



Hibernia Management and Development Company Ltd.  
Canada – Newfoundland and Labrador Benefits  
Report  
January 1 – December 31, 2013





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## Section 1.0 – Introduction

The Hibernia Field is located on the northeastern Grand Banks, approximately 315 km south-southeast of St. John’s, Newfoundland and Labrador. The Field was discovered in 1979 by Chevron et al. when they drilled the Hibernia P-15 well.

On September 15, 1985, Mobil, on behalf of the Hibernia co-venturers, filed the Hibernia Benefits Plan and Hibernia Development Plan with the Federal and Provincial governments. The Hibernia Benefits Plan was approved by the C-NLOPB in June 1986. The Plan covers all phases of the Hibernia project from project development to abandonment. An Amendment was submitted in February 2010 and subsequently approved in September 2010 to address the Hibernia Southern Extension. This was the first amendment to Hibernia’s Benefits Plan since the original was approved by the Board in Decision 86.01.

2013 represented a year of growth and implementation, the Hibernia Southern Extension Project added significant benefit to the local economy. This is evident in the increase to the staffing numbers and the amount of expenditures issued. The overall 2013 expenditures for HMDC including the HSE Project totaled \$850.2 million. This is an increase of \$162.1 million from the previous year. Expenditures were made in the areas of community education, research and development, training, and diversity.

## Section 2.0 – Employment

As of December 31, 2013, a total of 2413 people were employed on Hibernia’s operations, this includes the Hibernia Southern Extension (HSE) project, and 1083 were located offshore. This includes people employed with Hibernia and its contractors, of this 2150 or 89.1% were residents of Newfoundland and Labrador when hired, while another 134 or 5.6 % were residents of other regions of Canada at the time of hire. All of these positions were located in Newfoundland and Labrador as of December 31, 2013. The number of females employed on Hibernia operations was 426 or approximately 17.7 % of the total workforce.

**Table 2.1 – Total Employment Summary including the Hibernia Southern Extension**

Direct Employment (Total Number of Persons)	Newfoundland and Labrador Residents (%)	Other Canadians (%)	Non-Canadians (%)
2413	2150 (89%)	134 (5.6%)	129 (5.3%)

Notes:

- Report total number of persons directly employed on the project at end of reporting period, including operator and contractor personnel.
- Residency status to be reported as of time of hire, based on the following definitions:  
**Canadian:** A person who was born in Canada and has not relinquished his/her Canadian citizenship; or, a person who has been granted Canadian citizenship; or a person who has been granted landed immigrant status  
**Newfoundland and Labrador Resident:** A Canadian citizen or landed immigrant who meets the residency requirements of the Province as defined by *The Elections Act*, SNL 1992, CE-3.1



**Table 2.2 – Employment Summary by Location**

Location	Total Number of Persons					Total
	Residency Status			Gender		
	NL	OC	NC	Male	Female	
<b>Onshore</b>	1210	66	54	964	366	1330
<b>Offshore</b>	940	68	75	1023	60	1083
<b>Total:</b>						<b>2413</b>

*\*Total is the value of all personnel both male & female for Onshore & Offshore*

Notes:

1. During production phase, report location by "Onshore", "Offshore" activity.
2. For residency status, provide breakdown by NL – Newfoundland and Labrador Resident; OC – Other Canadian and NC – Non-Canadian.

**Table 2.3 – Employment Summary by Discipline**

Discipline	Number of Persons				Total Number of Persons
	Male	%	Female	%	
<b>Management</b>	226	9.36%	37	1.53%	263
<b>Administration</b>	34	1.4%	150	6.2%	184
<b>Engineers</b>	176	7.3%	37	1.5%	213
<b>Technicians</b>	208	8.6%	61	2.5%	269
<b>Professionals</b>	178	7.4%	59	2.4%	237
<b>Skilled Trades</b>	656	27.2%	47	1.9%	703
<b>Labor</b>	286	11.9%	5	0.2%	291
<b>Students</b>	31	1.3%	14	0.6%	45
<b>Other</b>	192	8%	16	0.7%	208
<b>TOTALS</b>	1987	82.5%	426	17.5%	
<b>Total:</b>					<b>2413</b>

*\*Percentages taken from total number of employed personnel both male and female\**

Notes:

1. Disciplines are based on the following National Occupational Classification (NOC) Codes:
  - **Management** includes: *Senior Managers* as well as *Middle & Other Managers*
  - **Administration** includes: *Administrative & Sr. Clerical Personnel* as well as *Clerical Personnel*
  - **Engineers** includes: only those in that NOC Code
  - **Technicians** includes: *Semi-professionals & Technicians*
  - **Professionals** includes: only those in that NOC Code
  - **Skilled Trades** includes: *Skilled Crafts & Trades* as well as *Skilled Trades & Service*
  - **Labour** includes: *Semi-Skilled Manual Workers, Other Manual Workers* as well as *Intermediate Sales & Service*
2. **Students** includes: any student enrolled at a recognized educational institution or accredited academic program and includes both graduate and undergraduate students, cadets or any other student.
3. **Other** includes: positions that do not fit into any of the other disciplines.



