

W. Marshall Taylor Jr., Acting Director Promoting and protecting the health of the public and the environment

May 16, 2015

Mr. Dave Virobik ionGeoventures GXT, Inc. 2105 City West Blvd., Suite 900 Houston, TX, 77042-2837

Re: GXT, Inc., 2D Seismic Survey, Atlantic Ocean, CZC project ID # CZC-15-0144

Dear Mr. Virobik:

This is in response to the ionGeoventures GXT, Incorporated (GXT, Inc.) Geophysical and Geological (G&G) 2D seismic survey permit application submitted to the U. S. Department of the Interior - Bureau of Ocean Energy Management (BOEM) and the Federal Consistency determination submitted on February 17, 2015, to the S.C. Department of Health and Environmental Control Office of Ocean and Coastal Resource Management (SCDHEC).

The G&G seismic survey is proposed to be conducted in the Atlantic Ocean offshore of the eastern seaboard states from Delaware to Florida, including South Carolina. This South Carolina Coastal Zone Consistency (CZC) Determination pertains only to those seismic survey transect areas located off the coast of South Carolina, as shown on Attachment 2 of the permit application submitted to BOEM.

The project, as proposed, consists of GXT, Inc. conducting a seismic survey and collecting two-dimensional (2D) geophysical and geological data in areas of the Atlantic Ocean offshore the Mid and South Atlantic coast. The purpose of the survey is "clearer understanding of the overall basin architecture and resource potential as well as the potential for evolution of a petroleum system, including identification of potential source rocks, migration pathways and play types." The data obtained during the survey will be analyzed by geologists and the resulting information will then be packaged and sold to the energy industry.

After reviewing GXT, Inc.'s Consistency Determination and associated documents, SCDHEC conditionally concurs that the proposed seismic survey activity complies with the enforceable policies contained within the S. C. Coastal Zone Management Program (SCCZMP) pursuant to 15 CFR 930.55. In summary, this concurrence is based upon the review of the following enforceable policies: *Guidelines for Evaluation of All Projects* and *Wildlife and Fisheries Management*. SCDHEC also reviewed for potential effects to the "priority of uses" related to sea turtles as threatened and endangered species, which are also categorized as a Geographic Area of Particular Concern (GAPC) in the SCCZMP, based upon data provided to SCDHEC by the S. C. Department of Natural Resources (SCDNR). SCDNR's data also equipped SCDHEC for the review of the Wildlife and Fisheries Management policies and the GAPC priority of uses.

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- Wildlife and Fisheries Management (Chapter VII.A.1): In coordinating with SCDNR, SCHEC determined there would reasonably be effects to commercial and recreational fisheries, specifically artificial reefs. SCDNR currently manages a system of 45 marine artificial reef areas or sites off the South Carolina (SC) coast and within SC estuarine waters. This vast array or system of artificial reef sites enhances saltwater recreational fishing and diving opportunities, while directly mitigating heavy utilization impacts on limited natural hard-bottom area of SC. SCDNR research found overwhelming economic impacts stemming from this diverse array of artificial reef sites and the importance of artificial reefs specifically and commercial and recreational fishing protective measures are required to avoid or minimize those effects by establishing a time-area closure zone or coordinate-based description of areas that are to be avoided.
- *GAPC's (Chapter IV.A.8 Threatened and Endangered Species Habitats)*: As related to Threatened and Endangered Species (Sea Turtles), available information indicates the effects to sea turtles are expected to be minimal, however DHEC concurs with SCDNR's recommendation of a time-area closure of survey activities during the height of sea turtle nesting season, which is annually between May 1 and October 31.

Therefore, pursuant to 15 C.F.R. § 930.4¹ (Conditional Concurrences) SCDHEC is providing the following conditions to ensure consistency with the previously mentioned enforceable policies of the SCCZMP. Accordingly, SCDHEC conditionally concurs with GXT, Inc.'s Consistency Determination contingent upon the following conditions:

Conditions:

1. A time area closure must be put in place off the entire South Carolina coast during the height of the most productive time of the sea turtle season, from April to early September within the 98 foot (30 meter) depth (approxiately 40 nautical miles). Additionally, GXT, Inc. will not conduct seismic survey activities within the 98 foot (30 meter) depth of the South Carolina coast. GXT, Inc. will also shorten survey transects that initially bisected the following Marine Protected Areas: Edisto, Georgia, Northern South Carolina, and Charleston Deep and the Georgetown Hole Essential Fish Habitat that are located along the Charleston Bump (unique geological feature). GXT, Inc. agreed to these provisions in a E-mail from Dave Virobik, Supervisor, Operations & Engineering, dated May 11, 2015. This correspondence also included a supporting Geographic Information System map referred to as "USAM SPAM" that depicts these areas of exclusion.

¹ Pursuant to 15 C.F.R. § 930.4, the State agency's concurrence letter shall also inform the parties that if the requirements of paragraphs (a)(1) through (3) of the section are not met, then all parties shall treat the State agency's conditional concurrence letter as an objection pursuant to the applicable subpart and notify, pursuant to § 930.63(e), applicants, persons and applicant agencies of the opportunity to appeal the State agency's objection to the Secretary of Commerce within 30 days after receipt of the State agency's conditional concurrence/objection

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2. GXT, Inc. must agree to coordinate and communicate closely with SCDHEC, SCDNR and the South Atlantic Fishery Management Council (SAFMC) fishery management specialists before and during seismic survey operations to avoid or minimize to the extent practible effects to important fishery management areas and associated hard bottom habitat, as agreed to.

This conditional concurrence is a result of an agreement between the SCDHEC and GXT Inc., however please be advised of your procedural rights pursuant to 15 C.F.R. 930.63.

Please do not hesitiate to contact me at (843) 953-0205 or <u>joynercm@dhec.sc.gov</u> should you have any questions.

Sincerely.

Curtis M. Joyner Manager, Coastal Zone Consistency Section

Cc: Elizabeth A. Dieck, SCDHEC Sara Pendarvis Bazemore, SCDHEC Rheta G. DiNovo, SCDHEC Kerry Kehoe, NOAA Coastal Resources Brian Cameron. BOEM