

**Memorandum of Understanding
between
BC Ministries of Forests, Lands and Natural Resource Operations, Natural
Gas Development, and Environment
and
Canadian Association of Petroleum Producers and Explorers and
Producers Association of Canada**

**Re: Implementation Plan for the Management
of Boreal Caribou in British Columbia**

Purpose:

The Government of British Columbia (BC) approved the implementation of management activities for boreal caribou including: protecting certain areas of boreal caribou habitat from industrial activities; managing the size of industrial footprint and mitigating the effects of the industrial footprint where industrial activities are allowed. The implementation of these activities has been described in the *“Implementation Plan for the Management of Boreal Caribou (Rangifer tarandus caribou pop. 14) in British Columbia”* (also referred to here as the boreal caribou Implementation Plan, or the BCIP).

This Memorandum of Understanding (MOU)OU establishes a framework for collaboration between the BC Ministries of Forests, Lands and Natural Resource Operations (MFLNRO), Natural Gas Development (MNGD), Environment (MoE), the Canadian Association of Petroleum Producers (CAPP), and the Explorers and Producers Association of Canada (EPAC) in directing funds to support implementation of the BC Government’s BCIP.

Background:

The Government of BC has developed an approach to balancing habitat protection and management actions for boreal caribou with future petroleum and natural gas (PNG) development activities. This approach includes:

- Establishing Resource Review Areas ¹(where PNG tenure sales would be deferred for a minimum period of five years)
- Identifying and designating under the *Oil and Gas Activities Act* boreal caribou habitat areas where PNG activities will be mitigated,
- Establishing management practices (operating practices) to be applied to PNG activities in designated boreal caribou habitat areas,
- Restoring boreal caribou habitat,

¹ RRAs have already been established by MEMPR (now MNGD)

- Managing caribou predators and alternate prey, and
- Conducting research on boreal caribou and their habitat

Development of certain technical aspects of the BCIP required sharing information and knowledge of boreal caribou and of industry practices among representatives of the parties. This collaboration will be carried forward in implementing the BCIP.

A commitment to collaborate on conducting research, monitoring and adapting the BCIP or activities to better achieve implementation objectives is essential to the success of this initiative. The initiative requires a long term commitment to implementing the BCIP at the site and landscape scales.

Agreement:

The Parties agree to collaborate on the implementation of the BC Government's BCIP. The Parties recognize that final decisions regarding boreal caribou management and implementation rest with the BC Government.

Specific activities in the BCIP include, but are not limited to:

1. Establishing a suite of management practices (operating practices) that will be applied to PNG exploration and development activities across designated boreal caribou habitat areas to manage impacts on boreal caribou and its habitat from the development footprint.

CAPP members on behalf of CAPP and EPAC have provided input to the Province of British Columbia toward identifying a regime of operational practices, generally described as operating practices, which when implemented, will help to mitigate the impacts of PNG activities to boreal caribou. It is recognized that the Province of British Columbia will undertake further consultation on these operating practices and the Province will advise of proposed refinements. It is understood that the Province of British Columbia intends to transmit these operating practices to the BC Oil and Gas Commission (OGC); where appropriate, the OGC will refer to these operating practices to inform the review and approval of a proposed PNG activity. The OGC will inform the British Columbia PNG industry of these operating practices through an Information Letter.

In addition to operational requirements under OGC's authority, CAPP and EPAC members aim to carry out "best practices" with respect to boreal caribou, attached as Appendix 2.

2. Evaluating options and directing resources to rehabilitate priority boreal caribou habitat areas that have been altered by PNG developments.

3. The Government of BC implementing boreal caribou predator and primary prey management that contributes to maintaining populations of boreal caribou over time.
4. Working collaboratively to identify research priorities, conduct inventories, and fill information gaps and working together to support adaptive management².
5. Monitoring and evaluating the effectiveness of the above measures implemented by government and industry.

The Parties agree to be guided by the following principles:

- Application of sound science;
- Measurable objectives and actions;
- Shared responsibility; and,
- Application of adaptive management.