**Table 2.4– Development Phase Person Hour Summary Report  
HSE- 2013**

Category	Persons Hours	Total
<b>Project Management, Administration, and Engineering</b>	<b>53069.3</b>	<b>436,615.81</b>
<b>Drilling</b>	<b>62310.54</b>	
<b>Onshore/Offshore shipping and transport</b>	<b>26332</b>	
<b>Topsides Fabrication and Integration</b>	<b>66016</b>	
<b>Pipeline, Umbilical, Installation</b>	<b>62314</b>	
<b>Subsea Systems</b>	<b>166574</b>	
<b>Total (year to date):</b>		<b>436,615.81</b>
<b>Project Cumulative:</b>		<b>1,104,792.28</b>

### Section 3.0 – Canadian-NL Content Estimates

The table below details actual 2013 expenditures, content is based on major contractors and other payments for the noted period.

	<b>Content Based on Major Contractors/Other Payments Respectively</b>					
	<b>HMDC</b>			<b>HSE</b>		
	<b>NL (%)</b>	<b>OC (%)</b>	<b>For (%)</b>	<b>NL (%)</b>	<b>OC (%)</b>	<b>For (%)</b>
Major Contracts	57	30	13	39	9	52
Other Payments	43	43	14	16	10	74



## Section 4.0 – Contracting and Procurement

For the period January 1 to December 3, 2013 Hibernia Management and Development Company Ltd. awarded twelve (12) new service contracts awarded having a value greater than \$250,000. In addition, nine (9) new materials contracts having a value greater than \$250,000 were awarded.

