

GUIDANCE NOTES FOR INDUSTRY

GUIDANCE NOTES ON THE OFFSHORE PETROLEUM PRODUCTION AND PIPELINES (ASSESSMENT OF ENVIRONMENTAL EFFECTS) REGULATIONS 1999 (as amended)

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CONTENTS

Definitions and Abbreviations		v
Foreword		x
1.	INTRODUCTION	
1.1.	Guidance Note	1
1.2.	The Directives and Implementing Regulations	1
1.2.4.	Disturbance Licenses	2
1.3.	Scope of the Regulations	3
2.	THE ENVIRONMENTAL STATEMENT (ES) AND PETROLEUM OPERATIONS NOTICE 15 (PON15) PROCESS - AN OVERVIEW	
2.1.	Application for Consent	4
2.2.	Review and Determination	5
2.3.	Criteria for Activities Requiring an ES or PON15	5
2.3.1.	Criteria for a Mandatory ES	5
2.3.2.	Criteria where an ES may be required	6
2.3.2.1.	Further Guidelines for Exploration, Appraisal and Development Wells	6
2.3.2.2	Development Wells	7
2.3.2.3	Multiple Wells	7
2.3.4.	Multiple Fields in same geographical area	8
2.3.5.	A Single Subject ES	8
2.4.	Preparation of the ES and PON15	11
2.4.2.	What is the ES/PON15 Document For?	11
2.4.3.	Who is the Audience?	11
2.4.4.	The content and structure of the ES	12
2.5.	Balance and Emphasis	13
2.5.3.	Skeletal PON15	14
2.6.	Validity of an ES or PON15	14
2.6.3.	If the asset changes hands would the new operator be required to submit a new ES?	15
2.7.	UK Oil Portal – Online Applications	16
3.	CONSULTATION	
3.1.	Informal Consultation	17
3.2.	Scoping	17
3.3.	Formal consultation with The Environmental Authorities	18
3.4.	Formal consultation with The Public	18
3.5.	Further Guidance	19
4.	THE ENVIRONMENTAL STATEMENT - Detailed Information	
4.1.	Introduction	20

4.2.	Administration	21
4.2.1.	Submission	21
4.2.2.	The Petroleum Operations Notice 16 (PON16)	21
4.2.3.	Acknowledgement	21
4.2.4.	Consultation	22
4.2.5.	Review Period	22
4.2.6.	Review and Determination	23
4.2.9.	Decision to be Advertised	24
4.3.	Contents of the ES	24
4.3.3.	Non-Technical Summary (NTS)	24
4.3.4.	Characteristics of the Activity	25
4.3.5.	Production Figures	26
4.3.6.	Environmental Commitments	26
4.3.7.	Consideration of Alternatives	26
4.3.8.	Uncertainties at time of writing an ES	27
4.3.9.	Other Relevant Domestic and International Legislation/Decisions which influence the content of the ES	27
4.3.9.1.	The Offshore Petroleum Activities (Conservation of Habitats) Regulations 2001 (as amended)	27
4.3.9.2	Offshore Chemicals Regulations 2002 (OCR)	28
4.3.9.3	Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998 and the Offshore Installation (Emergency Pollution and Control) Regulations 2002 and Oil Pollution Emergency Plans (OPEP)	28
4.3.9.4	Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005 (OPPC)	30
4.3.9.5	Offshore Combustion Installations (Prevention and Control of Pollution) 2001 (as amended) (PPC)	31
4.3.9.6.	The Food and Environment Protection Act 1985 (Part II) (FEPA 1985) – Deposits in the Sea	31
4.3.9.7	Environmental Management Systems (EMS) & the Oslo Paris Commission (OSPAR) Recommendation 2003/05	32
4.3.9.8	Oslo Paris Commission (OSPAR) Recommendation 2001/01	33
4.4.	Environmental Description	34
4.4.2.	Extent of the Area to be considered	34
4.4.3.	Baseline Information	34
4.4.4.	Survey Requirements	35
4.4.4.1.	Baseline Environmental Surveys	35
4.4.4.2.	Site Specific Surveys	36
4.4.4.3.	Decommissioning surveys	36
4.4.5.	Annex I Habitat or Annex II Species	36
4.4.6.	Intelligent Surveying	37
4.5.	The Environmental Assessment Process	38
4.5.2.	Methodology	38
4.5.3.	Impact Identification	39
4.5.4.	Cumulative Effects	39
4.5.6.	Prediction of Impact Magnitude and Significance	40

4.6.	Mitigation and Follow Up	41
4.7.2.	Quality review of Environmental Statements	42
5.	THE PETROLEUM OPERATIONS NOTICE 15 (PON15) PROCESS – DETAILED INFORMATION	
5.1.	Introduction	43
5.2.	Petroleum Operations Notice 15B (PON15B)	43
5.2.1.	Well Bore Clean up	44
5.2.2.	Well Tests	44
5.2.3.	When is a Well Test an Extended Well test (EWT)?	44
5.2.4.	Sidetracks	46
5.2.5.	Vertical Seismic Profiling (VSP)	46
5.2.6.	Rig Stabilisation	46
5.2.7.	Drilling Period	47
5.3.	Petroleum Operations Notice 15C (PON15C)	48
5.3.1.	Deposits in relation to pipelay	49
5.4.	Petroleum Operations Notice 15D (PON15D)	49
5.5.	Petroleum Operations Notice 15E (PON15E)	50
5.6.	Petroleum Operations Notice 15F (PON15F)	51
5.7.	Administration – Submission of PON15s	51
5.7.2.	Who should apply for a PON15?	52
5.8.	Consultation & Review of PON15s	52
5.9.	Decision to be advertised	53
5.10.	Chemical Permit	53
5.11.	Updates, Variations and Post Direction Amendments (PDAs)	53
5.12.	Procedure required when a change of operator / operator name	54
5.12.1.	Change of Operator Name for PON15s	54
5.12.2.	Change of Operator Details for PON15s	54
5.12.3.	Cessation of Production	56
5.13.	Access rights for the UK Oil Portal System	57
5.14.	Reporting requirements – The Environmental Emissions Monitoring System (EEMS)	58
5.15.	PON15s for Incremental Activities.	58
5.16.	Composite Activities	59
5.16.2.	Seeking a Direction under Regulation 6(1) & 6(2)	59
5.17.	Decommissioning	61
5.18.	Exempt Activities	62
6.	REGULATION OF OFFSHORE GAS UNLOADING AND STORAGE	
6.2.	What Environmental Applications are required for Offshore Gas Unloading and Storage?	64
6.2.1.	Appendix B Submission to support applications for operatorship	64
6.2.2.	Submission of an ES	65
6.2.3.	Submission of PON15s?	65

7.	REGULATION OF CARBON DIOXIDE STORAGE	
7.2.	What Environmental Applications are required for Carbon Dioxide Storage?	67
7.2.1.	Appendix B Submission to support applications for operatorship	67
7.2.2.	Submission of an ES	68
7.2.3.	Submission of PON15's	68
8.	THE SECRETARY OF STATE'S DECISION	
9.	ENFORCEMENT	
9.1.	Application to the Courts by Aggrieved Parties	70
9.2.	Court Orders	70
9.3.	Criminal Offences	70
9.4.	Enforcement following issue of a Direction/chemical permit/consent	70
10.	OTHER RELEVANT LEGISLATION	71
11.	FUTURE LEGISLATION	72
	SUMMARY OF CHANGES	73
	ANNEXES	
ANNEX A	Flow Chart of procedures - The PON15 Process	75
ANNEX B	Flow Chart of procedures - The ES Process	76
ANNEX C	PON16 Form	78
ANNEX D	Notice Pursuant to Regulation 9 (1)	87
ANNEX E	Publication Notice – Developments	92
ANNEX F	Publication Notice - Development Extensions (Increase in Production Consent)	94
ANNEX G	Publication Notice – Wells	96
ANNEX H	Publication Notice - Pipelines	98
ANNEX I	List of Environmental Authorities	100
ANNEX J	Schedule 2, Regulation 3 – Contents of ES	106
ANNEX K	Guidelines for Exploration, Appraisal & Development Wells	108
ANNEX L	Table indicating how the EC Habitats & Birds Directives have been transposed into UK Legislation	110
ANNEX M	Letter to Industry 23 December 2010	111
ANNEX N	Letter to Industry 21 July 2011	116
ANNEX O	Letter to Industry 20 September 2011	140

Definitions and Abbreviations

The following definitions and abbreviations apply only to these Guidelines and users should study the Regulations themselves for the specific definitions listed there and also the appropriate sections in the other relevant legislation (Section 8 above) as required.

Acronym/Abbreviation	Meaning
AFEN	Atlantic Frontier Environmental Network – Industry/Government body concerned with environmental issues (including R&D, surveys and studies) in the Atlantic Margin Region
BERR	Department for Business, Enterprise & Regulatory Reform – Principal regulator for the offshore oil & gas industry, formerly the Department of Trade and Industry (DTI) and now part of the Department of Energy and Climate Change
CCW	Countryside Council for Wales – The country conservation agency for Wales having responsibility in Welsh Waters extending out to 12 nautical miles.
CEFAS	Centre for Environment, Fisheries and Aquaculture Science – Agency of DEFRA
cSAC	Candidate Special Area of Conservation. The Secretary of State (SoS) adds sites to a register of European Offshore Marine Sites and sends list of eligible sites to the European Commission to consider alongside sites sent by other member states in the same biogeographic region.
DECC	Department of Energy and Climate Change – Principal regulator for the offshore oil & gas industry, formerly part of the Department for Business, Enterprise & Regulatory Reform and the Department of Trade and Industry (DTI)
DEFRA	Department of Environment, Food and Rural Affairs
DEPCON	A deposit consent is required for the deposit of materials on the seabed in connection with pipelay operations
dSAC	Draft Special Area of Conservation
EA	Environment Agency – principal environmental regulator for England and Wales
EA/EIA	Environmental Assessment/Environmental Impact Assessment
EDU	Energy Development Unit – The unit within the DECC Energy Group concerned with the regulation of offshore energy exploration and development
EEMS	Environmental Emissions Monitoring System – The Oil & Gas

	UK /DECC database for environmental emissions, discharges and wastes reporting
EMS	Environmental Management System
EMT	Environmental Management Team – The section within the Offshore Environment & Decommissioning Unit (OED) of the Energy Development Unit (EDU) dealing with ESs and PON15s
ES	Environmental Statement
Espoo Convention	Convention on EIA in a Transboundary Context
EU	European Union
EWT	Extended Well Test – The flowing and/or testing of a well for more than the 96 hour/2000 tonne limit of oil or more than 96 hours if a gas well. See page 5.2.5 for further details
FEPA 1985	The Food and Environment Protection Act 1985
FDP	Field Development Plan
FPSO	Floating Production, Storage and Offloading (installation)
FRS	Fisheries Research Services – Agency of Scottish Government Marine Division, now Marine Scotland
FSU	Floating Storage Unit
IMO	International Maritime Organisation – Responsible for the MARPOL Convention
IPPC	Integrated Pollution Prevention and Control – From the EU ‘Council Directive 96/61/EC concerning integrated pollution, prevention and control
JNCC	Joint Nature Conservation Committee – The UK national conservation body having responsibility outside 12 nautical miles
LED	Licensing, Exploration and Development – The section within EDU responsible for these activities for the oil and gas industry

Marine Scotland	Formerly known as FRS
MCA	Maritime and Coastguard Agency – Agency of the Department for Transport (DfT) responsible for operational shipping matters including pollution
MCAA	Marine & Coastal Access Act 2009
MARPOL	Marine Pollution Convention 1973/78 - Principal International Instrument for regulating pollution from ships
MODU	Mobile Offshore Drilling Unit
NE	Natural England – The country conservation agency for England having responsibilities out to 12 nautical miles
OGUK	Oil and Gas UK formerly known as UKOOA
OPPC	Offshore Petroleum Activities (Oil Pollution, Prevention & Control Regulations 2005 supersedes The Prevention of Oil Pollution Act 1971 (POPA 1971)
OPEP	Oil Pollution Emergency Plan
OPRC	Oil Pollution Preparedness, Response and Co-operation Convention - The international agreement requiring the preparation of Oil Pollution Emergency plans for, inter alia, offshore installations
OSPAR	The Convention for the Protection of Marine Environment of the North - The name derives from the old Oslo and Paris Conventions
PON12	The DECC well numbering system operated by the field teams
PON15	Application seeking a Direction that an ES need not be submitted and/or requesting a chemical permit
PON16	Application accompanying the submission of an ES
pSAC	Possible special area of conservation, where the UK Government has considered recommended sites and has approved a list for public consultation
PWA	Pipeline Works Authorisation – Consent required under the 1998 Act for the construction of a pipeline and related infrastructure

SAC	Special Area of Conservation The Habitats Directive. Where reference is made in the guidance to SAC it means dSAC, pSAC, cSAC
SEA	Strategic Environmental Assessment. SEA Directive
SEPA	Scottish Environmental Protection Agency - Principal environmental regulator for Scotland having responsibilities out to 3 nautical miles
SNH	Scottish Natural Heritage - The country conservation agency for Scotland with responsibilities extending out to 12 nautical miles
SPA	Special Protection Area - The Birds Directive
SoS	Secretary of State
SSSI	Site of Special Scientific Interest
UKCS	United Kingdom Continental Shelf
UKOOA	United Kingdom Offshore Operators Association now known as Oil and Gas UK
UK Oil Portal (UKOP)	Electronic access gateway to DECC's on-line interactive applications system.
UNCLOS	United Nations Convention on the Law of the Sea
UN-ECE	United Nations – Economic Commission for Europe
WHO	World Health Organisation
WONS (old PON4)	Well Operations Notice System – Electronic application for consent to drill a well, required under the Petroleum Act 1998

Description	Interpretation
Application for Consent	Petroleum Act 1998 - Term used in the Guidelines for all consents issued under the Act
Appropriate Assessment	Habitats Directive - Assessment carried out by the competent authority on the potential effects on the conservation objectives of an SAC
Coast/coastal line /coastal zone	Used in a commonsense geographical rather than legal sense
Direction	The Regulations - Term used indicating that an ES need not be submitted
Environmental Authorities	The Regulations - Those statutory authorities having environmental responsibilities in the areas likely to be affected
Field Development Consent	Petroleum Act 1998
Gazettes	The London, Edinburgh and Belfast Gazettes

Internal Waters	Those waters on the landward side of the baseline from which the Territorial Sea is drawn
Landward Areas	Marine areas below the low water mark but on the landward side of the baseline from which the Territorial Sea is drawn
Median Line	A line, mutually agreed, between marine areas over which the states concerned can exercise economic control. - The rights to Exclusive Economic Zones (EEZ) have been agreed under UNCLOS and the UK Government is currently pursuing legislation to implement EEZs
Operator	A person or entity approved as an operator by the Secretary of State in accordance with the terms of a licence or a licensee with an interest in a licence. These persons are also Undertakers for the purpose of the Regulations.
PDA	Post Direction Amendment - An agreement by DECC to an alteration to the proposed activity after a Direction has been issued
The Regulations	Means the Offshore Petroleum Activities (Assessment of Environmental Effects) Regulations 1999 as amended 2007 (refer to section 1.2)
Territorial Sea	A marine area extending 12 nautical miles seaward of the UK baseline
Statutory Consultees	The Regulations - Those environmental authorities who must be consulted on the acceptability of the ES

Foreword

The review of the guidance notes was instigated following the results of the Quality Review of Environmental Statements commissioned by the Department and undertaken by Manchester University. The report which was issued in 2008, identified that 49% of the sample set of 35 Environmental Statements submitted between 2000 and 2005 were unsatisfactory. The Department therefore felt that it was important to strengthen the existing guidance in an attempt to improve the overall standard of submissions. Please refer to section 4.7.2 for further information and a link to the report.

The guidance has been revised to include topics of relevance in today's market and a list of frequently asked questions has been included on the Department's website www.og.decc.gov.uk/environment/opprr_2007.htm for your assistance. The Department intends to periodically review and update these guidance notes and would like to thank all those who took the time to comment during the consultation on the updated guidance.

The guidance has been updated following the Macondo Incident in the Gulf of Mexico in April 2010, and provides information on the changes the Department has implemented as a result of the information that has become available regarding the incident. Your attention is drawn in particular to Section 4.3.9.3.

1. INTRODUCTION

1.1. Guidance Note

1.1.1. These Guidance Notes are intended to provide general information and advice to operators, the environmental authorities and the public in relation to the processes and procedures which arise under The Offshore Petroleum Production and Pipe-lines (Assessment of Environmental Effects) Regulations 1999 and the Offshore Petroleum Production and Pipe-lines (Assessment of Environmental Effects) (Amendment) Regulations 2007. However these Guidance Notes make no claim to be comprehensive, cannot be seen as a substitute for the Regulations themselves and should not be relied upon as a definitive interpretation of the law. Operators who are in any doubt as to their rights and responsibilities under the Regulations are advised to obtain their own legal advice. It is intended that these guidance notes will be subject to periodic review.

1.1.2. To aid this understanding, a list of definitions and abbreviations is given at Annex A and flowcharts illustrating the main elements of the process are attached at Annex B and Annex C.

1.2. The Directives and Implementing Regulations

1.2.1. By virtue of the 1985 Council Directive on the Assessment of the Effects of Certain Public and Private Activities on the Environment (85/337/EEC) as amended by Council Directive 97/11/EC, environmental assessments have to be carried out for certain types of offshore oil and gas activities throughout the European Union. The Offshore Petroleum Production and Pipelines (Assessment of Environmental Effects) Regulations 1999 (SI No. 1999/360) ("the Regulations") implement the Directive. These Regulations were amended in 2007 by the Offshore Petroleum Production and Pipe-lines (Assessment of Environmental Effects) (Amendment) Regulations 2007 to implement the Directive 2003/35/EC which provides for public participation in respect of the drawing up of certain plans and programmes relating to the environment. These amended Regulations came into force on the 16 April 2007. Any reference within the guidance to the Regulations therefore refers to The Offshore Petroleum Production and Pipelines (Assessment of Environmental Effects) Regulations 1999 as amended.