Contributions of the Parties:

CAPP and EPAC (including those members affected by the BCIP) agree to support an industry funding model which will provide up to \$2 million per year in annual funding for 5 years to support the implementation of the BCIP. Funding will be generated through a structured member contribution. In addition, an annual apportionment of the funding will be allocated to the management of caribou herds in the south Peace of BC as per the attached addendum (appendix 3). A review of all funding will occur in 3 years prior to renewal for the last 2 years.

The province of British Columbia will allocate staff and additional support for research and monitoring work during implementation of the BCIP.

All parties may collaborate in seeking other funding options as appropriate.

Technical working groups or other committees will be established as required to address specific issues

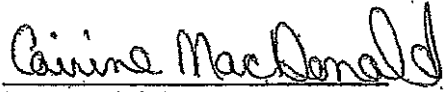
Term:

This MOU was initially endorsed in August 2011, but later revised June 2013, to reflect changes in government agencies and staff, governance structure, and amendments to funding.

This MOU is for the term of five years from the date of signoff.

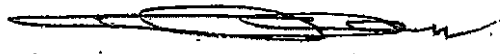
² adaptive management refers to monitoring the effectiveness of management actions and modifying actions accordingly to ensure the Boreal Caribou Management Plan objectives and actions are being achieved.

Signatures and Dates



Deputy Minister
BC Ministry of Environment

July 25/11
Date



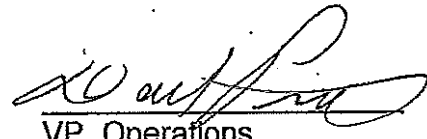
Deputy Minister
BC Ministry of Energy and
Mines

July 27/11
Date



Deputy Minister
BC Ministry of Forests, Lands
and Natural Resource Operations

July 26/11
Date



VP, Operations
Canadian Association of
Petroleum Producers

August 5/2011
Date



Executive Director
Small Explorers and Producers
Association of Canada

8 Aug 2011
Date

Appendix 1

Governance

I. Accountability

Final decisions on approving and implementing the BCIP rest with the Government of BC.

Implementation of this MOU is steered by a Strategic Lead Team (as outlined below).

Members of CAPP and EPAC are responsible for carrying out their activities in a manner that is consistent with the BCIP, including the management practices that are to be established. The CAPP and EPAC are responsible for chairing a small group of member producers at both the executive and technical levels to facilitate MOU implementation.

While the BC OGC is not a signatory to this MOU, it is recognized that the OGC is responsible for authorizing PNG activities and is a key contributor to the success of this initiative. The Parties to this MOU will consult with the OGC on any issues that affect their responsibilities.

II. Roles and Responsibilities

(a) MOU Strategic Lead Team (MSLT)

A senior level strategic team will oversee implementation of this MOU. The team will consist of:

- 1) The ADM, Regional Operations Division (North Area), MFLNRO;
- 2) The ADM, Environmental Sustainability and Strategic Policy, MoE;
- 3) The ADM, Oil and Gas Division, MNGD;
- 4) OGC, Deputy Commissioner;
- 5) The CAPP Operations Lead Provincial Liaison; and,
- 6) A representative group from industry consisting of four senior officials (i.e., Executive Planning Group level or designate) of the CAPP and/or EPAC membership who have operations within BC boreal caribou habitat range.

The MSLT will be co-chaired by ADM-FLNRO (North Area) and CAPP. Meetings will occur at times jointly agreed to and meeting agendas will be jointly prepared. CAPP will provide logistical and secretarial support for the meetings if required.

The MSLT shall provide direction to the MOU “Research and Effectiveness Monitoring Board” with respect to technical work required, accountabilities for completion of work, timelines and how and where resources are used.

The MSLT will review products created by the Research and Effectiveness Monitoring Board or other committees and will strive to reach agreement on all reports and recommendations made.

The MSLT will approve the overall approach to communication and interaction with other governments and interests.

