

Oil & Gas Governance Network
205-07 Hillside Avenue
Suite 24, Hollis, NY 11423
Tel: 347-615-9260
dkhusial@oggn.org
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Hon. Johnny Briceño
Prime Minister of Belize and Chair
Conference of Heads of Government of CARICOM

Dear Prime Minister and Chair,

Transboundary risks to Caribbean coasts from ExxonMobil's oil fields offshore Guyana

Prime Minister, further to our letter to Prime Minister Mia Mottley, dated 27 March 2022 (Annex 1), we write to you about some ongoing and potential negative impacts on the coastlines of island nations in the Caribbean being caused by the reckless expansion of oil production from deepwater fields offshore Guyana. The oil fields have been licensed by the Government of Guyana (GoG) to a consortium of EEPGL/Hess/CNOOC¹ and operated by EEPGL under a Production Sharing Agreement (PSA) for the Stabroek Tract, dated 27 June 2016. ExxonMobil (XOM) is EEPGL's parent company and is headquartered at Irving, Texas.

We write to you as citizens of Guyana and inhabitants of CARICOM. At the outset we express how inspired we are by the example of Belizeans and the successful campaign led by the Belizean NGO [Oceana](#) that resulted in the unanimous passing of *Petroleum Operations (Offshore Zone Moratorium) Bill, 2017* which placed an indefinite moratorium on offshore oil prospecting or production in Belize's Exclusive Economic Zone (EEZ).

We have two interrelated requests for information:

Firstly, we kindly request information on the composition, procedures and progress of the "transboundary workgroup", which Esso Exploration and Production Guyana Limited (EEPGL) committed to creating in 2017 (Environmental Resources Management 2017). We provide relevant information below, in Annex 2 to this letter. Environmental Resources Management (ERM) has been EEPGL's sole compiler of Environmental Impact Assessments (EIAs) so far for the Stabroek Tract oil fields, with the texts written as commitments made by the client EEPGL.

Secondly, we also kindly request information on CARICOM's internal processes for dealing with the actions of a member State which have implications for transboundary harms. We give three examples below – (1) risk of massive uncontrolled oil spill from deep high-pressure wells similar to the Macondo

¹ Legally, Esso Exploration and Production Guyana Ltd. (EEPGL) is incorporated in the Bahamas; Hess Guyana Exploration Ltd. is a subsidiary of the Hess Corporation headquartered at College Station, Texas, and is incorporated in the Cayman Islands; CNOOC Nexen Petroleum Guyana Ltd. is a subsidiary of the Beijing-headquartered State-Owned Enterprise China National Overseas Oil Company (CNOOC) and is incorporated in Barbados. All three members of the consortium are registered at the same address of a leading group of lawyers: Hughes, Fields & Stoby at 62 Hadfield Street, Georgetown, Guyana.



well in the Gulf of Mexico in 2010; (2) dumping of vast quantities of heated contaminated 'produced' water and cooling water, and (3) flaring of associated gas in these offshore oil fields. We would appreciate receiving any public releases issued by CARICOM on these matters. Or, please let us know whether CARICOM maintains an online repository.

We noted that Guyana's combined annual oil revenues generated by the sale of its 12.5% share of produced oil and the 2% royalty received from ExxonMobil is half a billion USD, projected to rise to well-above USD 1 billion/year in a couple of years. CARICOM should compare that sum with the value of beach-based tourism in the Caribbean Islands at potential risk from oil spills in the Guyanese EEZ. Jamaica's tourism alone is around USD 1.3 billion. Neither Guyana nor XOM is carrying insurance against the consequences of massive oil spills.

Our first request for information relates to our concern at the lack of public information on transboundary engagements in respect of our common Caribbean Sea and the complete lack of transparency exhibited by the GoG and XOM in the sharing of information, despite the numerous requests and outcries from the international community, civic organizations and the public, for such information. EEPGL's breakneck drilling of exploration and production wells is currently concentrated inside the northern edge of Guyana's Exclusive Economic Zone (EEZ). This puts the potential for transboundary harms closer to several CARICOM Member States than to the Guyana shoreline. We request specific information on the steps being taken to honour the separate commitments by our countries to safeguard the global environment: namely, the precautionary⁻², preventive⁻³, and the [common concern of humankind](#) principles.

ERM's maps of models of oil spills are included in the EIA volumes for each of the first four oil fields being developed in the Stabroek Tract, confirming EEPGL's trust in these simulations. These four fields are Liza-1 and Liza-2, both in current production; Payara under development; and Yellowtail under exploration and planning, and recently given a contested environmental permit (on March 30, 2022). The [oil spill response plan](#) has been criticized as weak by international specialist [Robert Bea](#), considering [the problems which have arisen in in US oil fields](#).

Dumping of Produced Water - Besides an oil spill, very hot produced water contaminated with oil and numerous toxic elements and radioactivity is being dumped into our Caribbean Sea after partial treatment, as stated several times in the EIAs: for example, section 2.5.3.3 Produced Water Treatment – 'The produced water treating system will be designed to collect produced water from the FPSO processing facilities and treat the water for discharge overboard per standard industry practice' (EIA for Liza phase 1, volume I, nominal page 34, actual page 86/498, 2017). For the Liza-1 field alone, the volume of produced water is 100,000 barrels per day, for 20 years. The revised environmental operating permit for Liza-1, issued on 17 January 2022, still allows a monthly average of 29 parts per million (ppm)

² "In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation" – *Principle 15 of the Rio Declaration, 1992*

³ requires that environmental damage should be prevented in advance rather than have to be restored or compensated for after the event.



of oil and grease in the produced water discharged from the Floating Production, Storage and Offloading (FPSO) vessel Liza Destiny, and a daily maximum of 42 ppm; section 4.7. While 29 to 42 barrels of pure oil will be dumped in every million barrels of dumped water, a myriad of radioactive and toxic elements remain untreated. Based upon the EIAs projected discharge rates of $\leq 300,000$ barrels per day (BPD) each, and XOM's publicly stating stated plan to have 10 FPSOs operating by 2027, it is conservatively estimated that hundreds of thousands of barrels of pure oil would be dumped into the ocean over the life of the oil operations predicted to be at least 20 years; and this does not consider the other many operators expected to start production in the near future⁴. When added to a potential oil spill, this dumping will compound the Caribbean region's worries about the resulting devastating impacts to our ecological systems and fishing and tourist industries.