1.2.2. For the purpose of the Regulations the relevant activities are; the granting and renewal of production consents for field developments, the drilling of wells (deep boring) and the construction and installation of production facilities and pipelines in the United Kingdom Territorial Sea and on the United Kingdom

Continental Shelf (UKCS). Please note that seismic surveys are not covered by these regulations but are regulated under the Offshore Petroleum Activities (Conservation of Habitats) Regulations 2000. Separate guidance is available on the consenting process for seismic surveys at:- www.og.decc.gov.uk/environment/opachr.htm

1.2.3 In 1999 the then Department of Trade and Industry (DTI) now part of the Department of Energy and Climate Change (DECC), instituted the practice of carrying out Strategic Environmental Assessments (SEA), as part of the offshore licensing process, as an aid to determining which areas should be offered for licensing for oil & gas development. In doing this, the Department was anticipating the implementation of the EU directive, the Environmental Assessment of Plans and Programmes Directive, 2001/42/EC, which became mandatory for a very wide range of activities, mostly onshore, on 31 July 2004. This now means that environmental assessments carried out for individual projects can take advantage of additional data and information on the regional context of their proposals specific to the Exploration & Production industry (E&P). Details of the past and current offshore Strategic Environmental Assessments may be found at:- www.offshore-sea.org.uk/site/index.php

1.2.3.1 In 1992 the European Community adopted the Habitats Directive 92/43EEC on the conservation of natural habitats and of wild fauna and flora. The Offshore Petroleum Activities (Conservation of Habitats) Regulations 2001 (as amended), apply Article 6 of the Habitats Directive in relation to oil and gas plans or projects wholly or partly on the United Kingdom's Continental Shelf and adjacent waters outside territorial waters (UKCS). The Offshore Marine Conservation (Natural Habitats, &c) Regulations 2007 ensure that certain activities that have an effect on important species and habitats in the offshore marine environment, can be managed. The above Regulations apply in the "offshore area" beyond 12 nautical miles from the UK coast and protect marine species and wild birds by creating a number of offences that aim to prevent environmentally damaging activities. For example, deliberately killing or significantly disturbing a protected species (such as dolphins) is a criminal offence. The Regulations also enable the designation and protection of areas that host certain important habitats and species in the offshore marine area. Once designated these sites will be known as Special Areas of Conservation (SACs) for the protection of certain habitats and species and Special Protection Areas (SPAs) for the protection of certain wild bird species. Operators should also be aware of the Conservation (Natural Habitats &c.) Regulations 1994 and the Wildlife & Countryside 1981 as amended, which apply out to 12 nautical miles (nm).

1.2.4. Disturbance Licenses

Amendments to the Conservation (Natural Habitats &c.) Regulations 1994 (i.e. the Habitats Regulations) and the new Offshore Marine Conservation (Natural

Habitats, &c.) Regulations 2007 as amended 2009, (the Offshore Marine Regulations) came into force on 21 August 2007. Both Regulations have a revised definition of disturbance and the Offshore Marine Regulations extend the offence to areas of UK jurisdiction beyond 12 nm. It is now an offence under both Regulations to deliberately disturb wild animals of a European Protected Species (EPS) in such a way as to be likely (a) to impair their ability (i) to survive, breed, or rear or nurture their young; or (ii) in the case of animals of a hibernating or migratory species, to hibernate or migrate or b) to affect significantly the local distribution or abundance of that species. For further information please refer to the JNCC website:-

www.jncc.gov.uk/pdf/eps_interimguidance_disturbancemarineeps_whole.pdf

1.3. Scope of the Regulations

1.3.1. The purpose of the Regulations is to require the Secretary of State of Energy and Climate Change (SoS) to take into consideration environmental information before making decisions on whether or not to consent to certain offshore activities. The Regulations require that any operator who wishes to carry out those activities must first make an assessment of the impact that the activity would have on the environment (i.e. an Environmental Assessment (EA) and then summarise and present the conclusions of this in an Environmental Statement (ES). The operator must then submit the Environmental Statement to the Department of Energy and Climate Change (DECC) in support of the application for consent under the Petroleum Act 1998 for the offshore activity. This consent will not be given until the SoS is satisfied with the information provided and that there will be no significant impact on the environment. (see Section 6 for more information on the Secretary of State's decisions.)

1.3.2. There are two exceptions to the requirement for an ES. First, in a situation where it is considered that the activity proposed will not have a significant effect on the environment; and second where further consents are being sought in relation to an activity which has already been the subject of an ES under the Regulations. For the former case a judgement will be made on the likely level of environmental impact of the activity on the basis of the details summarised in the submission of a Petroleum Operation Notice (a PON15) and if it is agreed that the impact will not be significant then a Direction will be issued that an ES need not be prepared and approval given on the basis of the information in the PON15. In essence a PON15 is a mini ES which is used for the environmental assessment of less significant activities, for example, the drilling or side-tracking of wells, construction of small pipelines and modifications to existing developments.

1.3.3. If the SoS considers that the activity would cause a significant impact on the environment then consent might be refused or conditions to mitigate or remedy any adverse effects might be imposed in the consent. If, after all aspects of the activity have been considered and the SoS is content that no adverse

environmental effects will result, then consent, subject to other Departmental requirements, is likely to be granted without environmental conditions.

2. THE ENVIRONMENTAL STATEMENT AND PETROLEUM OPERATIONS NOTICE 15 PROCESS – AN OVERVIEW

2.1. Application for Consent

2.1.1. Regulation 5(1) requires that a formal application for the granting of consent by the Secretary of State in respect of an activity for a field development, the construction of a pipeline, or the drilling of a well, is accompanied by an ES unless a PON15 application has been submitted seeking a Direction that an ES is not required and that Direction has been granted (see 2.3 below). In practice and for practical reasons, the submission of the Application for Consent and the ES do not need to take place at precisely the same time, as the two review processes run in parallel. The review of the ES informs the decision of the Application for Consent and no consent in respect of an activity will be granted until the SoS is satisfied with the environmental information provided and that there will be no significant effect on the environment (see section 6 for more information on the Secretary of State's decisions). The application for consent is made to the Field Teams (FT) within the Licensing, Exploration and Development Branch (LED) of the Energy Development Unit (EDU) of the Department, whilst the environmental statement is submitted for review to the Environmental Management Team (EMT) within the Offshore Environment and Decommissioning Unit (OED), also of the Energy Development Unit.

2.1.2. The Licensing, Exploration and Development Branch of the Department administer the Petroleum Act 1998 under which consents are given. The Environmental Management Team (EMT) of the Offshore Environment and Decommissioning Branch (OED) process applications under the Regulations and liaise with the LED Field Team who deal with the Applications for Consent. Operators will need to ensure that both EMT and LED have been contacted and are fully aware of their proposals.

2.1.3. A Petroleum Operations Notice 16 (PON16) must accompany the submission of an ES in support of an Application for Consent of a project, and gives basic information of the project and details the consent under the Petroleum Act 1998 for which approval is sought. A PON16 form is attached at Annex C.

2.2. Review and Determination

2.2.1. The ES will be subject to formal consultation with relevant environmental authorities. Details of the Application for Consent and that an ES accompanies it must also be advertised in the press indicating that copies will be made available at a nominal cost of a maximum of £2 as stipulated in the Regulations. A letter acknowledging receipt of the ES will be sent to the operator and will detail which newspapers should be used to advertise the project and which environmental authorities should be sent a copy of the ES.

2.2.2. Operators can ask the Department, as the competent authority for this statutory function, for a formal opinion on the scope of the information to be provided in the ES or alternatively this can be undertaken via an informal scoping meeting. Operators (or their agents preparing the ES) may also seek the advice of the environmental authorities and consult relevant interest groups in order to be able to consider their concerns during its preparation. The Department strongly recommends that prior to submission of an ES such consultation be undertaken.

2.2.3. The ES along with any comments received from the environmental authorities and the public will be considered before reaching a decision on consent. As a result of this process consent may be given or refused, or the consent may be subject to conditions that require modification to the activity. The decision will be published including the review of the ES.

2.2.4. Any person aggrieved by the issue of a consent, on the grounds that the requirements of the Regulations have not been met, may apply to the Courts for the decision to be quashed, but must do so within six weeks of the decision being published. Section 7.1 of these Guidance Notes offers more detail on this aspect of the Regulation.

2.3. Criteria for Activities Requiring an Environmental Statement or Petroleum Operations Notice 15

2.3.1. Criteria for a Mandatory ES

Under the Regulations an application for consent for certain activities **must** be accompanied by an ES and are not subject to an application for a Direction. (Regulation 6(5)). These are:

- Developments which will produce **500 tonnes (approximately 3,750 barrels) or more per day of oil or 500,000 cubic metres or more per day of gas** (not including well testing).

- Pipelines of **800mm diameter and 40 kilometres or more in length**.

Where an existing development or pipeline is extended to such an extent that the extension would itself satisfy the thresholds for developments and pipelines set out in the bullet points above.

Where another EU Member State (or signatory to the Espoo convention) has requested to participate in the procedure where the proposed project may have trans-boundary implications.

The Offshore Petroleum Activities (Assessment of Environmental Effects) (Amendment) Regulations 2007 which implement the Public Participation Directive, now requires that where production increases above the thresholds as detailed above, then an ES assessing the environmental impacts of the increased level of production is submitted (see section 5.4).

2.3.2. Criteria where an Environmental Statement may be required

Other activities are subject to a discretionary process where either an ES or a PON15 (seeking a Direction that an ES is not required) needs to be submitted. Typically this discretionary approval covers:

- The drilling of all wells
- Developments, either stand-alone or incremental, producing less than 500 tonnes of oil per day or 500,000 cubic metres of gas per day
- Construction of pipelines of less than 800mm diameter and 40 kilometres in length

2.3.2.1. Further Guidelines for Exploration, Appraisal and Development Wells

The following criteria apply to exploration, appraisal, additional satellite and template wells and to sidetracking of existing wells and would indicate that an ES **would normally** be required. All distances are provided for guidance only and each well will be considered on a case by case basis (reproduced at Annex D for ease of reference).

1. Distance to coast less than 40 kilometres, where there is a relevant sensitivity which may be significantly impacted by the proposed activity e.g. a coastal SAC, SPA, or Site of Special Scientific Interest (SSSI).
2. Presence within 10 kilometres of an offshore SAC or SPA in locations where the Department does not already have sufficient information on the likely impacts or where there is likely to be a significant impact from the proposed activity for which consent is sought.

3. Presence of known archaeological features; designated under the Protection of Wrecks Act 1973, The Protection of Military Remains Act 1986 or the Ancient Monument and Archaeological Areas Act 1979; or other heritage features potentially subject to damage or physical disturbance by the proposed drilling operations.
4. Seasonal sensitivity may also influence the Department's decision to request an ES, e.g. Seasonal sensitivity at proposed time of drilling; this may include the presence within 20 kilometres of concentrations of seabirds or mammals, fish spawning in the water column or fish nursery areas
5. Operations that may significantly affect herring or sand-eel spawning grounds.
6. Operations that may significantly affect important fisheries (including shell fisheries such as *Nephrops*).
7. Operations that may significantly affect navigational interests.

Other considerations:-

8. The presence of large or long-lived biological features within 10 kilometres which may be significantly affected by the proposed operations.
9. International boundary within 10 kilometres where there is likely to be a significant impact or where another member state has requested to participate in the procedure.

2.3.2.2 Development Wells

There is a presumption that where a proposed development consists of a single development well with a pipeline, that an ES should assess the likely impacts of the well and the pipeline. Where the development consists of multiple development wells where the sanctioning is not dependent on the further appraisal of the initial well drilled, then the expectation would be that the ES should include the impacts from the drilling of all wells and/ or the laying of the associated pipelines.

2.3.2.3 Multiple Wells

Where drilling campaigns consist of multiple wells or the drilling of appraisal wells where there is extremely high probability of proceeding straight to development, then the Department would advise that an ES is submitted to support the application for consent which assessed the impact of the whole project.

If none of the above criteria applies then an ES is **unlikely** to be required, but operators are reminded that **each well will be considered on a case-by-case basis** and early consultation with the Department is recommended.

Wells included in an ES submitted in support of an application for consent for a development are unlikely to require a further environmental statement if a direction has been granted under regulation 6(2) on submission of a PON15, provided there are no significant changes. Additional development wells which have not been assessed within an earlier ES will require an ES unless a direction under regulation 6(1) has been granted. Work-over and well abandonment operations, which do not require new drilling activity, are **not** covered by the Regulations.

2.3.3. In addition the PON15 process may be used for consents for activities that have already been covered in an earlier ES (and subject to an environmental assessment) but for which specific individual additional consents are still required. For example, this could apply to the drilling of wells or construction of a pipeline within a project for which Field Development Consent has been granted. The Field Development would have been the subject of an ES in support of the application for Development Consent. Nevertheless the operator is still required to submit a PON15C in support of the pipeline works authorisation (PWA) and individual PON15Bs for each of the well consents.

2.3.4. Multiple Fields in same geographical area

A single ES may be submitted to cover more than one field where the fields are located within the same geographical area and are to be developed consecutively. This approach will enable a more holistic assessment and better captures any potential cumulative impacts. However, if the fields are in distinctly different locations then it would not be acceptable to submit a single ES.

2.3.5. A Single Subject Environmental Statement

A single subject ES covering for example an exploration/appraisal well only or an ES for a pipeline that does not form part of a development e.g. an inter-connector, would only require a PON15 application for the chemical permit aspect of the application and would not require a PON15 requesting a Direction. Under the Offshore Chemicals Regulations 2002 (as amended) (OCR 2002), a chemical permit is required for the use and/or discharge of offshore chemicals in connection with any offshore activity. Further guidance on the Offshore Chemical Regulations can be found at:-

<https://www.og.decc.gov.uk/environment/ocr2002.htm> or to view the Regulations go to :-

<http://www.legislation.gov.uk/ukxi/2002/1355/contents/made> (2002 Regulations)

<http://www.legislation.gov.uk/ukxi/2011/982/contents/made> (2011 Amendment Regulations)

Applications for chemical permits for wells or pipelines which have been the subject of a stand alone ES will require to be subject to the public notice

requirements under the OCR. Further information is available in the revised Guidance Notes on the Offshore Chemical Regulations 2002 (as amended 2011), which has been updated.

However under certain circumstances a PON15 application seeking a Direction that an ES is not required may be necessary for a single subject ES. For example, where the project as described within the ES has been amended, the PON15 should be used to describe the differences between the project as detailed within the ES and the amended project, together with an assessment of the environmental impacts of these changes.

Where it is considered that any change to the project as described within the ES is material, then a further application would need to be submitted and be the subject of public notice.

2.3.6. An example of where the discretionary process would be likely to result in the submission of an ES is where it is planned to drill several wells in the same geographic area. Providing consent for these wells on an individual basis, simply by the PON15 process, would not give a sufficiently comprehensive picture of the likely overall environmental impact. The data provided in the ES however will be comprehensive and based on a likely worst case scenario taking into account; in particular, the periods of the year over which drilling will take place. Information would include the start date of the activity, which would be taken as the spud date of the first well, full details of the maximum amounts of cuttings to be produced, details of all muds and other drilling/completion chemicals to be used/ discharged for all the planned wells and details of any contingent side tracks. As each of the wells is to be drilled the operator will be required to submit a PON15B in order to obtain the consent to drill (Well Operations Notification System (WONS) application previously known as PON 4) and as an application for a chemical permit. The submission of the PON15B will also allow for any changes to the data submitted in the ES to be notified. If the details of the project have not changed then this should be clearly stated within the PON15.

2.3.7. It should be made clear that the decision on whether an ES or a PON15 application seeking a Direction is appropriate, depends on the nature, timing and location of the activity and each application for a Direction will be considered on a case-by-case basis. Any activities not appearing to fall into those categories outlined above should be brought to the attention of the Department for specific guidance, bearing in mind that a final decision can only be made once the application has been submitted, the information contained within the PON15 reviewed and the opinions of environmental authorities sought. We would remind operators that a PON15 application is a request for a direction that an ES is not required and having considered the application the Department may decide that an ES should be submitted. Therefore operators should ensure that sufficient time is allowed before the planned operations as the Department's decision as to

2011/0

whether an ES should be submitted is irrespective of the proposed timing of the operation.

2.4. Preparation of the Environmental Statements and Petroleum Operations Notice 15

2.4.1. It is recognised that operators may employ independent specialist consultants to aid in the environmental impact assessment process and preparation of the ES (and PON15). However, the Department regards it as essential for operators to be able to direct, understand and assure the quality of the work being done on their behalf and to ensure that the subsequent activity for which consent is being sought is conducted in accordance with the ES (or PON15). Operators must therefore establish ownership of the commitments by identifying lines of responsibility to ensure these commitments are fulfilled. A post operations audit should be undertaken to verify compliance with the stated commitments. Operators should also be aware that the Department's Offshore Environmental Inspectors will audit the ES Commitments whilst conducting their offshore inspections.

The following questions may assist applicants in the preparation of an ES or a PON15:-

2.4.2. What is the Environmental Statement / Petroleum Operations Notice 15 Document For?

The submission of an ES (or PON15) is not in itself a means of obtaining consent to carry out any activity offshore. It is the means whereby the SoS is assured that the environmental implications of the proposed activity have been properly considered and, all other requirements being satisfied, consent for the activity can be granted. In other words the ES supports the application for a production consent or field development programme (FDP) approval, the pipeline works authorisation (PWA) or a well consent application. Approval for these consents cannot be granted unless the relevant ES or PON15 has been signed off.

2.4.3. Who is the Audience?

One fundamental concept of environmental legislation is to involve, as far as is possible, the general public and specialist representative organisations in the decision making process. It is intended therefore that the public as represented by the informed layperson, should be able to understand the ES. Therefore a non-technical summary must be included. Having said this, however, the main body of the document should still contain sufficient technical detail, both in regard to the natural and commercial environments and to engineering design and construction, to allow a thorough assessment of the proposal by the Department and the environmental authorities. This will also permit the more informed individuals and non-government bodies to make their own assessments and thus comment more fully on the proposal.