The MSLT will review and approve the expenditure of resources brought forward to assist in implementation of this MOU.

(b) MOU Research and Effectiveness Monitoring Board (REMB)

The previous technical working groups were revised for efficiency purposes. The REMB is to oversee and review research in support of the BCIP. The REMB will consist of technical or scientific representatives from:

- 1) Oil and Gas Division, MFLNRO;
- 2) Fish and Wildlife Recovery, MFLNRO;
- 3) Northeast Operations, MFLNRO;
- 4) Ecosystem Conservation, MoE;
- 5) Environmental Stewardship, OGC;
- 6) BC policy representative, CAPP;
- 7) Three CAPP-member industry technical representatives;
- 8) Treaty 8 First Nations Representative;
- 9) Research and Monitoring Coordinator; and,
- 10) Other parties as determined by the MSLT

The REMB is responsible for providing recommendations to the MSLT and delivering on the work assigned by the MSLT, meeting the major MOU implementation milestones in a timely manner and within the resources allocated. It will also oversee and review research and provide recommendations on management actions and their effectiveness in support of the BCIP.

As a first task, the revised REMB will establish a Terms of Reference for itself that will be approved by the MSLT.

Appendix 2

Boreal Caribou Management Voluntary “Best Practices”

The CAPP members on behalf of CAPP and EPAC have identified several “best practices” that they are committed to carry out on their own accord. These practices are in addition to the operational practices overseen by the OGC in designated caribou habitat areas (e.g. Ungulate winter ranges (WURs) and Wildlife habitat areas (WHAs)).

Best Practices for Oil and Gas Activities in UWRs and WHAs
Permanently decommission infrastructure to a state of functional habitat restoration as soon as practical.
Implement an interim reclamation program.
Develop and deliver boreal caribou education sessions for company employees and contractors.
Do not allow firearms be in the possession of company employees or contractors, except for authorized safety purposes
Do not allow pets to be in the possession of company employees or contractors while on site.
Do not allow the use of personal snowmobiles, ATVs, or other motorized recreational vehicles by company employees or contractors when resident on company lands and facilities within UWRs and WHAs.
Post winter speed limits of 80 Km/hr on high-grade roads and 60 Km/hr on secondary roads within UWRs and abide by them.

Appendix 3

Background:

In fall 2012, the Government of BC endorsed a plan to increase the population of seven northern caribou herds in the south Peace of BC. These herds include the Graham, Scott, Kennedy Siding, Moberly, Burnt Pine, Quintette, and Narraway (Bearhole-Redwillow portion). That decision and subsequent direction has been articulated in the document *“Implementation Plan for the Ongoing Management of South Peace Northern Caribou (Rangifer tarandus caribou pop. 15) in British Columbia”*. To support the cost of implementing this plan, government has developed policy and a guidance framework to collect fees as a financial offset for any future habitat impacts associated with industrial development in identified habitat for south Peace northern caribou.

Apportionment:

This MOU collects fees from PNG development and production to support research, inventory and monitoring associated with implementing the BCIP. In recognition that funds are already allocated to caribou conservation across the Peace region as per this MOU, the Parties have agreed to allocate a proportion of this funding to support the management of seven herds in the south Peace as long as the MOU is in effect. To ensure that the expenditure of these funds is apportioned effectively, the following criteria will be used:

1. Funding priority will be given to boreal caribou projects to ensure all costs associated with implementing this program are secured;
2. Funds apportioned will only apply to PNG development that are assessed for a financial offset fee for habitat impacts to south Peace caribou habitat;
3. Beginning in 2013, an initial allocation of \$50,000.00 will be made in anticipation of financial offsets associated with future PNG development;
4. As financial offset fees accumulate, an equal amount of the allocation will be made available to fund eligible projects;
5. The initial allocation will be replenished annually to maintain a secure fund but may be adjusted based on experience implementing this process; and,
6. Access to funds apportioned to south Peace northern caribou management will follow the same guidelines and process associated with accessing funds for boreal caribou under this MOU.