of the Nova Scotia Onshore Petroleum Atlas Project confirming the economic potential for onshore hydrocarbon development, that we strongly urge the Province to create regulations and legislation that remove the ban on fracking in NS and design a program that provides strict guidelines and parameters under which a pilot project can be initiated to determine whether this resource can be safely developed for the benefit of all Nova Scotians.

Yours Truly,

Vernon Pitts
Warden