2.4.4. The content and structure of the ES

The ES is a document to describe the proposed activity for which consent is sought and draws together and presents the findings of a study or studies examining all the potential environmental impacts of the proposed development or activity and the solutions arrived at to eliminate or mitigate them.

The ES (or PON15) should be clear and logical in its layout and presentation. As it is the written record of the EIA, the ES should clearly detail where development decisions have taken into account the potential environmental impacts of the proposed activities and should seek to demonstrate that environmental considerations have formed an essential and continuous part in the evolution and design of the development concept. To achieve this, information must be presented which shows that:

- the operator is informed in detail about the natural environment and commercial issues arising from other users of the sea, seabed and coastline where it is proposed to carry out the activity, and that the data are current and relevant. Generic/regional information should be utilised where appropriate from the relevant Strategic Environmental Assessment (SEA) undertaken by the Department prior to each licensing round (www.offshore-sea.org.uk/site/index.php) and should be supplemented by site specific data. Where existing data is extrapolated, it should be demonstrated why it is felt this information is relevant and useful to the site in question.
- the operator is aware that many environmental sensitivities are subject to an annual cycle and activities which are fully acceptable in one season, may not be in others. The operator must therefore be able to demonstrate that this has been taken into account in planning the operations and should aim to avoid highly sensitive periods where a likely significant effect has been identified.
- the likely consequences of the activities, whether from emissions and discharges, the physical presence of equipment and structures or the potential disturbance to the natural environment (atmospheric, marine or terrestrial) have been identified, assessed and the optimum engineering and operational solutions selected to achieve the desired environmental objectives.
- where alternative solutions were available, how the option selected was decided upon and why, with due consideration of practicality, safety and cost-benefit, to achieve the desired environmental outcome. Option selection should also be a feature of ESs for exploration or appraisal wells and should provide an insight into whether alternatives were considered.

For example were different locations, well design e.g. slim hole, mud types etc. considered?

- consultations have been undertaken with both statutory and non-statutory organisations and the public, including if and how their representations have been addressed in the design and operation of the activity.
- where potential environmental effects remain how these effects are to be mitigated and managed during the operations and how their consequences are to be monitored in the longer term, particularly taking into account any cumulative effects from other operations in the area, not necessarily controlled by the operator, on a local, regional or national basis.
- where and what information was lacking or insufficient and what the operator did to remedy this. If uncertainties exist, these should be discussed.
- the operator has assessed and presented the overall impact of the proposal, including any direct, indirect or secondary impacts, whether these are to be short, medium or long term, permanent or temporary effects; positive or negative. Consideration should also be given to the cumulative or in combination effects of the proposed activity. Schedule 2 of the Regulations sets out what needs to be included in an environmental statement. This schedule is reproduced at Annex J of this guidance.

2.5. Balance and Emphasis

2.5.1. The ES or PON15 should be a balanced document, providing an objective, unbiased account of the environmental effects with reasoned and justifiable arguments, giving appropriate prominence to both positive and negative effects relative to their significance. Operators should note that a person who intentionally or recklessly includes materially false or misleading information in an ES is guilty of an offence.

2.5.2. In many cases more data will be available on some aspects of the proposed activity than others, particularly those factors under the direct control of the operator. It is essential however, that sufficient information is obtained on all relevant matters to permit a full assessment and that excessive detail is avoided. For example, engineering and equipment specifications or commercial statistics may be readily available but may not add materially to the environmental information and need not be included beyond the level required to describe the processes or justify the selection of a particular piece of equipment or mode of operation.

2.5.3. Skeletal PON15 – Where a project has been the subject of an ES but requires the submission of a PON15 in support of a specific consent, it is acceptable to submit a skeletal PON15, however operators should note that the PON15 is a stand alone document. What this means is that a summary of the information provided and the conclusions made within the ES should be included in the PON15 and references made to the sections within the ES that specifically describe or provide further details on the issue in question. It will be expected that a brief summary of the environment is included, together with a completed section E of the PON15, sensitivities.

If there have been no changes in circumstances (project related or those concerning other projects which might have an effect on the environment in the area of the proposed project) since the submission of the ES, then a statement to this effect should be made within the PON15 submission. However if there have been minor changes in the proposed project, these changes should be highlighted and an assessment made of the environmental impact of the revised project in comparison with the original proposals. This is important as the Department has to satisfy itself that the original decision to approve the ES still stands.

If there is a material difference in the project since the submission of the ES it is likely that a new application would be required, supported by an amended ES which would need to highlight the changes and compare the impacts of the amended project as compared with the original ES. This amended ES would be the subject of public notice. Consultation would also be necessary with those environmental authorities who participated in the original consultation on the ES. We would therefore advise early consultation with the Department who will be able to advise whether a change to the project is likely to require an amendment to the original ES.

2.6. Validity of an ES or PON15

2.6.1. The approval of an ES has no statutory time constraints. Provided the operations proceed in the timeframe discussed within the ES, there are no changes in circumstances and the operations are to be undertaken by the operator who submitted the ES, it would be acceptable to proceed with the project, noting any minor amendments within the PON15 application.

2.6.2. The PON15 has two functions and the validity of the PON15 varies accordingly:

The PON15 serves as an application for a direction that an ES is not required. A direction is valid for two years provided there is no amendment to the details given in the application.

It also serves as an application for a chemical permit. A chemical permit is valid for a specified period which is detailed in the individual permit (see schedule to the permit conditions) and usually reflects the period requested by the operator. However this may be restricted should there be specific periods of sensitivity.

2.6.3. If the asset changes hands would the new operator be required to submit a new ES?

This depends on when the transfer takes place:-

- If the ES has been signed off prior to the asset changing hands, then a new ES would not be required. The company who undertook the ES would need to confirm in writing that they were no longer proceeding with the project as described within the ES and confirm who the asset had been transferred to, providing the relevant contact details. The new operator would need to confirm again in writing that they had taken over the asset and having reviewed the contents of the ES they are content to comply with the commitments made within the ES. The supporting PON15 should detail the new operators' details and confirm whether there have been any changes in the proposal since the submission of the ES.
- If the ES has been submitted but not approved prior to the take over of the asset then it would be necessary for the new company to resubmit a new ES and go back out to public consultation.
- If the company that produced the ES is being taken over (as opposed to the transfer of a specific asset) and the new company is assuming the environmental management systems of the previous company, then a letter confirming this from both parties and confirming the new companies commitment to the proposals within the ES will be sufficient to enable the ES to be approved in the name of the new company. Again details of the new operator should be included within the PON15 (please refer to section 5.12 in relation to transfer of PON15 permits).
- Where there is a transfer of an existing field which has been developed prior to the EIA Regulations coming into force, a new ES would only be required where there is an extension of the field which would result in an increase in production over the 500 tonnes/day or more of oil, or 500,000 cubic metres gas/day, thresholds.

2.7. UK Oil Portal - Online Applications

2.7.1. The Department is implementing an E-business strategy, the first step of which is the introduction of the PON15 electronic application forms. The PON15B, C, D & F applications are currently available for online completion and submission. The issue of directions and chemical permits for these applications are also undertaken electronically via the portal and are digitally signed. The system is similar to the Well Operation Notification System (WONS) that is currently in place. The new PON15 system may be accessed through the Department website (UK Portal) www.og.decc.gov.uk and access to the applications is via password control and verification.

2.7.2. It is recognised that in the short to medium term ES documents will be too large to be submitted in full electronically and will continue to be required in paper and CD-ROM format. Paper copies must also continue to be available should they be requested through the statutory public consultation process. However, it is necessary for the efficient administration and management of the process for receiving, reviewing and reporting back on Environmental Statements under the e-business regime, that a formal electronic process for the notification of submission is established.

2.7.3. The PON16 has been revised to serve this purpose and in the first instance, before the UK Oil Portal is fully operational, will continue to be a paper-based form with submission either by accompanying the ES hard copies or by e-mail. The form includes the main headings below:

- Contact details
- Project Information
- Project location
- Incremental Projects
- Host Installation
- Project dates and significant impacts.

When the Portal is fully operational the PON16 will become an e-business form using a menu-based system. It will essentially request the same information as the current revised form.

3. CONSULTATION

3.1. Informal Consultation

3.1.1. The operator should notify the Department at the earliest opportunity of any project where it is at all possible that an ES may be required. In order to ensure that the environmental assessment underlying the ES (or PON15) is adequate, the operators are **strongly recommended** to consult informally with all relevant interested parties such as local authorities, conservation groups, naturalists, special interest groups, users of the sea and where appropriate, the interested public, during the environmental assessment. The relevant environmental authorities should also be involved in this process. Experience of the Regulations has clearly demonstrated that such informal consultation can identify potential difficulties before the ES is prepared and hence reduce or eliminate delay at the formal consultation stage of the process.

3.2. Scoping

3.2.1. Where there is information held by the Department or another environmental authority which would assist in the preparation of an ES but, for some reason, this cannot be reasonably obtained via the normal published sources or commercial channels, then Regulation 8 allows the operators to gain access to this information provided it is not confidential.

3.2.2. The preparation of a scoping document, summarising the proposed activity, highlighting the sensitivities and proposed mitigating measures has been found to be a very valuable aid in the early, informal consultations with all relevant stakeholders such as environmental authorities, local government, conservation groups and the general public. This is not a statutory requirement under the Regulations and whilst not appropriate in every instance, has proved extremely useful and can be considered best practice, particularly for larger projects or those in potentially sensitive locations. However due to the current level of activity in the UKCS, the Department has encouraged scoping by means of an informal meeting between the Department, the operator, the environmental authorities and other interested parties, rather than through the formal review of a scoping document. Prior to requesting an informal scoping meeting, operators should ensure that projects are at a stage of development to enable assessment of potential impacts of the proposals. However in certain circumstances, direct consultation with the relevant bodies may confirm that the informal consultation step in the process is not required.

3.3. Formal consultation with The Environmental Authorities

3.3.1. All submitted ESs will be required to be sent by the operators to the JNCC and to Scottish Government Environment Directorate (SGED) / Marine Scotland - formerly Fisheries Research Services (FRS) if the proposed project is in Scottish Waters and the Department for Environment Food and Rural Affairs (DEFRA)/ the Centre for Environment, Fisheries and Aquaculture Science (CEFAS) where the proposed project is in English/Welsh Waters. In addition to the aforementioned consultees, if the activity which is the subject of the ES is within 40 kilometres of the coast, the ES will also be required to be sent to the relevant authorities as appropriate, depending on location of the proposed activity:

- Countryside Council for Wales;
- Natural England;
- Scottish Natural Heritage;
- Environment Agency;
- Relevant Sea Fisheries Committee;
- Scottish Environment Protection Agency
- Department of Agriculture for Northern Ireland
- Water Quality Unit for Northern Irish waters
- Relevant local authorities

The letter of acknowledgement of receipt of the ES from the Department will detail which environmental and other relevant authorities the operator is required to consult with. See Section 4.2 for submission procedures and Annex D for the contact details for these organisations.

3.4. Formal consultation with The Public

3.4.1. The public should be made aware of the submission and details of the ES by public notices in The Independent newspaper and those local newspapers circulating in the vicinity of the coast nearest the development. The notice must contain details of the location and brief general description of the activity covered by the Application for Consent, indicate that an ES is available and state where copies may be obtained or viewed e.g. a library in the vicinity closest to where the proposed activity is to be undertaken. The notice must specify the date until which the application for consent and the ES must be available to be viewed; which must be at least 28 days after the last day of publication; and confirm the date until which representations may be made to the Secretary of State. The amended Regulations now require the notice to include what decisions are open to the SoS, and to provide an explanation of the right of a person aggrieved by a decision of the SoS to make an appeal. Example notices for developments, development extensions (increase in production consents), wells and pipelines are provided at Annex E to H respectively. Confirmation of the papers in which

the advert should be placed will be confirmed by the Department in the letter acknowledging receipt of the ES.

3.4.2. Operators must check the newspapers to ensure that the notices have been published and provide the Department with hard copies of the relevant newspapers, i.e. the relevant page indicating the newspaper and date of publication should be included, not merely a cut out of the advert itself which does not confirm the location of the advertisement. There is no requirement to publish this type of notice in the Gazettes. Any person may make representations to the Department as described in Regulation 9 and the Department is required to be satisfied that the requirements as to consultation and publicity have been met. The Department also advertises the submission of an ES and the outcome of the review on the Department website:-

www.og.decc.gov.uk/environment/permits/index.htm

3.4.3. Under the Regulations, operators are permitted to levy a fee not exceeding £2 per copy of the ES. Where such a fee is imposed, details must be included in the public notice. A copy of the PON16 together with the ES must be available for public inspection for a period of at least four weeks after the date of the **last publication** of the notice referred to above. The location for public inspection of the documents must take account of the general whereabouts of those people likely to be interested in or affected by the activity.

3.4.4. PON15s seeking a direction are not subject to the public notice requirements of Regulation 9. However, a list of PON15 applications received together with details of the decisions on such applications is available at the Department website as detailed above.

3.5. Further Guidance

3.5.1. Guidance documents issued by the Department of the Environment, Transport and the Regions, now the Department of Environment, Food and Rural Affairs (DEFRA) for use in the preparation of ESs for land-based activities may be relevant to certain aspects of offshore ESs and it is recommended that they are consulted to complement the guidance given here, e.g. Environmental Assessment: a guide to the procedures (ISBN 0 11 75225449) and Preparation of ESs for Planning Activities that Require Environmental Assessment: a good practice guide (ISBN 0 11 753207 X).

4. THE ENVIRONMENTAL STATEMENT – Detailed Information

4.1. Introduction

4.1.1. The ES is a means of submitting to the regulatory authority, environmental authorities, non-government organisations and to the wider public, the findings of an assessment of the likely effects on the environment of the proposed activity. It is explicit in the European Directives (85/337/EEC, 97/11/EC and 2003/35/EC), which are implemented by the Regulations that an Environmental (Impact) Assessment must be carried out. The preparation of the ES is not therefore the whole process or an end in itself, it is the summarising and presentation of the findings of a process that has been carried out throughout the whole evolution of the activity from its first conceptual discussions through to the final agreed engineering design and the construction and installation programme. The size and scope of the environmental assessment will be related to the size, location and nature of the activity but it should always examine thoroughly all the proposed activities and their potential consequences.

4.1.2. The required contents of an ES are specified in Schedule 2 to the Regulations, which is reproduced in Annex K. However, it is considered to be essential that the Regulations are understood by all persons responsible for commissioning, preparing and submitting an ES. Where there is any doubt as to the requirements of the Regulations, the Department would strongly advise that independent advice is sought.

4.1.3. As was made clear in section 1.3.1 of the guidelines above, the submission of an ES in itself does not constitute an application for consent to carry out activities to explore for and get petroleum under the Petroleum Act 1998, but must be submitted in support of that application. Separate applications for consent for the specific activity i.e. a Field Development Consent, Consent to Drill or a Pipeline Works Authorisation must be made to the Department's Field Teams but will not be granted until the ES has been submitted and accepted or until a Direction that an ES is not required has been issued. Under certain circumstances, the Department may need to undertake an Appropriate Assessment (AA) under the European Habitats Directive and Birds Directive, before decision on the project can be taken. Annex B provides a flow diagram of the ES process.

4.2. Administration

4.2.1. Submission

Once the operator has completed their assessment, four copies of the ES must be submitted to the address below, together with a CD copy. We would also encourage operators to place a copy of their ES on their company web site.

EIA Co-ordinator
Environmental Management Team
Energy Development Unit
4th Floor
Atholl House
86-88 Guild Street
Aberdeen
AB11 6AR
Tel: 01224 254050 or 254045 (Senior Administrators, EMT)
E-mail: EMT@decc.gsi.gov.uk

In due course it is expected that the ES procedures will transfer to an e-commerce system to track all applications received (see section 2.7).

4.2.2. The Petroleum Operations Notice 16 (PON16)

The ES must be accompanied by the PON16, which will state which consent is being applied for and briefly describe the activities for which consent is being sought. An example of the PON16 form is provided at Annex C. Following submission the process proceeds as follows:

4.2.3. Acknowledgement

The receipt of an ES by the Department will be acknowledged by letter and quote the unique identity number that has been allocated to the project. To enable this unique identification number to be included on the hard and CD copy of the ES, operators may request that a number is reserved for their project. Operators should email the EMT to request a reference number, giving a brief outline of the project including block numbers and proposed timescale of operations and likely submission date. The acknowledgement will also advise the operator on the public notice requirements. Please note that the PON16 and the ES **must** be submitted to the Department prior to the public notice appearing in the relevant publications, as otherwise it may lead to the Department requiring an extension to the public notice period. A separate notice issued by the Department and served under Regulation 9(1) will provide details of the environmental authorities to whom the operator should send copies of the ES for the specific project.

4.2.4. Consultation

After receiving an acknowledgement, the operator must then send copies of the Regulation 9(1) notice, the PON16 and the ES to the environmental authorities identified within the acknowledgement letter and advise the Department when the copies have been sent (see Annex J for example of Notice pursuant to Regulation 9(1)).

- The operator must make clear to the environmental authorities that any representations must be made directly to the Department by the date specified in the notice accompanying the ES and the application for consent. That date must be at least 4 weeks after the date on which the notice, application and the ES were served on the environmental authorities.
- The operator must forward hard copies of the Public Notice to the Department which should clearly indicate the date and place of publication, not just be a discrete cut out of the advert itself. However it is not necessary to include the whole newspaper – the page on which the advert appears is sufficient, provided it details the newspaper name and publication date.

