



Edwin Macdonald, P.Geo

VP & Chief Exploration Officer  
emacdonald@stbrendansexp.com

112 Provost Street, Suite C  
New Glasgow, Nova Scotia

June 4, 2014

HF Review Panel  
Verschuren Centre for Sustainability in Energy and the Environment  
Cape Breton University  
P.O.Box 5300  
1250 Grand Lake Road  
Sydney, Nova Scotia  
B1P 6L2

**RE: Feedback on Discussion Paper(s):**

- 1. The Potential Oil and Gas Resource Base in Nova Scotia Accessible by Hydraulic Fracturing**
- 2. Energy Well Integrity**

Dear Panel,

In accordance with procedures established by your Panel, I would like to take this opportunity on behalf of Saint Brendan's Exploration, to provide feedback on the two discussion papers referenced above:

In the Summary and Conclusions section of paper #1 (noted above), page 17, item 2 states:

*“Exploration activity is likely to be limited, at least for the next several years, because of technical risks are considerable, little petroleum production infrastructure is in place, and companies see challenges in commencing operations in frontier area.”*

A similar comment appears in the final section of paper # 2 (noted above), page 18:

*“According to analysis by Hayes and Ritcey, any significant development of Nova Scotia’s unconventional oil and gas would not take place for several years, perhaps much longer. This gives Nova Scotia time to establish appropriate monitoring and regulatory systems if the possibility of such development emerges, and to benefit from more technical advances in cementation, measurements, and general scientific knowledge about well integrity.”*

St. Brendan's agrees with the Panel's observation that significant development of Nova Scotia's unconventional resources may take some time to become established. However, we believe it is important to have specific regulations intended to govern the exploration and development of such resources fully vetted, established, and placed into practice now.

Responsible operators make decisions regarding capital investment in unconventional resource plays on the basis of detailed scientific study and geologic interpretation. The existence of a robust and stable regulatory environment is key to this process. It is imperative that the Panel provide the direction needed for government to establish appropriate monitoring and regulatory systems and that this be done in a timely fashion. This will allow both industry and Nova Scotia to move forward.

We have concerns that the language used in the conclusions gives the impression that Nova Scotia can take significant time to establish these monitoring and regulatory systems. St. Brendan's has been patiently observing the former governmental study and this review process for the past two years. We anticipate that established regulations will facilitate our capital investment decisions regarding our concessions in Nova Scotia.

Thank you for your diligent research and for consideration of these points.

Sincerely Yours,

A handwritten signature in blue ink that reads "Edwin Macdonald". The signature is written in a cursive style.

Edwin Macdonald, P. Geo  
VP & Chief Exploration Officer  
St. Brendan's Exploration Ltd.

CC: Henry Harmon, President and CEO, St. Brendan's Exploration Ltd.