



North Carolina Department of Environment and Natural Resources

Pat McCrory
Governor

Donald R. van der Vaart
Secretary

April 22, 2015

Spectrum Geo Inc.
c/o Richie Miller, President
16225 Park Ten Place
Suite 300
Houston, TX 77084

SUBJECT: CD15-008– Consistency Concurrence to Conduct Marine Geophysical Surveys in the Atlantic Ocean off the North Carolina coast related to Oil and Gas Resource Development (DCM#20150006)

Dear Mr. Miller:

On January 23, 2015 the Division of Coastal Management (DCM) received your consistency submission regarding two applications submitted to the Bureau of Ocean Energy Management (BOEM) to conduct marine geophysical surveys in the Atlantic Ocean off the North Carolina coast related to oil and gas resource development. We have evaluated the proposed project for consistency with our State's coastal management program.

North Carolina's coastal zone management program consists of, but is not limited to, the Coastal Area Management Act, the State's Dredge and Fill Law, Chapter 7 of Title 15A of North Carolina's Administrative Code, and the land use plans of the coastal counties and municipalities that the proposed project may affect. It is the objective of the North Carolina Division of Coastal Management (DCM) to manage the State's coastal resources to ensure that proposed federal activities are compatible with safeguarding and perpetuating the biological, social, economic and aesthetic values of the State's coastal waters.

To better understand the possible concerns with your proposed activity, we placed a public notice in several newspapers throughout the North Carolina coastal region and solicited input from State agencies that have a regulatory or resource interest. We also held a public hearing in Morehead City, North Carolina on April 9, 2015. Three divisions of the North Carolina Department of Environment and Natural Resources (NCDENR) provided comments, including

the Division of Water Resources, the Division of Energy, Mineral and Land Resources, and the Division of Marine Fisheries (DMF). In addition, several nongovernmental organizations, local governments, industry associations, and individuals submitted comments in response to our public notices. We also received numerous written and verbal public comments both in opposition and in support of proposed offshore seismic surveys. Copies of all referenced responses, comments, and concerns are available at the following link:
<http://portal.ncdenr.org/web/cm/offshore-surveys>.

DCM reviewed the information you provided and find that the proposed project is consistent with the relevant enforceable policies of North Carolina's approved coastal management program when performed in accordance with the conditions outlined below.

Numerous comments were received concerning the potential impacts of seismic surveys on marine organisms and habitats, including those submitted by the DMF. Many of these concerns were magnified by the potential for cumulative impacts to fisheries, if as many as nine seismic surveys were to be independently conducted within the same geographic area over a relatively short time frame. Given the possibility that multiple surveys may be conducted offshore of North Carolina, we recognize that disturbances could impact local fish abundance by deterring foraging, refuge, and spawning activities, possibly affecting economically valuable fisheries operations throughout the proposed survey area. Therefore, given uncertainty over the precise survey timing and transect locations, and the potential for overlapping surveys by multiple companies, as well as limited species-specific data and research regarding possible impacts of seismic surveys in the South Atlantic region, we strongly recommend the following:

- Where practical, relocate proposed survey transects to avoid South Atlantic Fishery Management Council-designated Habitat Areas of Particular Concern, and important foraging, spawning and refuge areas;
- Time surveys in a manner that avoids potential use conflicts with offshore fishing tournaments, major recreational fishing areas, and seasonally-focused fishing efforts (a list of the saltwater fishing tournaments planned off North Carolina's coast this fall is attached); and
- Follow the mitigation measures outlined in the Final Atlantic Geological and Geophysical (G&G) Activities Programmatic Environmental Impact Statement (PEIS) that the Bureau of Ocean Energy Management (BOEM) established in 2014 for offshore oil and gas exploration.

To ensure adequate communication between Spectrum Geo Inc. and the State, our agreement that the proposed project is consistent with North Carolina's certified coastal management program is contingent on your adherence to the following Condition:

- 1) We require a pre-survey meeting with representatives of the DMF and DCM so that precise survey transects and timing can be reviewed and discussed in advance to avoid, minimize, and mitigate any possible impacts or conflicts with the above-referenced resources.

This letter of concurrence is contingent upon Spectrum Geo Inc. agreeing with the Condition listed above. Should you decide not to accept this condition, this letter effectively becomes a letter of objection, and a letter of non-agreement should be submitted to DCM. A revised consistency determination may be necessary if the proposed project is modified. This may take the form of either a supplemental consistency determination pursuant to 15 CFR 930.46 or a new consistency determination pursuant to 15 CFR 930.36. Likewise, if further project assessments reveal environmental effects not previously considered, a supplemental consistency certification may be required. If you have any questions, please contact Daniel Govoni at 252-808-2808 x215.

Thank you for your consideration of the North Carolina Coastal Management Program.

Sincerely,

A handwritten signature in black ink, appearing to read "Braxton Davis", with a long horizontal flourish extending to the right.

Braxton Davis
Director, NC Division of Coastal Management