4.2.5. Review Period

There is no statutory timescale for the review of an ES, but the Department will always endeavour to review the applications in a timely manner. The Department intends to continue the current practice of working closely with operators to meet project deadlines and aims to respond to operators within eight weeks following public consultation of the ES. However the review period is dependent on a number of factors including, but not limited to, the environmental sensitivities of the project, and where consideration has to be taken of particularly sensitive areas such as designated sites (for example Special Protection Areas (SPA) or Special Areas of Conservation (SAC)) or transboundary sensitivities, then this may involve a longer period of review. The quality of the submission is also paramount and if the Department or the environmental authorities require additional information in relation to the project, this process could lengthen the review period. It is therefore good industry practice to allow a six month period for approval prior to the proposed commencement of the project, although in practice it is usually possible for a decision to be made within a three to four month period, subject to the above caveats.

Under Regulation 10 of the Offshore Petroleum Production and Pipelines (Assessment of the Environmental Effects Regulations 1999) (as amended), which implements the provisions of the Public Participation Directive, any information which the Department considers is of material relevance to the Secretary of State's decision, but which only becomes available after the submission of the ES, must be subject to public consultation. This would

effectively start a further 4 weeks public notice period, which the operator would be required to undertake and mirrors the original consultation process (see section 4.2.4 above).

4.2.6. Review and Determination

Following the expiry of the public notice and subsequent to the Department's technical assessment, the Department will advise the operator of any comments arising from this assessment and those received from the environmental authorities and the public. All comments, where appropriate, will be collated into one communication issued by the Department. However under certain circumstances representations received may be copied direct to operators and/or environmental authorities for their consideration and comment.

The letter from the Department will clearly indicate whether the issues raised are advisory or that the further information required is such that no further progress can be made in the ES approval process until the applicant's response to these comments has been received and judged as satisfactorily answering the questions raised. A copy of this letter requesting additional information will also be forwarded to those environmental authorities who raised queries in relation to the ES.

Assuming all issues raised at the consultation phase have been resolved and the SoS is content that the project is unlikely to have a significant impact on the receiving environment, including any sites protected under the Habitats Regulations, then a letter will be sent advising the operator that the Department is content with the information received and that, from an environmental viewpoint, there is no objection to consent being given for the activity.

The EMT will then notify the Field or Well Consents Team, as appropriate, of the conclusions of the ES review process to allow them to be considered when determining if the activity will receive consent by the SoS. Further information on the SoS's decision can be found at section 6.

4.2.7. Any changes to the proposed activity arising from the consultation process will be formally recorded and may be included as conditions of the ES and any subsequent PON approval. If the changes are considered to be significant the operator may be required to redraft the ES and resubmit the document to the Department. It is also the case that any changes to the activity proposed by the operator as a consequence of continuing design and development following submission may require a re-drafting of the ES and resubmission. In either event this will necessitate a repeat of the full consultation process, for example re-advertising in the publications previously notified and making copies of the revised ES available to the environmental authorities originally consulted and the public on request.

4.2.8. It is recognised that the design and specification process, particularly with regard to details, continues after consent is given. Any changes prior to first oil or gas must be reported to the Department who will advise the operator if further action is necessary.

4.2.9. Decision to be advertised

Where consent has been given by the SoS, the decision will be published by the Department in the Edinburgh, London and Belfast Gazettes and on the EDU website www.og.decc.gov.uk. Within six weeks from the date of publication of the details of the consent or approval, any person aggrieved by the decision may apply to the court, which may grant an order quashing the approval or the granting of consent, where it is satisfied the granting of the approval/consent was done in contravention of specified sections of the Regulations, or that the interests of the aggrieved person have been substantially prejudiced by any failure to comply with any other requirement of the Regulations. Pending determination of the application by an aggrieved person, the court may by interim order, stay the operation of the consent/approval.

This should be borne in mind when considering the commencement of the project.

4.3. Contents of the ES

4.3.1. The intention of this section is to provide specific guidance on key elements of an ES and to explain what is required by the Regulations (see Annex J which reproduces Schedule 2 of the Regulations – Contents of ESs, for ease of reference).

4.3.2. The ES should identify the regulations under which the EIA is required, and indicate whether it is also to be used to address other regulatory requirements (e.g. Appropriate Assessment under the requirements of the Habitats Regulations).

4.3.3. Non-Technical Summary (NTS)

The non technical summary should summarise the ES whilst providing sufficient information to allow the non-specialist reader to understand the main environmental impacts of the proposal without reference to the main ES. It should include a summary of the description of the activity and the receiving environment, the main alternatives considered, the aspects of the environment likely to be significantly affected by the development, the likely significant impacts and the mitigation measures to be implemented. A map should be included in the NTS to put the proposal into context spatially or make appropriate reference to maps and diagrams within the main document. The NTS can be provided as a

separate, stand alone document to facilitate a wider readership, although generally it is provided as a separate section at the front of the ES.

4.3.4. Characteristics of the Activity

The ES should describe the purpose and objectives of the activity and these should be placed in the context of local, regional and national plans, objectives or strategies. e.g. is the project timed to provide security of supply during the winter months?

The description of the activity should be sufficiently detailed to enable the reader to understand its essentials and should include:

- the physical characteristics of the proposed activity,
- its location,
- the proposed timing,
- the design and size of the activity,
- the area of seabed taken during construction and operation,
- the sources of any discharges or emissions to the environment,
- any other environmental impacts.

The description of the project should be illustrated by the use of maps and/or diagrams and care should be taken to ensure these are reproduced so that they are clearly readable, including any keys. They should enable the reader to put the project into context with other fields and/or developments, but also to identify where in the UK the proposed project is located. The use of maps &/or diagrams are particularly relevant in areas of potential EU Habitats Directive, Annex 1 Habitat, for example to demonstrate the location of the proposed activity in relation to a boundary of a Special Area of Conservation (SAC) and specifically the qualifying feature. For instance where the activity is close to pockmarks containing Methane Derived Authigenic Carbonate (MDAC), reef features or sandbanks, it is useful to provide a plan of the rig anchors to demonstrate the likely impact of the anchors in relation to these features.

Where the activity is a field development, the description should cover all its elements, including drilling operations, the installation and presence of platforms, production vessels, sub-sea structures and pipelines and the means of hydrocarbon export. Each element should be described in sufficient detail to enable appropriate assessment of the likely impacts. Decommissioning should also be considered and the ES should discuss how the decommissioning requirements have driven the initial design of the project. For example since 1998, international obligations have effectively meant that all installations should be designed for complete removal at the end of field life. Therefore the ES should detail how the operator has taken this requirement into account when designing the type and method of installation.

4.3.5. Production Figures

The production figures detailed in the ES should reflect those applied for within the FDP. Many operators work on a P50 base case, however the assessment within the ES should be based on the best possible production figures P10 (representing the highest predicted production) as this will usually represent the worst case emissions profile. In any event the production profiles presented within the ES must match those detailed within the FDP and attention is drawn to section 2.3 which explains that an ES would be required for an increased production over 500 tonnes of oil a day or 500,000 cubic metres or more a day of gas. Production profiles may be presented in graph form but must be presented in tabular format. It would be useful to include the production figures in the units quoted in the thresholds for comparison purposes, even if you wish to also provide the common industry units.

The ES should provide reasoned estimates for the quantities of emissions and discharges should describe the main characteristics of the proposed processes; for example, for a development, the produced fluids process system should be detailed with reference to the proposed production rates over the life of the activity; the nature and quantity of chemicals to be used should be covered and the expected consequent scale of emissions and discharges.

4.3.6. Environmental Commitments

The commitments made throughout the ES should be drawn together into one section or table and be clearly identifiable. Operators should also indicate how they intend to monitor these commitments to ensure compliance. These commitments may be incorporated into the letter of approval of the ES.

4.3.7. Consideration of Alternatives

The ES should describe the main alternatives to the proposed activity that have been considered. The advantages and disadvantages of each option should be clearly stated with the specific environmental implications indicated for each. The main reasons for the selection of the preferred option should be described in outline, taking into account the environmental effects. Other factors influencing the choice of alternatives should be noted, e.g. feasibility including technical constraints, cost effectiveness and reasonableness of each option. If a formal option appraisal has been carried out it should be described and the relevant decision factors noted. For example, alternative sites, timing, construction practices, plant and equipment, operating processes and pipeline routes should be considered where appropriate. The Department would always encourage the use of existing infrastructure where possible and therefore if this is not the selected option a robust justification should be provided. Consideration of alternatives should also form part of an ES for the drilling of an exploration/appraisal well and should include details of the decision making

process, e.g. what, if any, alternative sites were considered, whether slim hole technology was an option, were alternative drilling muds considered, were different types of rigs considered? Where final option selection has not been taken before the submission of the ES then more than one option may be presented. However sufficient detail should be provided for each option including the predicted impact to enable a full assessment of each option to be undertaken. Following submission of the final FDP, presenting the chosen option, written notification should be forwarded to the EMT to confirm which option will be progressed.

4.3.8. Uncertainties at time of writing an Environmental Statement

In instances where the specific techniques or technologies to be applied during the activity are unknown at the time the ES is prepared, the ES should indicate the possible methods and adopt the most likely worst-case scenario approach in prediction of related impacts. For example, where it is possible that an Extended Well Test (EWT) may be undertaken the operator shall describe the likely volumes of hydrocarbon to be produced, the duration of the EWT, emissions resulting from the EWT and assessment of their significance.

If the development is to be carried out in stages, even if over a prolonged period, the expected full extent of the operations should be indicated and their effects assessed as far as the present information will permit. This must include the likely cumulative impacts in combination with third party operations. The quantities and types of residues and emissions generated at each of the above phases should be estimated.

Where materials are considered to be an important resource, the ES should describe and quantify the materials to be used.

The number and type of marine support vessels that will be utilised during construction and operation should be described.

4.3.9. Other Relevant Domestic and International Legislation/ Decisions which influence the content of the Environmental Statement

There are other pieces of legislation and/or agreements/decisions which although may require separate applications for consent or approval in their own right, should form part of the overall impact assessment process and therefore should be discussed within the ES. This section details the relevant legislation and recommendations/decisions and outlines the level of detail that is expected to be included with the ES submission.

4.3.9.1. The Offshore Petroleum Activities (Conservation of Habitats) Regulations 2001 (as amended)

It is expected that a properly conducted environmental assessment should:

- identify any habitats or species covered by the Conservation (Natural Habitats &c.) Regulations 1994,
- determine the likely impacts on them and where an adverse impact on a site integrity are likely, propose mitigation and,
- propose an appropriate system to manage the mitigation measures and other commitments identified to remove or reduce the potential impacts.

These findings should be included in the ES and the results of any survey work should be included to substantiate the conclusions as to whether or not Annex 1 Habitat as defined in the Habitats Directive is present. It is always useful to include photographic evidence to supplement written descriptions. If a plan or project is likely to have a significant effect on a coastal habitat, species or an SAC/SPA, whether this is due to an incident or accident, then this should be considered during the environmental assessment and hence documented in the ES. The ES must also identify and address these risks and provide sufficient information to inform any Appropriate Assessment (AA) which may be undertaken by the competent authority (DECC).

4.3.9.2 Offshore Chemicals Regulations 2002 (OCR)

All activities, which use and/or discharge chemicals to the marine environment from offshore exploration and production activities, require a permit issued under the Offshore Chemicals Regulations 2002. These permits require details of all the chemicals to be used and discharged and an assessment of their likely effects on the environment. Clearly, any discharges of chemicals from the drilling programme and production operations over the life of the projected activity are a major potential source of environmental impact. It is therefore essential that an assessment is made of the likely impacts of these discharges and that the conclusions of this assessment are included in the ES. It is recognised that the specific chemicals which will be used during the operations may not be known at the time the ES is prepared and that potential alternatives or a generic suite of chemicals may have to be used for the assessment instead. However full details and an assessment of the chemicals selected must be provided within the PON15 application.

4.3.9.3 Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998 and the Offshore Installation (Emergency Pollution and Control) Regulations 2002 and Oil Pollution Emergency Plans (OPEP)

All offshore exploration and production installations must have an Oil Pollution Emergency Response Plan (OPEP) in place. This is required by the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998 and covers *inter alia* all offshore installations, oil handling facilities and pipelines. As potential releases of oil to sea are identified as one of the most significant impacts in the marine and coastal environment and oil

pollution emergency contingency planning is an important mitigating measure, it is essential that the principal elements of an oil pollution emergency plan are included in the ES. It is not sufficient simply to state that an oil pollution emergency plan will be prepared in accordance with the regulations. The ES should confirm what stage the OPEP is at i.e. in preparation/submitted to the Department.

Following the information that has become available regarding the Macondo Incident which occurred in April 2010 in the Gulf of Mexico, the Department has implemented changes which were communicated to the Industry in a letter dated 23 December 2010 and is available at Annex M. Further revised guidance relating to environmental submissions was issued on 21 July 2011, a copy of which is reproduced at Annex N and this was updated on the 20 September 2011, a copy of which is reproduced at Annex O.

With immediate effect all OPEPs associated with exploration, appraisal and development (production) drilling operations, or work-over and intervention operations on hydrocarbon producing wells, that are undertaken on the UKCS **must** assess and provide for an effective response to an identified worst case scenario where all containment barriers have failed resulting in a blow-out, that would normally require the drilling of a relief well. The letter specifies what information should be taken into consideration when preparing the OPEP and what information is expected to be included within any ES/PON15 submissions. EIA's must include a detailed assessment of the potential environmental impact of a worst case hydrocarbon release, broadly based on the OPEP requirements but including significant additional detail in relation to the mitigation measures in place to prevent a release, and the potential environmental impacts of a worst-case release scenario. If a separate environmental assessment is contained in the OPEP or other supporting document, then it is acceptable to reference that document and provide a summary only of the assessment, within the EIA.

In the case of an operation already covered by an existing OPEP this may be referenced with attention drawn to the specific elements relating to the new activities and any relevant risk assessments updated. The new requirements relating to OPEPs should be taken into account when updating existing plans. For example, drilling operations from a Mobile Drilling Unit (MODU) may seek to operate under the umbrella of an existing approved OPEP for a fixed ('parent') installation. In such cases it is essential that the additional risks arising from those operations have been identified, assessed and submitted as an appendix to the original plan, and a bridging document prepared linking the rig or vessel's OPEP to the parent plan. In most cases this will be to ensure that the communications and command and control pathways are established and known to all involved personnel.

4.3.9.4 Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005 (OPPC)

These Regulations are designed to encourage operators to continue to reduce the quantities of oil discharged during the course of offshore operations. They introduce a more robust and effective approach to the management of oil discharges by updating the definition of oil; introducing a permitting system for oil discharges and recovery of the associated costs via permit fees. They also strengthen the powers to inspect and investigate oil discharges, whether these are lawful or unlawful. The issue of permits under these Regulations replaces the issue of exemptions under the Prevention of Oil Pollution Act 1971. Operators of offshore installations must therefore identify all planned oil discharges to relevant waters, and put in place measures to minimise the likelihood of an accidental discharge of oil to sea. The methods employed to achieve this must be summarised within the ES. The OPPC Regulations and separate guidance can be found on the Department's website at www.og.decc.gov.uk/environment/opaoppcr.htm

4.3.9.5 Offshore Combustion Installations (Prevention and Control of Pollution) 2001 (as amended) (PPC)

The EU Directive “Integrated Pollution Prevention and Control Directive 96/61/EC of 24 September 1996”, known as the IPPC Directive, has been transposed into UK legislation by the introduction of the PPC Regulations. The Directive and the PPC Regulations aim to prevent emissions and waste production and, where that is not practicable, to reduce them to acceptable levels. Where the development is to include a tie back to an existing host platform then the ES should provide details of what upgrades will be necessary, if any, to the host installation to accommodate the additional production. The operator should discuss whether this increase in production at the host installation will merely take up ullage at the host or whether there will be an increase in carbon dioxide (CO₂) emissions and therefore have implications in relation to the Offshore Combustion Installations (Prevention and Control of Pollution) Regulations 2001 as amended by the Offshore Combustion Installations (Prevention and Control of Pollution) 2007 (the “PPC Regulations”).

If there is an increase of between 40-100,000 tonnes of CO₂ at the host installation then this may constitute substantial change under the PPC regulations. Although a separate submission would be required to the Department for substantial change, the ES should discuss the additional equipment needed and explain the predicted increase in CO₂ emissions.

If as a result of the proposed activity there is an increase of >100,000 tonnes of CO₂, a new PPC application would be required. The ES should explain the predicted increase and confirm that the operator intends to make a separate application for a PPC permit.

If the proposed installed capacity of the combined combustion units, in relation to the proposed operations, principally power generation and heaters, exceeds the threshold thermal input (50MW th) then a permit will be required. If the decision on the specific units to be installed has not been made at the time the ES is prepared, the potential alternatives should be reviewed and a generic assessment included. The extent and likely effects of the emissions from the new equipment and any mitigating measures must be included within the ES. Further guidance on the PPC Regulations can be found at:-

www.og.decc.gov.uk/environment/ppcoci_2007.htm

4.3.9.6. The Food and Environment Protection Act 1985 (Part II) (FEPA 1985) - Deposits in the Sea.

FEPA which used to cover the discharge to sea or placement on the seabed of materials not covered by other legislation, has been disapplied from 6 April 2011 with the introduction of the Marine and Coastal Access Act 2009 in English and Welsh Waters and Offshore Waters adjacent to Scotland. However FEPA will still

exist in Scottish Territorial Waters (3NM to 12NM limit) where DECC will remain the licensing authority. In Scottish Coastal Waters (within 3NM) where the Scottish Government will be the licensing authority, the Marine (Scotland) Act 2010 will be the relevant controlling legislation.

Certain offshore energy activities, such as oil and gas exploration and exploitation operations, and gas unloading and storage operations are controlled under the Petroleum Act 1998 (as amended) or the Energy Act 2008, and specifically exempted from the marine licensing provisions under Part 4, section 77 of the Marine and Coastal Access Act 2009 (MCAA). These activities are subject to a separate environmental regulatory regime.