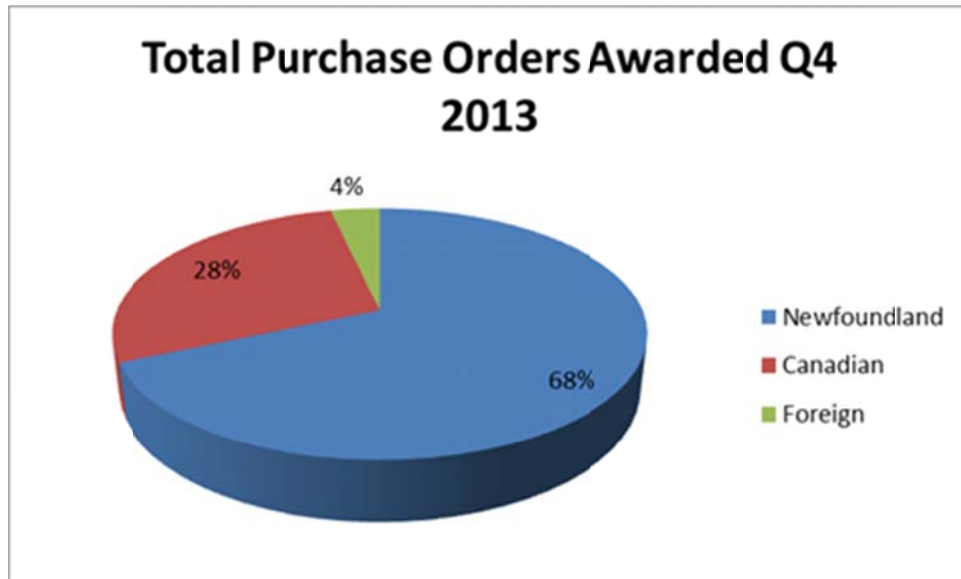
**Table 4.1 – Contracting Activity**

Description	Contractor	Contractor Location (NL, Other Canada, Foreign)
<b><u>Service Contracts:</u></b>		
Fire Suppression & Related Services	K&D Pratt Group Inc	Mt. Pearl, NL
Provision of Risk Management Assessment Services	RMRI Canada Inc	St. John's, NL
Technical Support & Training for Cyberex UPS Panels	Thomas and Betts Power Solutions LLC	Virginia, USA
HSE Rig Positioning	UTEC Survey Canada Ltd	Mt. Pearl, NL
HSE Tubing Retrievable Subsurface Safety	Schlumberger Canada Ltd	Houston, USA
4D Processing of Seismic data	CGG Veritas (US) Inc	St. John's, NL
Production Chemicals	Baker Hughes Canada	Mt. Pearl, NL
Provision of Tubular Running Services	FI Oilfield Services Canada	Halifax, N.S
Elevator Maintenance & Inspection	CKG Group	Richmond BC
Services Provision & Maintenance of Helicopter Suits	DBC Marine Safety Systems Ltd.	Mt. Pearl, NL
Fishing, Cut & Pull, and Pipe Recovery	Import Tool Corp. Ltd	St. John's, NL
Provision of West Aquarius Rig for subsea drilling	Seadrill Canada Ltd.	St. John's, NL
<b><u>Material Contracts:</u></b>		
Glycol and Misc Chemicals	Brenntag Canada	St. John's, NL
Subsea Hydraulic Oil	Alpha Chemicals	Dartmouth, NS
HVAC Primary & Secondary Filters	Dawe Enterprises	Coley's Point, NL
Crane Spares	Liebherr Canada	St John's, NL
Consumables/Hardware/Tools/Cleaning Supplies	Misc Rideout Tool & Machine Inc.	St John's, NL
Medium Duty Door Parts	Joiner Systems Inc.	Montreal, Que.
Duty Door Parts	K & D Pratt	St. John's, NL
Supply of Methanol	Univar Canada Inc	St. John's, NL
Mikan Inc.	Laboratory Supplies	Mt. Pearl, NL



During 2013, 3670 Purchase Orders (POs) were awarded with a total value of \$19 million. The table below summarizes the percentage of the total awarded value by location.

Figure 4.1 - Purchase Orders



## Section 5.0 - Training

As stated in Section 3.0 of the Hibernia Operational Plan, “Hibernia Management and Development Company, as operator of the Hibernia installation, is committed to ensure that the Hibernia Platform and related support operations will be staffed by qualified, trained, and competent personnel.” In addition to mandatory training prescribed by regulatory authorities, HMDC is committed to providing further training to all employees to ensure a safe, environmentally responsible and efficient work environment and to develop employees for future career opportunities.

During 2013, approximately \$576,000 was spent on HMDC personnel training in the Province. This cost excludes salary costs and related travel expenses. Training courses completed in the Province by HMDC personnel during 2013 include:

- Administrative Assistant Conference
- Authorized Gas Tester
- Basic Survival Training/Recurrent
- Coxswain/Recurrent
- Computer Skills Training (Dragon Naturally Speaking, Excel, Kurzweil)
- Confined Space Training
- CPR Training
- First Aid Training (various levels)
- Fall Protection
- H2S Alive
- Hazardous Waste Operations and Emergency Response
- High Angle Rescue/Recurrent



- Hydraulics Training
- HMDC Online Orientation
- Occupational Health and Safety Committee Training
- Offshore Fire Team Training/Recurrent/Lead
- Offshore Survival Induction
- Marine Oil Spill Response Operations
- Personnel Development
- TapRoot Incident Investigation Training
- Well Control

Local educational and training facilities continue to play a key role in Hibernia's training plans. Institutions such as Memorial University of Newfoundland, Marine Institute and College of the North Atlantic, are valuable training providers to Hibernia. A large percentage of Hibernia's regulatory and safety training requirements can be met by these institutions. Hibernia continued to work with these local institutions and other private sector training providers to ensure that effective curriculums for use in the oil and gas industry were developed and maintained to meet training needs.

HMDC continued to help develop students for future careers in the oil industry through the Co-operative Education programs offered by local training institutions. In 2013, 41 work terms were provided to students from various disciplines. In total, these placements resulted in an estimated 164 person-months of employment through four month work-terms. These Co-operative Education students were recruited from the following educational institutions;

- Memorial University of Newfoundland – Faculties of Engineering and Business Administration (33 students)
- College of the North Atlantic (8 students)

## **Section 6.0 – Research and Development (R&D)**

Below is a partial summary of 2013 Research & Development (including Education & Training) activities related to the Hibernia Project. Full details of the expenditures made to meet the R&D Expenditure requirements are provided in the annual R&D Expenditure Report to the C-NLOPB.