The permit also allows the discharged water to heat the surrounding ocean by up to 3 degrees Celsius above ambient water temperature at 100 metres from the FPSO and 55°C at the FPSO discharge point - at least twice the temperature of the ambient ocean water; section 4.12. Yet with the rise in ocean surface temperature shown recently for the western Atlantic (Cheng et al. 2022) (figure 4), the seawater was already critically close to the upper limit of tolerance for some commercial fish, as acknowledged in the ERM's EIA for the Yellowtail oil field. These discharges are not consistent with application of the United Nations' Precautionary Principle when Caribbean fish stocks are already facing critical temperature challenges.

Flaring of Produced Gas - The Permits pellucidly dictate that "routine flaring or venting is prohibited", yet flaring has been allowed to continue from inception of operations in December 2019, resulting in a cumulative flared amount in excess of 15 billion standard cubic feet. Instead of cutting production by the tiny amount of about 3% to stop the flaring, the GoG in May 2021 changed the Permits to: (1) redefine "Routine Flaring", so as to legalize the flaring of unlimited quantities of gas, as long as the operator pays a paltry fee, while earning extra revenues of over 60 times that fee from not cutting production by that miniscule amount to stop flaring; and (2) give XOM 60 days of free flaring after startup, overturning the decision of a GoG team comprising Canadian expert Consultants and GoG Agencies including the Environmental Protection Agency, requiring only 2 days of flaring after startup and no flaring afterwards, in accordance with the US regulations.

Prime Minister, we wish to assure you that we are in full support of petroleum production in Guyana, but it must be done in a manner protective of the region's environment, safety and health, and economic wellbeing. To this end, we urge CARICOM to engage the GoG to ensure that oil operations off-shore Guyana, are carried out in a safe and environmentally sound manner. Failure to do so could devastate the region's economy and environment. Specifically, we request that: (1) CARICOM demands that the GoG immediately take actions to enforce the legal requirements of the EIAs and Environmental Permits; (2) CARICOM demands that the GoG stop EEPGL from dumping hot, toxic and radioactively contaminated produced water into the Caribbean Sea; (3) CARICOM demands that the GoG reverse its decision to allow unlimited flaring for a small fine and return to the original regulation where "routine

⁴ Appeals to unreferenced 'standard industry practice' and 'established regulatory requirements' in the Liza-1 EIA in mid-2017 were replaced by proper attribution to the International MARPOL 73/78 Standard in volume II of the EIA for the Yellowtail oil field, October 2021.



flaring or venting is prohibited”; and (4) CARICOM engages the GoG on ensuring its petroleum extraction laws and regulations are compatible with the 2016 Paris Agreement.

Please note that our intention is to make this letter public as the issues we outline concern all the citizens of CARICOM. We celebrate our distinct and shared identity that have withstood both external and internal stresses and strains. Lloyd Searwar’s⁵ insight still holds: “CARICOM's identity comes from its distinctive history, which differentiates it from that of Latin America (the independence movements in the CARICOM states were led by the descendants of slaves and indentured laborers). This identity has provided the region with the resilience to weather grave divisions and is seen as an ultimate security resource” (Searwar 1995, p.19).

We are heartened by the protections and safeguards accorded to CARICOM citizens, including to environmental rights, set out in CARICOM’s Charter of Civil Society (1997). We acknowledge CARICOM’s firm expressions of support for Guyana’s territorial integrity, in the face of long-standing Venezuelan aggressions, most recently in 2018 (Stabroek News 2018).

Mr Chair, we look forward to your acknowledgement and reply to our requests. We stand ready to engage with you on these issues.

Yours Sincerely,

Vincent Adams
Alfred Bhulai
Janette Bulkan
Darshanand Khusial
Joe Persaud
Mike Persaud
Ganga Ramdas
Charles Sugrim

Oil & Gas Governance Network (www.oggn.org/about)

c.c. Dr Carla Barnett, Secretary-General, CARICOM

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⁵ Foreign Affairs Adviser, CARICOM (1980-86)





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Annex 1: <http://www.oggn.org/wp-content/uploads/2022/04/OGGN-MiaMottley-20220327.pdf>

Annex 2:

Section 1.2.3 on Transboundary Impacts, at the beginning of the Oil Spill Response Plan in Volume III of ERM's Environmental Impact Assessment for the Yellowtail oil field, October 2021, mentions –

'Working jointly with the Government of Guyana and, as appropriate, with the government(s) of other potentially impacted jurisdictions to support bi-lateral oil spill response agreements in the region, in alignment with the principles and protocols of the Guyana National Oil Spill Contingency Plan. In the event that there is an oil spill incident that impacts areas outside the Guyana Exclusive Economic Zone, EEPGL—with support and approval from the Government of Guyana—will work closely with representatives for the respective locations to:

- Coordinate oil spill response operations and communication between different command posts in the region;
- Create a spill-specific transboundary workgroup to manage waste from a product release—including identifying waste-handling locations in the impacted regions and managing commercial and legal issues; ...'