Activities not specifically exempted under the MCAA and/or the Marine Licensing (Exempted Activities) Order 2011 will, in the future, require to be the subject of a marine licence that will normally be issued by DECC, unless the proposals fall to be regulated by the Devolved Authorities (DAs). These may include:-

- Disturbance of the sea bed, e.g. to access platform legs or to relocate cuttings piles, or to undertake trenching operations that are not covered by a Pipelines Works Authorisation (PWA) issued under the Petroleum Act.
- Temporary deposits, e.g. during abandonment operations or in advance of activities authorised under the Petroleum Act or Energy Act.
- Deposit or removal of certain cables, e.g. telecommunications, power or control cables not covered by a PWA.
- Deposits or removal of substances or objects, e.g. to undertake rock dumping, mattress emplacement or burial operations that are not covered by a PWA, or to remove platforms or other infrastructure from the sea bed.
- Deposit and use of explosives, e.g. to remove seabed obstructions, to sever wellheads or during the course of other decommissioning activities (NB seismic use of explosives would be covered by the DECC survey consenting regime).

Separate guidance is currently being drafted on the Proposed Marine Licensing System under the Marine and Coastal Access Act 2009, Part 4 Marine Licensing and will be published on the Department's website as soon as it is available.

4.3.9.7 Environmental Management Systems (EMS) & the Oslo Paris Commission (OSPAR) Recommendation 2003/05

All operators controlling the operation of offshore installations on the UKCS should have in place an independently verified environmental management system that meets the requirements of OSPAR Recommendation 2003/5 to promote the Use and Implementation of EMS by the Offshore Industry see <http://www.ospar.org/> and the associated additional DECC Guidance which can be found at <http://www.og.decc.gov.uk/environment/index.htm>. Operators who

comply with this requirement should make a statement within the ES confirming they meet the requirement and that the proposed operations will fall within the scope of their EMS. Operators may also wish to include a link to their own, or to the Department's website, where any previous environmental public statement, required under the same OSPAR Recommendation, may be found.

For operators that do not meet the requirement, a brief description of their EMS should be provided including details of the company environmental policy and the high level systems and procedures which are used to manage their environmental aspects and impacts. A commitment to comply with OSPAR EMS requirements before offshore operations commence should also be given. This information will be checked again at the PON15 stage and the relevant permit/direction will not be issued unless the operator can demonstrate they are compliant with OSPAR Recommendation 2003/05.

A brief outline of the experience of the operator should be included within the ES together with an outline of the environmental management systems and specifically how the commitments within the ES are to be tracked by the operator.

4.3.9.8 Oslo Paris Commission (OSPAR) Recommendation 2001/01

In line with the OSPAR Recommendation 2001/01 for the Management of Produced Water from Offshore Installations which includes a presumption against the discharge of oil in produced water, the base case for new developments should be no discharge of oil in produced water and any deviation from this position must be justified.

4.3.9.9 Oslo Paris Commission (OSPAR) Decision 98/3 – on the disposal of Disused Offshore Installations – SINTRA Agreement

This decision prohibits the dumping and leaving wholly or partially in place of disused offshore installations. Derogations may be considered for the following installations:-

- Steel installations weighing more than 10,000 tonnes in air
- Gravity base concrete installations
- Floating concrete installations
- Any concrete anchor base which is likely to result in interference with other legitimate users of the sea

Where the project which is the subject of an ES includes the construction of an offshore installation, the operator should discuss how they intend to comply with OSPAR decision 98/3 and demonstrate that the requirement to remove the offshore installation has featured in the design criteria.

4.4. Environmental Description

4.4.1. The environment of the proposed activity should be clearly described and indicated on an appropriate map or diagram. Care should be taken to ensure that any maps or diagrams are clear and that any annotated text or keys are legible. The ES should describe any policies, plans or designations that are relevant to the site and its surroundings. The environmental description should be that of the actual area to be developed and not only a generic description of the local environment. Strategic Environmental Assessment (SEA) data should be referenced to provide high level information regarding the surrounding environment, but should be supplemented by site specific data. It must identify and take into account all the existing activities and contamination.

4.4.2. Extent of the Area to be considered

The area considered by the Environmental Description should be consistent with the area potentially affected by the activity and should include for example the area potentially impacted by anchors, anchor chains etc. and therefore any surveys undertaken should be designed to incorporate all such areas.

4.4.3. Baseline Information

The ES should describe the current condition of the environment by using where possible recent site specific data, with particular emphasis on the aspects that are likely to be affected by the activity and account taken of all existing activities and contamination. For example, the benthic description should be relevant to the area likely to be impacted by a cuttings discharge from a well. The other users of the sea (and where appropriate, the coastline) should be described and illustrated e.g. shipping, fishing, offshore renewables and aggregate extraction. The discharges, emissions and impacts of the other users should be considered and discussed.

4.4.3.1. Where existing data has been used to establish the baseline, the source of the data should be identified and details provided as to why this data can be extrapolated to the proposed site. The most up to date information should be used and where data is many years old the operator should justify the validity of using this data within the ES or consider whether it is more appropriate to undertake additional survey work. The ES should provide a clear description of the methods used to supplement existing information, where necessary, such as site-specific surveys. Relevant details should be provided of the type of survey that has been undertaken including information on the equipment used, resolutions, area surveyed and a summary of the results included. An interpretation of the site specific survey should be provided within the ES. Where

photographic evidence has been gathered, it is useful to include some examples to supplement the written description. Where possible, the data gathered should be expressed quantitatively. The baseline data should be evaluated, for example in relation to the sensitivity and importance of the environmental features likely to be impacted, including seasonal variations. Useful relevant information in relation to both baseline survey and EIA may be found in the following documents, however it must be noted that this list is not exhaustive and other references should be sourced and used as appropriate:-

- relevant threshold limits, for example WHO Limits;
- EU Quality Standards or other published background levels;
- Information presented in the Department's Strategic Environmental Assessments;
- Information presented in the Scottish Marine Renewables Strategic Environmental Assessments;
- North Sea Quality Status Reports;
- Atlantic Frontier Environmental Network (AFEN) publications and other publicly available surveys; or
- by reference to appropriate environmental designations

The description should place the impacted environment in the context of its surroundings. Any gaps or limitations in environmental information should be acknowledged with, where appropriate, strategies to address these gaps or limitations. Simply quoting familiar references may not be acceptable and may require further justification by more recent data either from in-house studies or published work.

It is good practice to include a diagram indicating the surveyed area in the context of the proposed activity and to identify any sample points or the location of photographic evidence.

Raw site survey data should be submitted directly to Marine Scotland and UK Benthos.

4.4.4. Survey Requirements

4.4.4.1. Baseline environmental surveys

For projects that require a mandatory environmental statement, there will be an assumption that the EIA will be based on recently obtained site specific environmental data, and the results of the surveys will be presented within the ES. Any application that is not supported by relevant baseline environmental data will have to include a robust, evidence based case as to why a baseline survey was considered to be unnecessary.

Applicants are advised to seek early consultation with the Department and its statutory advisors to discuss whether a baseline environmental survey will be

required. If an application is received that is not supported by adequate or appropriate baseline environmental data, there is a risk of a significant delay while the applicant obtains the necessary data.

The only environmental statements that would not be routinely expected to include relevant baseline environmental data would be those submitted solely to support a requested increase in production.

For projects that do not require a mandatory ES, i.e. all applications seeking a direction or an activity level permit, e.g. PON 15s, there is also a requirement to include recent and relevant environmental data. Applicants therefore need to consider whether an environmental survey needs to be undertaken to obtain key site-specific environmental data, either before or after the proposed activity. The Department will consider any advice received from its statutory advisors during consultation on the application and, if considered appropriate, will make an environmental survey a condition of the relevant approval.

4.4.4.2. Site specific surveys

Where site specific environmental data is available, it should always be used in applications in preference to generic data, and evidence should be presented within the application confirming that the data are still relevant. Where data is considered to be out of date or to relate to an area where the environment may have changed since the last survey, then consideration should be given to collecting new data. If new surveys are undertaken, the data should be collected in such a way that it is comparable with the existing historical data, in order to determine whether any changes have taken place and, if possible, to identify the causes of such change.

As indicated above, the Department will consider any comments received from its statutory advisors and may determine that a new environmental survey should be undertaken within a specified period of time, and include this as a condition in the relevant approval.

4.4.4.3. Decommissioning surveys

Pre and post environmental surveys will normally be required for all decommissioning programmes. The details of the surveys must be discussed with the Department and their advisors during the preparation of the Decommissioning Programme.

4.4.5. Annex I Habitat or Annex II Species

Where the proposed activity is likely to have a significant effect on a Special Area of Conservation or Special Protection Area (whether or not it is situated within the site boundary), it is likely that the Department's nature conservation advisors - the

JNCC or the relevant country nature conservation agency, will recommend that as competent authority the Department undertakes a screening for an Appropriate Assessment (SAA) or a full AA. The ES or the PON15 together with other references will inform this assessment. The assessment requires to be both quantitative and qualitative. The following is the type of information the Department may require in order to undertake a screening or a full appropriate assessment and the information provided within the ESs should include (where appropriate) but not be limited to the following :-

- If the project involves drilling with Water Based Mud (WBM) what quantity of cuttings will be discharged to sea (in tonnes), what area is this likely to impact (Km²) and what % of the SAC/SPA does this represent? Is this discharge within the SAC/SPA and if so is it on the qualifying feature? What significance will this discharge have?
- What is the area of impact of the spud cans/ anchors/ platforms/ pipeline (Km²)? If there is the potential to rock dump for rig stabilization what is the total tonnage (in tonnes) and the area of impact of the rock (Km²) and as a % of the SAC/SPA? Describe the effect on the function & structure of the feature. Will this be on the qualifying feature or just within the overall proposed boundary?

Operators may find it useful to refer to the DG Guidance on Appropriate Assessments which the Department uses as a template when undertaking such assessments, in particular Annex 2 of the Assessment of Plans and Projects significantly affecting Natura 2000 sites:-

http://ec.europa.eu/environment/nature/natura2000/management/docs/art6/natura_2000_assess_en.pdf

It is essential that sufficient information is presented to enable an assessment of the significance of any potential effects on the SAC/SPA arising from the proposed activity. Operators should ensure good linkage within the ES between the description of the local environment and how the proposed operations will impact on that environment.

4.4.6. Intelligent Surveying

It is recommended that intelligent surveying is undertaken when investigating an area where activities are proposed, whereby information gained whilst undertaking the geophysical survey is used to design the survey and drives where grab and other sampling is undertaken e.g. samples may be taken when seabed type changes in order to ground truth conditions. Where anomalies are identified during the survey the Department would recommend these should be investigated further to demonstrate that they do not represent potential Annex I Habitat. This is particularly important in the general distribution area of pockmarks

as defined by SEA 2 or where the proposed activity is within an area which could support for example *Sabellaria spinulosa* reef or other biogenic reefs. Where pockmarks are identified it is recommended that further evidence should be gathered to demonstrate that methane derived authigenic carbonate (MDAC) structures which would fall within the Annex 1 Habitat definition of “submarine structures made by leaking gases”, are not present within the depressions. It is advisable that some photographic evidence is presented even if no MDAC is found. It is also useful to visually put the position of any pockmarks into context with the proposed operations by use of a diagram, particularly where anchored rigs/vessels are to be used. Where ground truthing of anomalies present on the sidescan sonar confirms the presence of *Sabellaria spinulosa*, the Department would strongly advise further investigation is carried out to confirm the extent and whether it is present in discrete patches or forms part of a larger reef structure which would fall within the Annex 1 Habitat definition “reefs”. Where the proposed activity is in an area of potential Annex I Habitat it is useful to include photographic evidence to support the conclusion of the survey even if no Annex I Habitat was identified. Further guidance should be sought from the Department and the JNCC or the relevant country nature conservation agency as appropriate. In areas where Annex 1 Habitat is expected, the Department would advise operators to discuss the scope of the survey with the relevant bodies, prior to the survey being undertaken. Further information on *Sabellaria spinulosa* please refer to the JNCC website:- <http://www.jncc.gov.uk/page-4097>

4.5. The Environmental Assessment Process

4.5.1. The ES should summarise the Environmental Assessment process which has been carried out throughout the development of the final design of the proposed activity and report the conclusions of this assessment.

4.5.2. Methodology

The ES should describe the assessment methodology and process that has been undertaken to identify and rank the key impacts. The description should include the results of the pre-submission consultation with the appropriate environmental authorities and non-statutory consultees, including the public. Concerns raised by the environmental authorities, and in particular the public and non-statutory organisations, should be addressed even when the concerns are based on perception or misconceptions. Where issues raised by the consultees are not to be addressed in detail in the ES, a reasoned justification for their exclusion should be given.

4.5.3. Impact identification

The assessment process should identify those aspects of the environment that are likely to be significantly affected by the activity (including in particular, population, fauna, flora, geology and soil, water, air, climatic factors, material assets, including the architectural and archaeological heritage, landscape and the inter-relationship between the above factors). The description of the likely significant effects should encompass at least the aspects listed in paragraph (c) of Schedule 2 to the Regulations (see Annex K) to the extent that they are relevant. Not all the aspects listed will be applicable to all activities: e.g. "landscape" is more likely to be relevant to activities near to land while "architectural and archaeological heritage" is likely to apply to activities near to land or in close proximity to archaeological sites (wrecks). The description of the impact on climate and air should include consideration of the impact on global warming and the ozone layer, in addition to local and regional air quality and include the quantities of emissions to the atmosphere over the life of the activity. Emissions should be characterised into chemical species important in global warming, ozone layer depletion and local and regional air quality. It is also suggested that operators also describe other impacts already ongoing in the area to put their proposed activities and the potential impacts into context.

4.5.4. Cumulative Effects

The assessment should also evaluate any direct or indirect effects (including secondary, short, medium and long-term, permanent and temporary, positive and negative) resulting from the existence of the activity, the use of natural resources and the emission of pollutants, the creation of nuisances and the elimination of waste. The assessment should seek to set the activities and potential impacts in the context of all other activities taking place in the area of the development and determine the additive, that is the cumulative, effects of the new activities. This is important since an activity may give rise to effects which in themselves are not significant, but which when compounded with existing or expected effects from other sources may have a significant adverse effect. In doing so it should be clear which effects have and have not been addressed, how this decision was reached and the spatial and temporal scope of the assessment, which should be as far as is possible both a qualitative and quantitative assessment.

4.5.5. For some activities, a number of the processes may take place on facilities owned or operated by third parties. It is the responsibility of the operators proposing the activity to ensure that their environmental assessment and the resultant ES address the incremental impact due to the activity on the existing emissions and discharges and the environmental risks and impacts arising from these host facilities. The assessment must cover the totality of the development and must clearly establish the sources of impacts and those responsible for their control and mitigation.

4.5.6. Prediction of Impact Magnitude and Significance

Predictions of the magnitude of the likely significant effects of the development should be identified in the ES. The discussion of likely significant effects should be accompanied by an indication of the criteria by which "likely" and "significant" are categorised. Where a recognised model is used this should be referenced. Systems that weight together the qualitative scoring or rankings of various effects are unlikely to improve the analysis where there is no general consensus as to relative values. The magnitude of the impact should be predicted as a deviation from the established baseline conditions, for each phase of the proposal. The information and data used to predict the magnitude of impact should be clearly described. Where there are any gaps or uncertainty, these should be identified. The methods used to establish magnitude should be clearly described and are appropriate and reasonable in relation to the importance of the impact. Where assumptions or unsupported data have been used in the predictions then these should be highlighted and an indication given of the reliability/confidence of those assumptions or data. The data given should be quantified and levels of confidence in the estimates given. The ES should identify quantitatively the impacts that remain following mitigation. The ES should evaluate any direct effects and any indirect, secondary, cumulative, short, medium and long-term, permanent and temporary, positive and negative effects, resulting from the existence of the development, the use of natural resources and the emission of pollutants, the creation of nuisances and the elimination of waste.

4.5.7. The significance of all impacts should be assessed using the appropriate national and international quality standards limits (WHO Limits, EU Quality Standards etc). Where no such standards exist, the ES should describe the judgments (assumptions and value systems) that underpin the attribution of significance. The assessment of significance should consider the impact's deviation from the established baseline condition, the sensitivity of the environment and the extent to which the impact will be mitigated or is reversible. The range of factors which are likely to influence the assessment of significance should be clearly identified and consideration given to how these variables will affect the significance of the impacts over the life of the development and of any that remain following mitigation.

4.5.8. The assessment should also address the risk and potential impact of failure, accident or malfunction of the equipment or control systems (including those related to the reservoir), the precautions to be taken and how these will be incorporated into the activity's operational procedures.

4.6. Mitigation and Follow Up

4.6.1. The ES should describe the measures proposed to eliminate, reduce or mitigate potential significant adverse impacts. It should provide an indication of the predicted effectiveness of the stated measures, demonstrating a clear commitment to implementing the mitigation measures and indicating how, when and the lines of responsibility for ensuring implementation of these mitigation measures. Where there is uncertainty over their effectiveness, or it is dependent on assumptions, justification should be provided for the acceptance of these assumptions. Under these circumstances, it is suggested that a programme of work should be established and carried out to monitor the effectiveness of the measures, in terms of all the relevant outputs (emissions, discharges, noise, light etc.), quantitatively and qualitatively, and their resultant effects on the receiving environment. Operators should ensure that seasonal sensitivities are taken into consideration when planning the timing of operations. Where conflicting sensitivities exist, consideration should be given to the fact that there are some resources which are more sensitive than others during the period of the proposed operations and this should be factored into the evaluations in order to identify the most suitable timing of the operations. Advice from the relevant nature conservation bodies/fisheries organisations should also be used to inform your decision in this regard. Operators should ensure that offshore operations are undertaken in a manner that prevents pollution incidents from occurring and ensure relevant mitigation measures are employed to prevent the accidental release of oil/chemicals to sea, e.g. through containment measures, modified operation of installations, adherence to good practice mitigation measures. The Department would expect industry best practice to be followed.

4.6.2. The ES should provide details of any management plans that are to be implemented to deliver the mitigation measures and to monitor the environmental impact of the activity. These should also provide details of the time scales of the management plans, in relation to the lifetime of the activities, and their geographical extent.

