

Deep Panuke

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Title

Fisheries Damage Compensation Program

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1 INTRODUCTION

Deep Panuke was a natural gas development located offshore, approximately 250 km southeast of Halifax, Nova Scotia and 45 km West of Sable Island. Natural gas was produced, processed and transported via a 560 mm (22 inch) diameter pipeline to onshore facilities near Goldboro, Nova Scotia.

The Deep Panuke facilities consisted of an offshore platform (or Production Field Centre), five subsea wells and associated subsea flowlines and a gas pipeline to shore. The location and layout of the Deep Panuke field is depicted in Figure 1.

Ovintiv permanently ceased production from Deep Panuke on May 7, 2018. The platform was removed from the offshore in 2020. The wells were also permanently plugged and abandoned in 2020. The pipeline, flowlines and associated control umbilicals have been abandoned in place.

1.1 Assets Abandoned in Place

The five subsea wells were plugged and abandoned, and their conductor and casing strings were cut to a minimum depth of 3 m below the seabed.

The Deep Panuke pipeline is a 560 mm diameter (22 inch), 175 km in length (172 km offshore and 3 km onshore) that runs from the former Deep Panuke field site and makes landfall near Goldboro, NS. The pipeline is buried in the nearshore area and the ~75 km section that terminates near the Deep Panuke field is also buried. The pipeline was flushed, cleaned and left filled with seawater. It was disconnected from the offshore platform and on both sides of the subsea isolation valve (which has also been removed) with the ends left open to the sea. The control umbilical which ran between the offshore platform and the subsea isolation valve was also abandoned in place.

Four flowlines with a diameter of 220 mm (8.5 in) and one flowline with a diameter of 90 mm (3.5 in) are located (buried) in the Deep Panuke field. The flowlines for the Deep Panuke field range from 0.6 km to 5.9 km in length, as noted in Figure 1. The flowlines were flushed and left filled with seawater. They were disconnected from the offshore platform and from the subsea trees (which have been removed) and the ends left open to the sea. The associated control umbilicals were also abandoned in place.

Additional assets (rock filter units, concrete mattresses, grout bags, concrete tunnels, rock, etc.) used to stabilize and protect the pipeline, flowlines, umbilicals and offshore platform have also been abandoned in place on the seabed. These assets were also used to eliminate potential snagging hazards. These features provide habitat for fish and invertebrates ("reef effect") as documented during annual environmental effect monitoring surveys.

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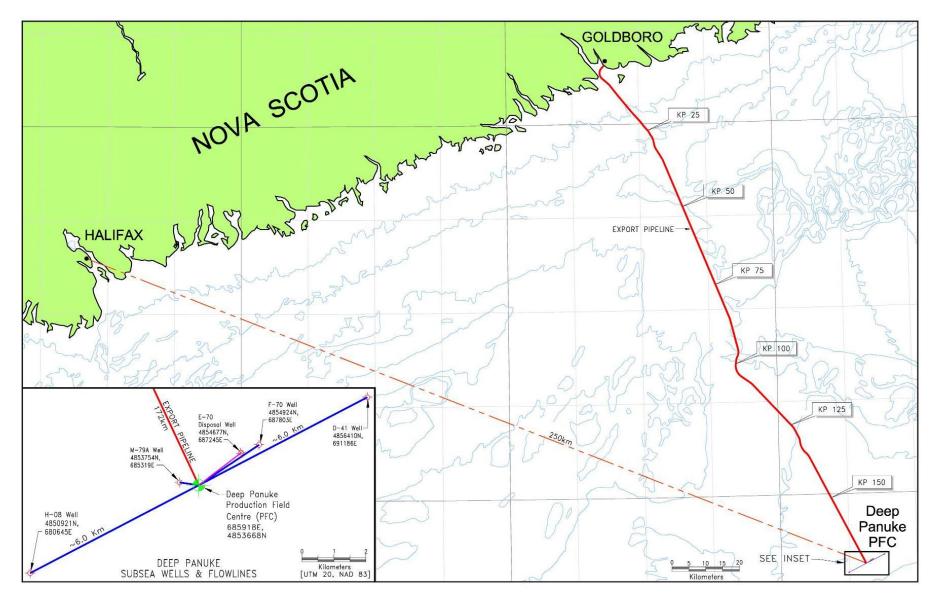


Figure 1: Deep Panuke Field Location and Layout

2 FISHERIES DAMAGE COMPENSATION PROGRAM

Ovintiv will compensate and indemnify licensed participants in the fishing industry to the extent that Deep Panuke abandoned facilities may cause them damage or loss during normal fishing operations.

With respect to compensation for loss or damage to fishing or aquaculture gear or vessels, Ovintiv will follow the guidance set out in the CNSOPB <u>Compensation Guidelines Respecting Damages Relating to Offshore Petroleum Activity</u> (November 2017).

In the event of loss or damage to fishing gear or vessels owned and/or operated by licensed fishers or Indigenous peoples, as a result of contact with any Deep Panuke assets that have been abandoned in place offshore, the impacted person or group should contact Ovintiv Canadian Operations at (888) 568-6322 (toll-free in Canada), (403) 645-2000 or by email at general.inquiries@ovintiv.com.

Ovintiv, or a third-party engaged to manage the claims process, will require supporting information from the impacted party, including as a minimum:

- Name, address and contact details of the claimant
- Details of the spill or debris against which the claim is being made, including time, date and geographic location (latitude and longitude, if known)
- Type of claim being submitted, the amount claimed, an explanation of how the costs or losses were incurred, and the dates of the period of the claim.

See Appendix 1 and 2 of the CNSOPB guidelines for an example of the required information.

Depending on the nature of the claim, additional information may be required on a case by case basis.

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