- Contribution to the Marine Institute for the Offshore Operations Simulator
- Contribution to Centre for Arctic Resource Development (CARD)
- Hibernia Legacy Project
- Hibernia Gas Utilization Project
- DIRKS Enhancement Project
- Personal Light Beacon Project
- Certification and Safety Oversight Management System
- Joint Industry R&D Projects
  - Dual Polarized Radar
  - Enhanced Satellite Radar
  - Managing and Towing Large Icebergs
  - Ice Gouging and Testing





- Marine Dredge Disposal - Measuring Recovery
- Bioindicators for Health of Marine Species
- Assessment of Subsea Leak Systems
- Helicopter Ditching-Preventing Inversion
- Post Egress Survival Skills in Low Light Conditions
- Nocturnal Migratory Bird Behavior
- Safety Boat Simulator
- Safety Simulation
- Impact of Seismic on Shrimp Behavior

## Section 7.0 Education & Training Capacity and Infrastructure Activities

Contributions to Education & Training programs were also made as part of HMDC's Diversity Plan:

- Participation in and sponsorship of Oil and Gas Week program to promote industry opportunities to secondary students. Planning for activities incorporated
- Participation in and funding for Women in Resource Development's (WRDC) Techsploration program
- Support to Junior Achievement programs
- Involvement and funding for Energy Day events
- Support to Women in Science and Engineering (WISE) Summer Program, funding the participation of three high school girls (one from Labrador) in a summer science and engineering work placement and additional funding to support the implementation of a new program allowing the daughters of Hibernia employee's first access to summer jobs in Science and Engineering

## Section 8.0 – Community Involvement

Hibernia Management and Development Company Ltd. support a number of key community events throughout the year. Its employees have a history of community involvement and try to strengthen local communities by donating time, talent and money to many organizations that provide services or contribute to the cultural fabric of the province. Some of the highlights of the 2013 activities include:

HMDC charitable/sponsorships - Ride for Dad, Bust a Move, Spin4Kids and the Newfoundland Symphony Orchestra.

HMDC also invested significant funding through R&D in education and training in the province in 2013. Recipients included the Manuels River Hibernia Interpretations Centre, Memorial University geophysics department, Fortune Head Interpretation Centre and SHAD Valley summer enrichment program.



Hibernia contributed \$840,000 to Manuels River for Educational Programming. This offers students a unique outdoor learning experience and complements current science curriculum



Standing from left to right: Steve Tessier, Deputy Mayor of CBS; Ken McDonald, Mayor of CBS; Nancy Bennett, Chair of Manuels River Natural Heritage Society (MRNHS); Jamie Long, HMDC President; Dr. Jeremy Hall, Chair of Education and Exhibits, MRNHS and Shannon Harding, Education Manager, MRHI Centre

Hibernia support will bolster geophysics program at Memorial University. A \$1.98 million Hibernia contribution created an education and research fund for the Department of Earth Sciences. The department will benefit from new facilities and specialized equipment for geoscience studies and funding for post-doctoral researchers, graduate students and technicians.





## Section 9.0 – Diversity

### Representation

- Representation numbers indicate a percentage of the total Project workforce, including ExxonMobil employees, HMDC employees, contractor agency employees and main contractors.
- Generally there were positive trends in representation across groups. In 5 of the 6 job categories, the actual number of women working increased in 2013. In the 6<sup>th</sup> job category the number remained the same as in 2012.
- 2013 also saw noted increases in the representation of Aboriginal Peoples.

<b>Employment Categories</b>	<b>Women</b>	<b>Aboriginal Peoples</b>	<b>Persons with Disabilities</b>	<b>Visible Minorities</b>
Management and Supervisory	18%	1%	1%	8%
Professional and Technical	19%	1%	0%	4%
Administrative	72%	2%	2%	0%
Skilled Crafts and Trade	2%	1%	1%	0%
Sales and Service	33%	4%	0%	15%
Manual Labour	4%	0%	1%	3%

### Implementation

- An additional ~\$200,000 was invested in Diversity-related outreach in 2013
- When compounded with initial diversity investments from 2010/2011 this totals close to \$2 million on external outreach alone
- Funding has been distributed through multiple organizations throughout the province, representing all designated groups
- Regular consultation and discussion with stakeholders has continued
- Recruitment efforts have engaged local organizations in an effort to outreach to the broadest possible base of potential candidates
- A comprehensive supplier diversity program was initiated and launched in 2013 to support ongoing efforts to increase opportunities for diverse businesses in Newfoundland and Labrador