4.6.3. Where a management plan is to be integrated into an Environmental Management System (EMS) then the ES should describe how this would be implemented and how the results of such a programme will affect the proposal's operation. An EMS should be established for the lifetime of the activity and a mechanism put in place for its periodic review in the light of experience and technological advances. The essential details of the EMS should be described in the ES including the applicant's stated environmental policy and the provision for monitoring the actual impact of the activity on the environment and for auditing of the system's effectiveness. Responsibilities for the control, management, mitigation or review of these impacts should be provided for and an indication of how this will be achieved should be outlined. As discussed at Section 4.3.9.6, the

Department expects operators to comply with the OSPAR Recommendation 2003/05 which seeks to 'Promote the Use and Implementation of Environmental Management Systems by the Offshore Industry' and a statement of compliance should be included within the ES.

4.7. Other Information

4.7.1. The use of technical terms should be kept to a minimum particularly within the Non - Technical Summary. A list of abbreviations, a glossary and a full list of references should be provided. The inclusion of information not directly relevant to the nature of the proposal and its associated impacts should be avoided. Figures should be provided to assist in understanding the locations of all the activities, installations and any potential impacts and ensure that all features mentioned in the text are clearly identified. Figures/diagrams provided in support of the text must be clear and legible, including the keys. Consistent technical terminology should be used throughout with metric units used except where the conversion of well established oilfield units to metric units would cause confusion. Ambiguous terms such as "billion" and "billionth" should be avoided, as should abbreviations such as "M" and "MM". If non-scientific notation is used it should be explained.

4.7.2. Quality review of Environmental Statements

The Department has commissioned an independent research study to “determine whether applicants and the Department are adopting a consistent and acceptable approach” to the preparation and assessment of Environmental Statements “that fully meets the requirements of the EIA Regulations and the related parent EU Directives.” The study focused on EIAs undertaken between 2000 and 2005, with a sample size of 35 ESs. The study concluded that 51% were of satisfactory overall quality, none were of poor quality and a few were of the highest quality. Of the 49% that were regarded as unsatisfactory overall, this was mainly due to weaker performance in just one review area. To view the full report please go to :-

http://www.og.decc.gov.uk/environment/opppr_qreview.doc

5. THE PETROLEUM OPERATIONS NOTICE 15 (PON15) PROCESS – DETAILED INFORMATION

5.1. Introduction

5.1.1. An Application for a Direction - a Petroleum Operations Notice 15 (PON15) that an ES need not be submitted, may be sought for activities which are not included within the criteria requiring a mandatory ES (indicated above Section 2.3.1). Nevertheless the environmental implications ("appropriate particulars" as described in Regulation 3 are the legal minimum requirements for the activities and must be assessed with details of this assessment included in the appropriate PON15.

5.1.2. The PON15s are currently dual-purpose application forms and cover applications for a direction under the Regulations and a chemical permit under the Offshore Chemical Regulations 2002 (OCR) (as amended). A PON15 can be used to apply for a direction only, a chemical permit only or both a direction and a chemical permit. Where a chemical permit is being applied for, additional chemical information will be required, including a full risk assessment for the use and discharge of all chemicals as required under the OCR. The PON15 application has been migrated to the e-business system and all PON15 applications are made via the Department's UK Oil Portal. When this migration occurs there will be the facility to upload an application for a direction to rock dump in relation to rig stabilisation, an extended well test or a disturbance licence under the Marine Works (Environmental Impact Assessment) Regulations 2007 within the PON15.

There are five different PON15s :- the PON15B, PON15C, PON15D, PON15E and the PON15F, covering the different activities. Annex A provides a flow diagram of the PON15 process.

5.2. Petroleum Operations Notice 15B (PON15B)

The PON15B covers applications to drill a well and is required to inform the Department of the environmental implications of this operation i.e. the PON15B supports the Well Operation Notice (WONS) application (the old PON4) for the granting of consent to drill an exploration, appraisal or development well. The WONS application is made through the UK Oil Portal and is assessed by the Well Consents Team. The PON15B is submitted to and assessed by the Environmental Management Team. A WONS consent cannot be issued by the Well Consents Team until the PON15B has been approved.

The PON15B should also be used to apply for a term permit for the use and discharge of chemicals during the drilling and completion of wells.

5.2.1. Well Bore Clean up

Where the well is to be drilled with Low Toxicity Oil Based Muds (LTOBM) through the reservoir section and will involve a well bore clean up which may result in the discharge of well bore clean up fluids contaminated with oil based drilling fluids, then details of this operation should be included within the PON15B application. The likely total volume of the discharge in cubic metres (m³) and the total quantity of hydrocarbon chemical in kilogrammes that is predicted to be discharged should be provided in the application. If these figures are deemed satisfactory they will then form a condition of the chemical permit and operators will be required to undertake sampling as detailed in the permit and make a return to the Department following completion of the operations. Further guidance on sampling can be found on the Department's website at www.og.decc.gov.uk/environment/opaoppcr_guide.htm

Where the well is drilled with Water Based Mud (WBM) through the reservoir section, a consent may be required under the Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005 (OPPC), if it is anticipated that there will be a discharge of reservoir hydrocarbons. Please contact the Offshore Environmental Inspectors for further advice regarding permits under OPPC.

5.2.2. Well Tests

Drill Stem Tests (DST) – Standard Drill Stem tests following drilling or well intervention operations should be included as part of the assessment of the proposed drilling or intervention operations and details provided within the relevant PON15B or PON15F application. No separate Direction is required for these operations and the DST may proceed once the relevant PON15B or PON15F approvals have been issued.

5.2.3. When is a Well Test an Extended Well test (EWT)?

EWTs are defined as longer well tests, following drilling or workover which leads to the production of oil in excess of 2000 tonnes and/or for a flow period of more than 96 hours, or the production of gas for more than a 96 hour flow period. The 96 hour period relates to the total production duration and therefore periods between production e.g. when the well is shut in to build up pressure, is not counted in the overall 96 hours. In other words it is the flow duration which is important, not the overall duration of the test. When testing discrete sections of the well, each section can be produced for a maximum of 96 hours but the total quantity of oil produced from all sections should not exceed 2,000 tonnes in total in order for the test **not** to be classed as an EWT. A well test would be classified

as an EWT where the well test of the different sections exceeds the 96 hour threshold per section or exceeds the 2,000 tonnes of oil as a total combined quantity for all tested sections. **Volumes produced during clean-up flow periods should be included and count towards the 2,000 tonnes of oil and the 96 hour thresholds.** The Department may consider long clean up flows to be an EWT, even if there is no explicit data gathering objective. Usually the Department will treat the testing of sidetracks as separate well tests, however the Department may require an EWT consent where it feels one is appropriate.

An EWT consent application should be submitted to the Department's Field Team in the Licensing, Exploration and Development Section (LED) and approval is conditional on acceptance of the environmental assessment presented in the PON15 or ES submission. Further guidance on EWTs can be found in the Guidance Notes on the Procedures for Regulating Oil and Gas Field Developments at:-

http://www.og.decc.gov.uk/regulation/guidance/reg_offshore/reg_offshore_guide.doc

Early consultation with the Department's LED Section is therefore recommended. If LED confirms that the well test proposed constitutes an EWT, then an assessment of the likely environmental impact of the EWT must be undertaken. Operators may request a direction confirming a full environmental statement is not required and may include the assessment within the PON15B for the well that will be tested. The application for a direction should include the following information within the submission:-

- a justification for the EWT, including any relevant technical, logistical and financial information.
- a discussion of the options for hydrocarbon recovery, including cost benefit analysis.
- details of any processing and/or export requirement and relevant arrangements.
- details of any flaring requirement and relevant arrangements.
- quantification of all associated emissions and discharges.
- modelling of any significant emissions.
- an assessment of the cumulative impacts of the EWT with respect to other ongoing operations in the vicinity of the EWT.
- an assessment of the impacts of the emissions with particular emphasis on transboundary issues, local air quality and global warming.

However the Department has the discretion to request a full ES where an EWT is undertaken over a significant period of time and/or involves the flaring of a significant quantity of hydrocarbons. An ES is also likely to be required where the EWT is to be carried out in what the Department and the environmental

authorities consider a sensitive location e.g. close to the coast, an SPA/SAC or a median line. Early consultation with the Department is therefore recommended.

5.2.4. Sidetracks

When completing the PON15B form, operators should consider if there is likely to be a requirement to sidetrack the well for geological reasons. If the operator decides that such a contingency sidetrack may be required then an assessment of the likely impact of drilling the sidetrack should be included in the PON15B, together with the additional chemical usage and discharge that may be necessary.

- If a sidetrack from a well currently being drilled, but which was not included in the original WONS or PON15B applications, is to be drilled to a new geological target, then an amendment to the WONS application and a Post Direction Amendment (PDA) should be submitted to the PON15B application detailing the environmental impact of the additional sidetrack and requesting a chemical permit variation to include the additional chemicals required (if any).
- If an existing well is to be sidetracked to another geological target, effectively a well redrill, then a new WONS application and new PON15B will be required.
- If problems are encountered whilst drilling a well and it becomes necessary to undertake a mechanical sidetrack then a post direction amendment (PDA) should be submitted to the PON15B application detailing the environmental impact of the additional sidetrack and requesting a chemical permit variation to include the additional chemicals required (if any).

5.2.5 Vertical Seismic Profiling (VSP)

Where a VSP is to be undertaken at the time of drilling then this may be included within the PON15B submission provided all details requested in the PON14 are included or the PON14 may be attached to the PON15 application. In the future a tick box at the beginning of the PON15B portal application will indicate that the PON14 Consent is being sought and will eventually take you directly to the PON14a application form. A unique PON14a number will be generated by the Department and provided the Department and the consultees are content, a separate PON14a consent will be issued.

5.2.6 Rig Stabilisation

A separate direction is required for rock dumping in connection with rig stabilisation. Such an application may be included within the PON15B submission and a tick box at the beginning of the PON15B application will indicate that a direction is being sought. The following details must be provided within the

PON15B justification section, together with an assessment of the likely impact of the requested rock dump operations:-

- Location of works, including the latitude and longitude & datum.
- Details of the rock dump, including proposed start and end dates of the operation, type and quantity of materials to be used e.g. size of the rock/stone, tonnage & volume in m³/ number & weight of grout bags/ number and dimensions of mattresses.
- A summary of the activities, including the source of materials to be deposited, method of delivery, where possible including details of the vessels to be used and planned fate of the rock once works are completed. An assessment of the likely impact of the proposed operations should also be presented.

5.2.7. Drilling Period

All PON15Bs must state as firmly as possible the spud date for the well. However in order to allow for slippage in drilling schedules the operator should use the narrative section to discuss the period over which drilling activity will take place. For example if the anticipated spud date is mid March and the drilling period is 60 days then the PON15B should discuss the period February to June. If the schedule is likely to deviate from this period by more than one month following issue of a direction, the operator should apply for a PDA, in order that any significant seasonal sensitivities may be re-assessed. A chemical permit variation may also be required if the slippage of the schedule takes operations out with the permitted period. **Please note variations to chemical permits can only be accepted during the validity of the permit. If the permit is allowed to expire prior to completion of the works then a new permit will be required for the outstanding operations. A new reference number will be allocated to the new application and it will be required to be circulated to and approved by the environmental authorities and the Department.** Reference should be made to the previous consent and in section C justification; the operator should clarify whether there are any changes to the operations or chemicals as previously assessed. Only the outstanding works should be included in the new application together with the chemicals required for those operations. Any operations already completed should be removed from the application.

- Data on the muds and chemicals to be used and discharged must be included in the PON15 application and as accurate an assessment as possible made of their likely impact on the marine environment, as this data forms the basis for the Chemical Permit.
- Where appropriate the management systems and procedures will be described and in particular the relationship between the operator's management system and that of the contractor. A statement should be made as to the operator's compliance with OSPAR Agreement 2003/05.

5.3. Petroleum Operations Notice 15C (PON15C)

The PON15C covers applications to construct a pipeline and/or seeking a term permit for the use and/or discharge of chemicals during the construction, hydro-testing, commissioning, maintenance, repair, operation or decommissioning of a pipeline. The PON15C supports the Pipeline Works Authorisation (PWA) application and approval of the PWA cannot be granted until the PON15C has been consented.

All new pipelines need a PWA or in some cases a variation to an existing PWA. An ES will be required to support an application for a PWA if the pipeline is 800mm diameter and 40 km in length or more and is likely to be required for major pipelines even if they do not satisfy both these criteria. An ES will also be required for the extension of an existing pipeline, where that extension itself meets the 800mm diameter and 40 km in length thresholds. A PON15C will be required to support a PWA when an operator is seeking direction for a pipeline where the diameter or length is less than these dimensions or in cases where an ES has been submitted and approved for a development, each component still requires a separate direction. Therefore if a development which has been the subject of an ES includes a pipeline, then a PON15C would be required, even though the ES has been approved.

A PON15C requesting a direction **may not be** required for the installation of a new pipeline wholly within an area having a radius of 500 metres from a well or fixed installation, if it is determined that these operations are unlikely to have a significant impact on the environment and are exempt from the obligation to submit a formal application for a direction. Following the introduction of the Offshore Petroleum Production and Pipelines (Assessment of Environmental Effects) (Amendment) Regulations 2007 which implement the Public Participation Directive 85/337/EEC as amended by 97/11/EC & 2003/35EC, it is now deemed mandatory that all such decisions should be made publicly available and therefore a spreadsheet is now available on the Department website that lists those projects/applications received as part of a PWA application or variation, which have been assessed since the legislation has been introduced, as unlikely to have a significant impact, and therefore no direction is required. These can be viewed at www.og.decc.gov.uk/environment/website_exemptions.xls. A PON15C may however still be required for the use and or discharge of chemicals during the installation/ commissioning of these pipelines.

We would draw to your attention that this Department only regulates pipelines from the baseline of territorial seas (i.e. from low water mark or bay closure zones; whichever is relevant) out to 200 nautical miles. Any ES for the offshore section should give brief details of the onshore element and make reference to any onshore ES.

5.3.1. Deposits in relation to pipelay

The deposit of materials for pipeline operations is regulated under MCAA or by the issue of a Depcon, a deposit consent which forms part of the Pipeline Works Authorisation (PWA) process.

- Where a PWA is in place such work should be covered by a Depcon and this application should be made in conjunction with the PWA.
- Prior to the issue of a PWA or if there is no PWA in place (e.g. for crossing preparation) a request for the deposit is currently regulated by the Marine and Coastal Access Act 2009 (MCAA) and the operator will need to contact DECC to request a licence. A MCAA licence is also likely to be required where the deposit is in relation to pipelines covered by an approved decommissioning program.

FEPA has been disapplied for most oil and gas operations with the introduction of the Marine Bill and all powers transferred to the Petroleum Act, with the exception of activities relating to decommissioning which will require a licence under the Marine Bill.

Please also note that DISCONS which used to be issued in connection with pipeline discharges are no longer issued as part of the PWA, as the introduction of the Offshore Chemical Regulations 2002 now requires a chemical permit to be issued for all offshore chemicals used and/or discharged. The PON15C should be used to apply for any chemicals used and/or discharged in relation to a pipeline.

The PON15C should assess the environmental impact of any proposed deposit and in areas of SACs/SPAs and should state the location of any deposits in relation to the SAC/SPA, i.e. whether the deposits will be within any proposed boundaries, on the qualifying feature, distance from the qualifying feature or SAC/SPA boundary if out with the SAC/SPA. A qualitative and quantitative assessment should be provided.

5.4. Petroleum Operations Notice 15D (PON15D)

The PON15D covers applications for field development, including production consent variation (where this variation relates to an increase in production which is below the thresholds of 500 tonnes of oil per day or 500,000 m³ of gas per day) and/or seeking a permit for the use and discharge of chemicals during production operations. Where a consent is renewed (i.e. where the term of the consent is increased but no conditions of the consent are varied and the SoS has decided that there is not likely to be a significant effect on the environment, neither an ES nor an application for a direction will be required. The decision to renew a consent will be advertised in the Gazettes and on the Department's website. Where the production consent variation relates to an increase in production over the thresholds of 500 tonnes or more of oil per day or 500,000m³ or more of gas

per day, the Regulations now require an ES to be submitted to assess the impact of this increase in production. The methodology for assessing the proposed increase involves comparing the current consented level of annual production for the field, with the requested level of annual production for that field. The baseline for the comparison must be the consented level of production for the field during the calendar year of submission of the request for the consent revision. The comparative level of production can be the proposed level of production during the next calendar year, or the proposed average annual level of production over the duration of the requested consent. If the requested increase is lower than both the oil and gas thresholds, then the environmental impact assessment should be submitted via a PON15D application. The data used to undertake the comparison should be provided in Section C – Justification, in m³/day, with oil also being converted to tonnes/day to simplify the comparison with the relevant thresholds and the consented levels. Please remember to amend section B on the Portal to indicate you are applying for a Direction only or if the request also involves a chemical variation, choose the EIA Direction and Chemical Permit option from the drop down menu. It is recommended that the PON15D should be submitted at least 28 days prior to the commencement date for the proposed increase as the Production Consent cannot be approved at the increased levels until the PON15D has been issued.

In summary, any year that production is above the current consented level will require an EIA which may be in the form of an ES submission, where the increases are above the relevant thresholds or a PON15D if the increases are below the thresholds. The averaging process can be used to determine whether the correct process for submitting the EIA is via an ES or a PON15D. For further information on this please refer to the Department's website:-

www.og.decc.gov.uk/regulation/guidance/ppd.htm

A PON15D may also be used to permit the use and/or discharge of chemicals in relation to well intervention, work-over or service operations where the operations will not involve a discharge of chemicals out with the safety zone (500m) of a host discharging installation (e.g. chemical use will be flowed back to the host for discharge).

5.5. Petroleum Operations Notice 15E (PON15E)

The PON15E is for seeking a permit for the use and discharge of chemicals during decommissioning operations.

