From:

Stephen <stephen@saylegroup.com>

Premier; Office; info@andrewyounger.ca

Sent: To: Friday, October 24, 2014 12:50 PM

Subject:

Bill No. 6, Petroleum Resources Act (amended)

Dear Mr. Premier, Mr. Minister and Members of the Law Amendments Committee:

My name is Steve Sayle and I am writing to you today regarding Bill #6 calling for the ban of onshore high volume hydraulic fracturing in Nova Scotia. I am commenting from three personal perspectives:

- 1. A representative of the Oil & Gas Industry Supply Chain in Nova Scotia.
- 2. An Entrepreneur passionate about establishing and growing start-up businesses in Nova Scotia.
- 3. A family man with a wife and two young children who have lived around the world and returned 6 years ago to raise our family here in our home of Nova Scotia. We want economic development in an environmentally responsible manner.

I have worked in the O&G sector for almost 20 years in Nova Scotia, Newfoundland, Western Provinces, Southeast Asia, North Africa and the Middle East. I have started two companies here in Nova Scotia (SayleHSE Inc. and SayleGroup Inc.) and am about to start a third (SayleSafety Inc.) with local partners. Starting and attempting to grow a business in our struggling Nova Scotia economy is very challenging. I absorbed the Ivany Report with great interest.

It is well documented that our province is in desperate times. At SayleGroup we are trying to take some small measures into our own hands to help grow the private sector, as called for in the Ivany Report. We have grown to over a dozen highly talented individuals, mostly with revenue from Western Canada.

I deal regularly with Nova Scotians who have left our province to work out West where the Oil & Gas industry is thriving. Based on local industry feedback I am hearing, others are contemplating leaving now that the proposed ban on hydraulic fracturing has sent a clear message that Nova Scotia is closed for responsible onshore petroleum drilling resource development. This skills resource loss is a grave concern for growing our business in Nova Scotia, and we have already been impacted by it.

Your proposed ban on hydraulic fracturing has left me frustrated, disillusioned and deflated. Onshore shale gas development has been a positive game changer for responsible economic development throughout many regions of North America, with tens of thousands of wells safely drilled and fractured.

No industry is free from risk. The Oil and Gas sector, like other high reliability industries, operates under the principles of Risk Management throughout their entire business life cycles. This includes front end commercial investment risk assessment all the way through to site/task specific risk analysis and controls.

In fact, risk management is a core service line of our Sayle start-up companies, all under a mantra of "Operational Excellence" and "Continuous Improvement", which are common themes adopted throughout our industry. For this reason I was encouraged to see the Risk Matrix and associated discussions of risk mitigation within the Wheeler report. I had the opportunity to discuss this with a panel representative in the days before your announcement to ban onshore hydraulic fracturing. At that time we were hopeful that our

government would take a responsible risk management approach to this issue and adopt the principles of the Risk Matrix, as do companies throughout our industry.

In the wake of the Ivany Report and the Wheeler Report, I was astonished at your moratorium announcement which soon followed. I had hoped for a forward thinking approach to develop a thorough regulatory framework which would promote environmentally responsible onshore drilling and hydraulic fracturing in the future.

I ask you to please reconsider shutting this door on an industry that is creating responsible economic development in provinces that currently contribute to equalization transfer payments to Nova Scotia.

Industry wants strong regulatory leadership, not legislated moratoriums that will send their investment dollars to other jurisdictions.

Thank you, Steve

Stephen Sayle CEO <u>stephen@saylegroup.com</u> +1-902-719-8555

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