5.6. Petroleum Operations Notice 15F (PON15F)

The PON15F is for seeking a term permit for the use and discharge of chemicals for workover and well intervention operations for remote wells, remote wells in this context are those out with the 500 metre safety zone, tied back to the host installation but where the discharge takes place at the well location not the host installation. It has been agreed that multiple workovers at the same location may be applied for via a single PON15F application which may cover operations over a one year period. Provided the Department and the environmental authorities are content with the proposal, then a term permit covering the operations will be issued and reporting via the Environmental Emissions Monitoring Systems (EEMS) system should be undertaken at the end of the permit, once all operations detailed in the application have been carried out i.e. reporting should be undertaken on an annual basis, not after each work over operation.

5.7. Administration - Submission of Petroleum Operations Notice 15s

5.7.1. Currently all PON15 applications except PON15Es, including any amendments to the application, must be submitted via the UK Oil Portal at www.og.decc.gov.uk. However in time, it is intended to include PON15Es on the portal system. Applications are acknowledged automatically via the portal and the application will be allocated a unique reference number automatically generated by the system. Please quote this reference number when communicating with the Department regarding the application. The Department will then conduct the consultation electronically. Any decision on these applications will be received by the operator via the portal and will be electronically signed. See section 5.13 for further information or email the general oil portal email account at UKOP@decc.gsi.gov.uk. For PON15Bs the Department's well numbering system must be used in all cases. (See Petroleum Operations Notice 12 (PON12)) e.g. 56/21a - 12Z. Before drilling the well must be referenced by Quadrant (56), Block (21) and Part-block (a) designation with a specific well reference identifier (12Z). In this case Z indicates a sidetrack. Further guidance on well numbering system can be found on the Department's website at www.og.decc.gov.uk/regulation/pons/pon_12.htm#assign.

It is not necessary to send a hard copy of the application. However should you need to contact the Department in writing, the postal address is:-

EIA Administrator
 Environmental Management Team
 Energy Development Unit
 Department of Energy and Climate Change
 Atholl House
 86 – 88 Guild Street

Aberdeen
AB11 6AR

5.7.2. Who should apply for a Petroleum Operations Notice 15?

All PON15 applications should be made by the licensee or the licensee who has been approved as the operator of the licence under the Petroleum Act 1989. Please note that directions and chemical permits will only be issued to licensed operators. Where contractors are undertaking the operations on behalf of the licensee or approved operator these should be detailed in the section C justification.

5.8. Consultation & Review of PON15s

5.8.1. The Department requires a minimum of 28 days to process, consult upon and review PON15 applications. However operators should note that if the information presented is deficient, then the Department will revert to the operator for additional information which may lengthen the review process. This should be taken into account when planning operations and the timing of submissions. Where the proposed activity does not fall within the criteria for requiring a mandatory ES, the operator may choose to submit the PON15 at the same time as their Application for Consent under the Petroleum Act 1998 for those activities listed in paragraph 2.3.3, if they consider the likelihood of a significant environmental impact arising as very low. **However, should it be decided that an ES is required no consent can be granted until fuller assessment of the environmental impact is undertaken and reported in an ES. Such an ES would be subject to the full statutory consultation and assessment process as described in section 4 of this guidance.** For this reason, where there is likely to be doubt as to whether a PON15 will be appropriate, the operator should consult the Department for advice, although the final decision as to whether a PON15 is acceptable can only be made once the application has been assessed and comments have been received from environmental authorities.

5.8.2. All PON15s are subjected to a period of consultation with environmental authorities, the JNCC and either Marine Scotland or CEFAS depending on the location in Scottish or English/Welsh waters respectively. If the proposal is within 12 NM of the coastline then the relevant country agency will also be consulted. Upon receipt of the application, the Department will advise and circulate the PON15s to these authorities. In reaching a decision on whether or not to give a direction/chemical permit, any comments received from the environmental authorities will be taken into consideration along with the Department's own review of the application.

- The Department will advise the operator of any comments arising from its own technical assessment and those received from the environmental

authorities. All comments, where appropriate, will be collated into one communication issued by the Department.

- Assuming the information provided is satisfactory and the environmental authorities have raised no objections then a direction &/or a chemical permit will be issued.

5.9. Decision to be advertised

Following determination of the application, when a Direction has been given by the SoS, the decision will be published by the Department in the Edinburgh, London and Belfast Gazettes and on the Department website www.og.decc.gov.uk/environment/arp.htm, in compliance with Regulation 11(9) as amended 2007.

5.10. Chemical Permit

For all matters dealing with the use and discharge chemicals please refer to the Guidance Notes on the Offshore Chemicals Regulations 2002 (as amended) which can be accessed through the Department's website at :-

http://www.og.decc.gov.uk/environment/ocr_guide.pdf

5.11. Updates, Variations and Post Direction Amendments (PDAs)

5.11.1. It is recognised that, for a variety of reasons, changes may be necessary to a proposed activity. These changes may be required before operations have commenced or during and/or as a consequence of the activity. These changes may include, but not be limited to:- timing of the proposed operations, chemicals, well design, addition of a side-track, different rig to be used.

- **Updates:-** Any change in the activity following submission of an application but before issue of the chemical permit or a direction, is referred to as an update.
- **Post Direction Amendment (PDA):-** Any changes that are requested after issue of the direction are referred to as a post direction amendment (PDA) e.g. if the drilling schedule is likely to deviate from the original dates by more than a month, taking drilling into a different month or where additional rock dumping is required for a pipeline. If the amendment to the application relates only to a PDA, operators should remember to alter section B of the portal application to indicate "EIA Direction only". However if the

amendment relates to a PDA and a variation to the chemical permit, then section B should indicate “EIA Direction and Chemical Permit”.

- **Variations:-** any changes subsequent to the issue of a chemical permit are known as a variation. If the amendment to the application relates to the chemical permit only, operators should remember to alter section B of the portal application to indicate “Chemical Permit only”. However if the amendment relates to a variation to the chemical permit and a PDA, then section B should indicate “EIA Direction and Chemical Permit”.

All variations/updates or PDAs must be entered with the most recent amendment listed at the top of the page followed by historic amendments beneath, in order to assist in the review process.

In all cases the operator must notify the Department before the activity is undertaken and provide details and an assessment of the likely impact of these changes. The Department will then reassess the amended application and if satisfied there are no significant environmental effects associated with the changes, will issue the direction in relation to an update or PDA, or an approval to a variation, as appropriate.

5.12. Procedure required when a change of Operator / Operator Name

5.12.1. Change of Operator Name for PON15s

This process relates to a change in the name of the company where it is essentially the same operator with same company registration number e.g. A Company Plc changes to A Company Ltd. The operator should notify the EMT by written communication of the intended name change and the proposed date of the change. EMT would then request the IT section IWS to create the new company name in the portal system. Once the new company name appears on the portal list, a variation should be submitted, detailing in section H that the variation relates solely to a change in name and all other details remain the same. In accordance with good practice, the Department intends to re-issue permits/directions to the new company name from the date of transfer.

5.12.2. Change of Operator Details for PON15s

When an asset is to be sold or assigned to a new operator, the company taking over the asset would need to notify the EMT in writing on headed notepaper, signed and preferably sent electronically, to confirm they are taking over the asset and the official name of the registered company, including the company registration number. A copy of this letter should also be sent to the existing operator. The expected date of transfer should be provided together with the contact details and access rights they wish to allocate to those people they want

to have access to the portal (forename, surname, telephone number & email address) (see section 5.13 which gives information on portal access rights).

- Notification would also be required from the existing operators, in writing on headed paper, signed and preferably sent electronically, confirming the details of the transfer, giving the official name of operator taking over the asset, including the company registration number and proposed date of transfer. They should also confirm that they wish to relinquish the relevant direction & / or permit.
- Upon receiving both these notifications, the EMT would then notify the Department's IT section (IWS) and request that if the new company is not already present on the portal system that IWS enter the new company so it is available from the drop down menu. This will only be done once IWS have verified the company as a registered company. EMT would also advise the existing and proposed new operator if there are any outstanding issues which must be resolved before the transfers can be effected.
- The current operator should then submit a variation via the Portal requesting transfer of the permit. Where there are any directions associated with the asset, please choose the relevant command in the drop-down menu at Section B, to request a transfer of all associated directions as well as the chemical permit.
- Section H (variations/updates) should be completed, confirming that the variation only relates to a change in operator of the asset. The variation should include, the official registered name of the new undertaker/operator; their Company Registration; the proposed transfer date and a request that the PON be re-allocated to the new company. The portal system will automatically generate an acknowledgement of the submission. The Department may require the existing or the proposed new permit holder to supply additional information to support the request for the variation to of the existing permits required to facilitate the transfer. This will be requested in writing.
- EMT would then request that the current application be re-assigned. IWS would then copy the application and assign it to the new operator. IWS would also set up the relevant access rights for the new operator. Please note, the previous operator would still be able to view the historic asset information up to the date of transfer, but this information **will not** be available to them following transfer. Therefore, if the existing operator wants to have access to this information following transfer, they should make copies prior to the transfer date. Historic information e.g. previous variations will be available to the new operator post transfer.

- On the day of transfer the new operators account would be activated on that specified date, or the next working day if the specified date is on a weekend or public holiday. The chemical permit and any relevant directions would then be re-issued to the new operator with a start date of the date of transfer. The relevant permits in the name of the existing operator will be revoked at the time of transfer.

The new operator must review the documents to determine whether there are any aspects that could prevent them from undertaking the activities in compliance with the existing permit and conditions. If such aspects are identified, the new operator should submit a variation request to detail any changes to the operating procedures/practices as a result of the change in operator and these should be approved by the Department prior to the operations being undertaken.

This procedure should also be followed where the transfer of assets is between legally registered companies within the same company group. Further detailed advice can be found in separate guidance "Guidance for Change of Operator" which can be found on the Department's web site at:-

https://www.og.decc.gov.uk/environment/operator_change.doc

5.12.3. Cessation of Production

Operators should notify the Department in writing that they intend to cease production from a field and request to surrender the PON15D and related consents. Upon receipt of this letter the Department will close the portal account for that field.

5.13. Access rights for the UK Oil Portal System

Technical aspects of the portal system are operated by the Department's IT section IWS, which is based in our London Offices. Each operator must advise the IWS section by an email sent to ukop@decc.gsi.gov.uk of the names of the people within their company that they wish to have portal access and confirm the level of access required for each individual.

There are different levels of access to the portal system and it is up to the individual operator to decide what access levels it wants to afford to its employees or contractors. The following lists the type of access rights available:-

- **Team Co-ordinator** (at least one person required) - users in this list may manage the PON15 contact list.
- **Enquiries Contact Point** (at least one person required) – these are used by the Department should they have any questions relating to PON15 application. Contacts may or may not be registered UK Oil Portal users, but if they are they can view previous Chemical Permit / EIA Directions for this PON15 and also view previous variations and versions of this PON15.
- **Data Entry** (at least one person required) – these users are allowed to start new variations and updates for this PON15 and they can view previous applications relating to this PON15.
- **Authorised Submitter** (at least one person required) – these users have authority to submit variation requests and updates to the Department for this PON15 on behalf of the undertaking company. They are also allowed to start new variations and updates for this PON15 and resume data entry from the Portal workbasket. They can also view previous variations and versions of this PON15.
- **Authorised Chemical Permit / EIA Direction Recipient** (at least one user required) – these users receive notification of the Chemical Permits and EIA Directions issued for the PON15. The Permit and Direction are issued to the new undertaker's legally registered company. These users must be authorised to receive these documents on behalf of the undertaker and know what to do with them within their organisation. They also have privilege to view previous Chemical Permit / EIA Directions and previous PON15 applications.
- **Chemical Permit / EIA Direction Interested Party Recipient** – These users will be notified of the Chemical Permits and EIA Directions resulting from the PON15 for information only purposes only. They may not work on the PON15 directly.

- **PON15 History Search and View** - Users listed here are allowed to search and view previous variation and versions of the PON15. They cannot input or submit new applications or view previous Chemical Permits or EIA Directions.

Once the company account is set up the Team Co-ordinator for that company will be responsible for managing access rights within their company.

5.14. Reporting requirements – The Environmental Emissions Monitoring System (EEMS)

Within the permits and consents issued there are conditions that require an operator to report certain emissions and discharges associated with the relevant activities. Operators must report emissions and discharges within the timescales stipulated within the permit through the Environmental Emissions Monitoring System (EEMS). Failure to do so is a breach of the permit condition.

Access to the EEMS is restricted to registered users only and anyone wishing to access the system in order to make a return for the first time must contact the company that manages the EEMS on behalf of the Department, and obtain authorisation. The requirements and procedures for reporting data on emissions and discharges to EEMS are being amended. The data reporting forms for chemical use and discharge will also be linked to the chemical permits and forms will be available for the rollout referred to in 2.7.1 above.

Further information on EEMS and relevant contact details can be found at:

<https://www.og.decc.gov.uk/EEMS/index.htm>

5.15. PON15s for Incremental Activities

5.15.1. Regulation 6(6) allows a direction to be given that an ES need not be submitted in respect of any application to vary a consent for the erection of any structure in relation to a development which has as its main object the getting of petroleum, provided the variation is not likely to have a significant effect on the environment. Provided there is no significant effect on the environment, such variations could include improvements to facilities, increase of hydrocarbons produced (see earlier section 5.4), or any terms or conditions imposed on the development. An example would be the addition of an additional compressor or improvements to the flaring or produced water treatment systems. However, a tieback from a separate field to an existing structure will be a new activity, which, if it exceeds the relevant production limits, will require a mandatory ES.

5.15.2. As in all cases the environmental information provided in the PON15, which is derived from an environmental assessment of the activities to be undertaken, must be sufficient to permit the Department to make an assessment of the activity and issue a direction that an ES is not required. The activity for which consent has been granted under a Direction must be carried out within the period indicated in the direction. In the case of consents to vary activities, which have already been authorised, the significance of the incremental activity on the overall and cumulative environmental impact will be considered in deciding whether or not to grant a Direction. A Direction may be granted subject to conditions that require modification to the activity. These conditions will be formally recorded and will be included in the environmental approval.

5.16. Composite Activities

5.16.1. Many activities will be composed of a number of elements each of which may be subject to a different regulatory control and for which consent might be sought at different times as the principal activity progresses. For example a phased development of an extensive oil field, or a combined field development and trunk pipeline are activities where the different regulatory controls would be the granting of drilling consent by via WONS (old PON4) or the construction of a pipeline by a PWA. So far as is possible the whole activity, to its final completed stage, should be defined and a comprehensive ES prepared at the outset. This is because the ES must cover the direct, indirect, secondary, cumulative, short/medium/long-term, temporary or permanent, positive or negative effects on the environment.

5.16.2. Seeking a Direction under Regulation 6(1) & 6(2)

In such circumstances if the subsequent activities require the separate application for consent, e.g. an application for Consent to Drill (WONS consent) or a PWA, and as long as these were addressed in the original comprehensive ES, then these activities can be covered by a PON15 and will not require an additional ES. The initial ES and any representations originally made by the environmental authorities or the public will be taken into account and therefore there will be no further public notice period. The Department will only undertake any additional consultation required by the PON15 process.

Request for a direction that the project need not be accompanied by an ES can be made under Regulation 6(1) or 6(2) see section B of the PON15:-

- **Seeking a Direction under Regulation 6(1)**

A direction may be sought under section 6(1) where the activity for which consent is sought is not likely to have a significant effect on the environment.

- **Seeking a Direction under Regulation 6(2)**

Where a direction is sought on the grounds that an environmental assessment of the activity has already been carried out in a previously approved ES i.e. application for a direction is sought under regulation 6(2), then the PON15 should reference the original ES. It should indicate how the ES originally submitted covers the environmental implications of the consent sought (see advice on skeletal PON15 applications at section 2.5.3). The SoS can only issue a direction under Regulation 6 (2) where he/she is satisfied that the consent applied for would not give rise to substantially different effects from, or significantly greater effects than, those mentioned in the ES originally prepared for the relevant project. A direction under Regulation 6 (2) cannot be issued in respect of certain activities.

5.16.3. It follows that where the entire activity is **not** defined sufficiently at the outset to enable a comprehensive assessment of its overall long term environmental impact to be made, then separate ESs may have to be prepared to accompany each Application for Consent for the significant activities.

5.16.4. It is understood that activities evolve over a period of time, and that subsequent stages are often contingent on the outcome of the earlier activities. However, every effort should be made to predict the likely outcome and carry out an assessment on that basis so that all the elements have been assessed and presented in an ES. For example:

- a single well development, tied back to existing infrastructure requires a mandatory ES if it is likely to produce more than 500 tonnes of oil or 500,000 m³ of gas per day. It is therefore undesirable that a well with this potential is drilled under a PON15 Direction if there is high probability that it will be the basis for such a development. Under these circumstances, the main source of potential environmental impact, i.e. the drilling operations, will not have been covered by an ES before the actual drilling has been carried out. Operators will be expected to anticipate this potential outcome, make an environmental assessment and submit an ES.

Where a new major area of an existing project is to be developed and it is intended to drill a series of wells under separate PON15s submitted over a period of time. A more satisfactory approach will be to carry out an assessment of the whole of the new drilling programme and submit an ES that encompasses the whole project. This enables the effects of the original project to be reviewed and updated, the total effects of drilling all the new wells incorporated and cumulative effects predicted.

5.16.5. It is also important, in this context, that operators understand that the Department will not be able to provide any advance assurances as to the

outcome of such phased applications and this may have implications for the activity timetable.

5.17. Decommissioning

5.17.1. Decommissioning is subject to control under the Petroleum Act 1998 but is not currently subject to the requirement to submit an ES under the Regulations. However, where the Regulations do require an ES for oil and gas activities, it must cover all potential effects whether direct or secondary, short, medium or long term, temporary or permanent. An ES for a proposed new development should, therefore, include references to the necessity for future decommissioning and how these decommissioning requirements have influenced the design of the project. It should be noted that since the Sintra Meeting in 1998 and the resultant OSPAR Decision 98/3 on the Disposal of Disused Offshore Installations, effectively all new installations should be designed for complete removal and details should be provided within the ES as to how the operator intends to achieve this (please refer to section 4.3.9.9). Although there is no international agreement with regard to pipelines in connection with a development, the Department would expect an environmental assessment of the options to be undertaken and would expect that all pipelines should be designed so as to enable the option of removal to be available at decommissioning. Again details of how this has been incorporated into the design should be provided within the ES, although it is appreciated that a Decommissioning Programme will be required to be approved by the Department's Decommissioning Unit under the Petroleum Act 1998 prior to the decommissioning being undertaken.

5.17.2. Well Suspension & Abandonment Operations

A Well Operations Notifications System (WONS) application (the old PON5) is required in order to obtain consent for a suspension or abandonment. With the introduction of the amended Offshore Chemical Regulations on the 30 March 2011, the environmental submission to support the WONS application will need to be via a formal term permit for well suspension and abandonment operations in connection with offshore petroleum activities in the relevant area, or in connection with offshore gas storage and unloading activities and carbon dioxide storage in the reserved area, if the proposed activities involve the use and/or discharge of offshore chemicals. Applications should be submitted via the portal using the PON15F form, which has been converted to a dual-purpose form and will also allow the applicant to apply for a direction or a chemical permit, or both, depending upon the nature of the proposed well suspension or abandonment activities. The PON15F will allow the applicant to apply for a chemical permit for a single well suspension or abandonment operation or for a series of well suspension or abandonment operations to be undertaken at the same geographical location and in the same calendar year.

Where the well suspension or abandonment operations are being undertaken at an installation that is already the subject of a production permit, or from vessels or rigs located within the safety zone of that installation, the suspension or abandonment operations can be added to that permit by submitting a variation to the PON15D, instead of applying for the chemical permit using the PON15F.

Where the suspension or abandonment operations relate to a well that is already the subject of a drilling chemical permit, and that permit has not expired, the suspension or abandonment operations can be added to that permit by submitting a variation to the PON15B, instead of applying for the chemical permit using the PON15F. Similarly, where the suspension or abandonment operations relate to a well that is already the subject of an intervention / work-over chemical permit, and that permit has not expired, the suspension or abandonment operations can be added to that permit by submitting a variation to the existing PON15F.

5.17.3. Under the MCAA a licence will be required for each of the decommissioning activities and will require an environmental impact assessment to support the application, under the The Marine Works (Environmental Impact Assessment) (Amendment) Regulations 2011.

5.18. Exempt Activities

5.18.1. Regulation 13 confers powers on the SoS to exempt the whole or part of a relevant activity from the requirements of the Regulations. This power will only be exercised in exceptional circumstances, such as those relating to national security. The SoS must be satisfied that the project is not likely to have a significant effect on the environment of any other EEA State. Before giving such a direction the SoS must inform the European Commission of the reasons justifying the exemption and provide it with details of the information to be made available to the public. The Regulations now require all information relating to the main effects of the project which is required for such an assessment as is considered appropriate to be made available to the public. The details of the direction and information as to how persons interested in or affected by the project are published in the gazettes and by any other appropriate means, including electronic communication. It should be noted that this process is not an alternative to the direction process described above.

6. REGULATION OF OFFSHORE GAS UNLOADING & STORAGE

6.1. The Energy Act 2008 makes provision under Part 1, Chapter 2 for the regulation of gas importation and storage through a licensing and enforcement regime for combustible gas. The Offshore Gas Storage and Unloading (Licensing) Regulations 2009, made under Part 1 of the Energy Act 2008, came into force on the 13 November 2009. These Regulations lay down the requirements for making an application, including setting an application fee of £2,100, and prescribing model clauses for gas storage licenses. A Crown Estate Lease is required for the area or volume of operations and the gas storage and unloading licence will terminate in circumstances where rights are no longer exercisable under any Crown Estate Lease. These Regulations also require the submission of a Gas Storage Development Plan (GSDP) which must be approved by the SoS.

Following enactment of the Energy Act 2008 (Consequential Modifications) (Offshore Environmental Protection) Order 2010 which came into force on 01 July 2010 the provisions of the following regulations now also apply to gas unloading and storage as they do to oil and gas activities,:-

- Offshore Petroleum Production and Pipelines (Assessment of Environmental Effects) Regulations 1999 (as amended)
- Offshore Petroleum Activities (Conservation of Habitats) Regulations 2001 (as amended)
- Offshore Marine Conservation (Natural Habitats, & c.) Regulations 2007
- Offshore Combustion Installations (Prevention and Control of Pollution) Regulations 2001 (as amended)
- Offshore Installations (Emergency Pollution Control) Regulations 2002
- Offshore Chemical Regulations 2002
- Greenhouse Gas Emissions Trading Scheme Regulations 2005 (as amended)
- Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005
- REACH Enforcement Regulations 2008
- Fluorinated Greenhouse Gases Regulations 2009

6.2. What Environmental Applications are required for Offshore Gas Unloading and Storage?

6.2.1 Appendix B Submission to support applications for operatorship

Before being awarded a licence for gas unloading and storage, applicants must be approved by LED as operators. There are two types of operator; exploration and gas unloading/storage production operators. An exploration operator carries out or arranges the exploration activities, including any exploration drilling, non-intrusive geophysical survey work and engineering planning. A work program which forms an important part of the exploration phase of the licence, consists of specific commitments by the operator to carry out any necessary investigatory or preparatory work prior to applying for a consent to a Gas Storage Development Plan (GSDP).

Exploration/Production operator applications must include specific environmental information, including pollution liability arrangements, environmental regulation and organisation, legislative compliance and environmental sensitivities. This is referred to as Appendix B information and further guidance can be found on the Department's website at https://www.og.decc.gov.uk/regulation/gas_storage/offshore_gas_storage_applicant_guidance.doc.

As well as submitting the Appendix B information, new applicants will be required to attend an interview with OED, at which they will be expected to give a short presentation and discuss the environmental requirements and the timetable for fully meeting those requirements.

Operatorship would usually be considered concurrently with an application for a Gas Storage Licence which will have an agreed term for exploration after which an application for consent to a GSDP requires to be submitted. If a GSDP is not submitted then the Licence will expire. If a GSDP receives consent, then the Licence enters the operational/production term and the operator will become a gas unloading/storage production operator.

Operator approval relates only to the assessment of the company's competence (technical, financial & environmental) and does not confer any permission to carry out actual activities, which will be the subject of separate consenting processes.

6.2.2 Submission of an ES

An environmental impact assessment must be undertaken for **all** gas storage and unloading developments and an ES documenting that assessment is required to be submitted in support of a gas storage development consent application. The ES process will mirror that for oil and gas activities so please refer to sections 2 to 4 of this guidance.

6.2.3 Submission of PON15s

Activity specific consents will also be required in relation to gas unloading and storage activities:-

- a Well Operations Notice supported by the environmental application PON15B will be required to drill any well in connection with the storage activity
- a Pipeline Works Authorisation (PWA), supported by an ES if over the thresholds, or a PON15C, will be required for the installation of a pipeline in connection with the Gas Unloading and Storage
- a consent to a Gas Storage Development Plan, supported by an ES and subsequently a PON15D will be required prior to the operation of the storage and/or unloading facility.
- a PON15F would be required for the work over of any well used in connection with the gas unloading and storage facilities.

7. REGULATION OF CARBON DIOXIDE STORAGE

7.1. The Energy Act 2008 makes provision under Part 1, Chapter 3 for the regulation of the storage of carbon dioxide (with a view to its permanent disposal or as an interim measure prior to its permanent disposal), through a licensing and enforcement regime.

The Secretary of State for Energy and Climate Change is the Licensing Authority for offshore storage except the Territorial Sea adjacent to Scotland for which Scottish Ministers are the Licensing Authority

The Storage of Carbon Dioxide (Licensing etc.) Regulations 2010, made under Part 1 of the Energy Act 2008, came into force on the 01 October 2010.

These Regulations lay down the requirements for making an application for a carbon dioxide storage licence and sets an application fee of £2,100. A Crown Estate Lease is required for the area or volume of operations and the carbon dioxide storage licence will terminate in circumstances where rights are no longer exercisable under any Crown Estate Lease. After an “appraisal or initial term” to allow for the selection of a storage site, the applicant may submit an application for a storage permit which must be approved by the SoS. The Regulations stipulate the content of the application and the conditions which must be included on any Carbon Dioxide Storage Permit (CDSP).

The provisions of the following regulations now also apply to carbon dioxide storage as they do to oil and gas activities, following enactment of the Energy Act 2008 (Consequential Modifications) (Offshore Environmental Protection) Order 2010 which came into force on 01 July 2010 :-

- Offshore Petroleum Production and Pipelines (Assessment of Environmental Effects) Regulations 1999 (as amended)
- Offshore Petroleum Activities (Conservation of Habitats) Regulations 2001 (as amended)
- Offshore Marine Conservation (Natural Habitats, &c.) Regulations 2007
- Offshore Combustion Installations (Prevention and Control of Pollution) Regulations 2001 (as amended)
- Offshore Installations (Emergency Pollution Control) Regulations 2002
- Offshore Chemical Regulations 2002

- Greenhouse Gas Emissions Trading Scheme Regulations 2005 (as amended)
- Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005
- REACH Enforcement Regulations 2008
- Fluorinated Greenhouse Gases Regulations 2009

7.2. What Environmental Applications are required for Carbon Dioxide Storage?

7.2.1 Appendix B Submission to support applications for operatorship

Before being awarded a licence for carbon dioxide storage, applicants must be approved by LED as operators. There are two types of operator; exploration and carbon dioxide storage operators. An exploration operator carries out or arranges the exploration activities, including any exploration drilling, non-intrusive geophysical survey work and engineering planning. A work program which forms an important part of the exploration phase of the licence, consists of specific commitments by the operator to carry out any necessary investigatory or preparatory work prior to applying for a Carbon Dioxide Storage Permit (CDSP). If there is no exploration element to the proposals e.g. if a depleted producing hydrocarbon formation is to be utilised, then a licence with an initial term only will be awarded, in order to allow the applicant to prepare and submit an application for a CDSP.

Exploration/Production operator applications must include specific environmental information, including pollution liability arrangements, environmental regulation and organisation, legislative compliance and environmental sensitivities. This is referred to as the Environment Appendix and further guidance can be found on the Department's website at :-

https://www.og.decc.gov.uk/regulation/carbon_storage/cs_appformguide.doc. As well as submitting the Environment Appendix information, new applicants will be required to attend an interview with OED, at which they will be expected to give a short presentation and discuss the environmental requirements and the timetable for fully meeting those requirements.

Operatorship would usually be considered concurrently with an application for a Carbon Storage Licence which will have an agreed term for appraisal after which an application for CDSP requires to be submitted. If no CDSP is submitted then the licence will expire. If a CDSP receives consent, then the licence enters the operational/production term and operator will become a carbon dioxide storage /production operator.

Operator approval relates only to the assessment of the company's competence (technical, financial & environmental) and does not confer any permission to carry out actual activities, which will be the subject of separate consenting processes.

7.2.2 Submission of an ES

An environmental impact assessment must be undertaken for **all** carbon dioxide storage developments and an ES documenting that assessment is required to be submitted in support of a carbon dioxide storage permit application. The ES process will mirror that for oil and gas activities so please refer to sections 2 to 4 of this guidance.

7.2.3 Submission of PON15s

Activity specific consents will also be required in relation to carbon dioxide storage:-

- a Well Operations Notice supported by the environmental application PON15B will be required to drill any well in connection with the storage activity
- a Pipeline Works Authorisation (PWA), supported by an ES if over the thresholds, or a PON15C, will be required for the installation of a pipeline in connection with the carbon dioxide storage
- a consent to a carbon dioxide storage permit, supported by an ES and subsequently by a PON15D will be required prior to the operation of the storage facility
- a PON15F would be required for the work over of any well used in connection with the carbon dioxide storage facilities

8. THE SECRETARY OF STATE'S DECISION

8.1. The Regulations ensure that the SoS, when taking a decision whether or not to consent to an activity, takes any significant effects on the environment into consideration. For some activities, the environmental assessment will have shown that there are no likely effects as the processes and procedures of the activity will have been designed to prevent them. However for others, likely significant effects may remain which could be further mitigated or removed by the application of practicable available technology or management procedures. In such cases, these will normally be required as a condition of the environmental approval.

8.2. In every case submissions will be considered in the light of their particular circumstances. Under Regulation 5 of the Offshore Petroleum Activities (Conservation of Habitats) Regulations 2001 (as amended), the SoS is required to consider the likely impacts of the proposed activity on a relevant site, in view of the site's conservation objectives, where a relevant site is a site designated or in the process of being designated as a Special Area of Conservation under the Habitats Directive or a Special Protection Area under the Wild Birds Directive. Having undertaken an appropriate assessment of any development or activity which might have such an impact, the SoS will only grant consent to the proposed activity where assessment shows that there will be no adverse effect on the integrity of the site. However under Regulation 6 of the Offshore Petroleum Activities (Conservation of Habitats) Regulations 2001 as amended, the SoS may in exceptional circumstances grant consent for a project which may affect a relevant site where there is no alternative or there are imperative reasons of overriding public interest, and compensatory measures are taken.

8.3. A consent will not be refused without prior discussion with the operator. As a result of this dialogue, it may become apparent that deficiencies in the ES can be rectified or mitigation of significant impacts can be achieved by modifications to the activity and the submission of further information under Regulation 10. Wherever possible, this approach will be adopted. However, where the obstacles to consent are significant, a more fundamental reconsideration of the activity will be required. This is most likely to be the rejection of the ES followed by a reassessment of the project including the possible alternatives, the environmental provisions and mitigation measures. The application and its supporting ES may then be resubmitted.

9. ENFORCEMENT

9.1. Application to the Courts by Aggrieved Parties

Parties, who are aggrieved by the SoS's decision to grant consent for an activity subject to an ES, may apply to the Court. The Court may quash the consent if it finds that the SoS contravened Regulation 5 (4) (b) or if the applicant's interests were substantially prejudiced by a failure to comply with any other requirement of the Regulations. An aggrieved party must make an application within six weeks of the consent approval or relevant requirement being published in the Gazettes. **This means that any operator who commences the operations, for which consent has been given, before the expiry of the six week period does so accepting the risk that the Court may order that the operations cease, either permanently or until the objections have been resolved.**

9.2. Court Orders

If the SoS finds that an activity is being carried out without consent or in breach of any conditions set for the purposes of reducing or eliminating any significant adverse effects on the environment, a Court Order may be sought to prevent these actions or compel compliance with a condition. An Order may also be sought requiring the removal of the activity and the re-instatement of the site.

9.3. Criminal Offences

It is an offence to intentionally or recklessly submit specified information (e.g. information which is in an ES) which is false or misleading in a material particular or to intentionally act in breach of a condition attached to a consent or approval, where such a condition is attached for the purposes of reducing or eliminating significant adverse effects.

9.4. Enforcement following issue of a Direction/chemical permit/consent

The Department's Offshore Environmental Inspectorate is responsible for the inspection, investigation and enforcement of the various pieces of environmental legislation regulated by the Department. Any offshore operation may be inspected against the provisions of the regulations and any directions, permits or consents issued under those regulations. If non-compliances are found then action may be taken in accordance with the Department's enforcement policy. Further details on the Department's Enforcement Policy may be found at:-

www.og.decc.gov.uk/environment/enforcement.htm

10. OTHER RELEVANT LEGISLATION

10.1. There are a number of Acts and Regulations relating to the environmental aspects of offshore oil & gas exploration and production activities which must be complied with, at their appropriate times, in addition to those covered in these Guidelines. Notwithstanding these, the subject Regulations require that all activities, which may have an effect on the environment, and any mitigating measures proposed, are assessed before the activity (development, pipeline etc.) is consented. This means that the operator's proposals for compliance with other relevant legislation must be considered during the preparation of an ES (or PON15) and assessed by the regulatory authorities as part of the ES (or PON15) process.

10.2. It will therefore be necessary for the operator, in consultation with the regulatory authorities (the Department and the environmental authorities), to determine how the statutory requirements for consents for specific activities fit into the overall process and what degree of detail is required in the ES.

10.3. It is essential therefore, that operators should be aware at all times of the current requirements for all emissions and discharges. Further information and guidance on this and other legislation may be found on the Department's Oil & Gas website at www.og.decc.gov.uk/index.htm.

11. FUTURE LEGISLATION

11.1. Environmental legislation applying to the offshore oil and gas industry frequently changes, following the introduction of EU Directives and Regulations, or as a result of updating existing UK legislation. It is the operators' responsibility to be aware of these legislative changes and to implement them as they become applicable. However as legislation develops operators will be made aware of the proposals in the normal way via consultation on major pieces of legislation and details will be provided on the Department's website under the "What's New" section and under the relevant legislation section which can be found at:- www.og.decc.gov.uk/environment/index.htm

Summary of Changes

2011:-

1. **Foreward** - updated with reference to the Macondo Incident.
2. **Section 4.3.9.9.** - Introduced new section – OSPAR 98/3 Decision on the disposal of disused Offshore Installations.
3. **Section 4.3.9.3** - Additional text included to detail the changes the Department has implemented as a result of the Macondo Incident.
4. **Section 5.17 - Decommissioning** – updated to clarify the Department’s position regarding decommissioning of pipelines & updated **Section 5.17.3** in relation to the Marine & Coastal Access Act 2009 provisions which will require a licence for each decommissioning activity.
5. **Section 5.4. Petroleum Operations Notice 15D (PON15D)** – updated to clarify requirements in relation to increased production.
6. **Section 8.2 Secretary of State’s Decision** – text amended to more accurately reflect the remit under the specific pieces of legislation.
7. **Section 6** - Introduced new text regarding the regulation of gas unloading and storage.
8. **Section 7** - Introduced new text regarding the regulation of carbon dioxide storage.
9. **Annex C** – redrafted PON16 to incorporate Gas Unloading and Storage & Carbon Dioxide Storage.
10. **Annex E to H** - Public notices amended with regard to recommended newspapers.

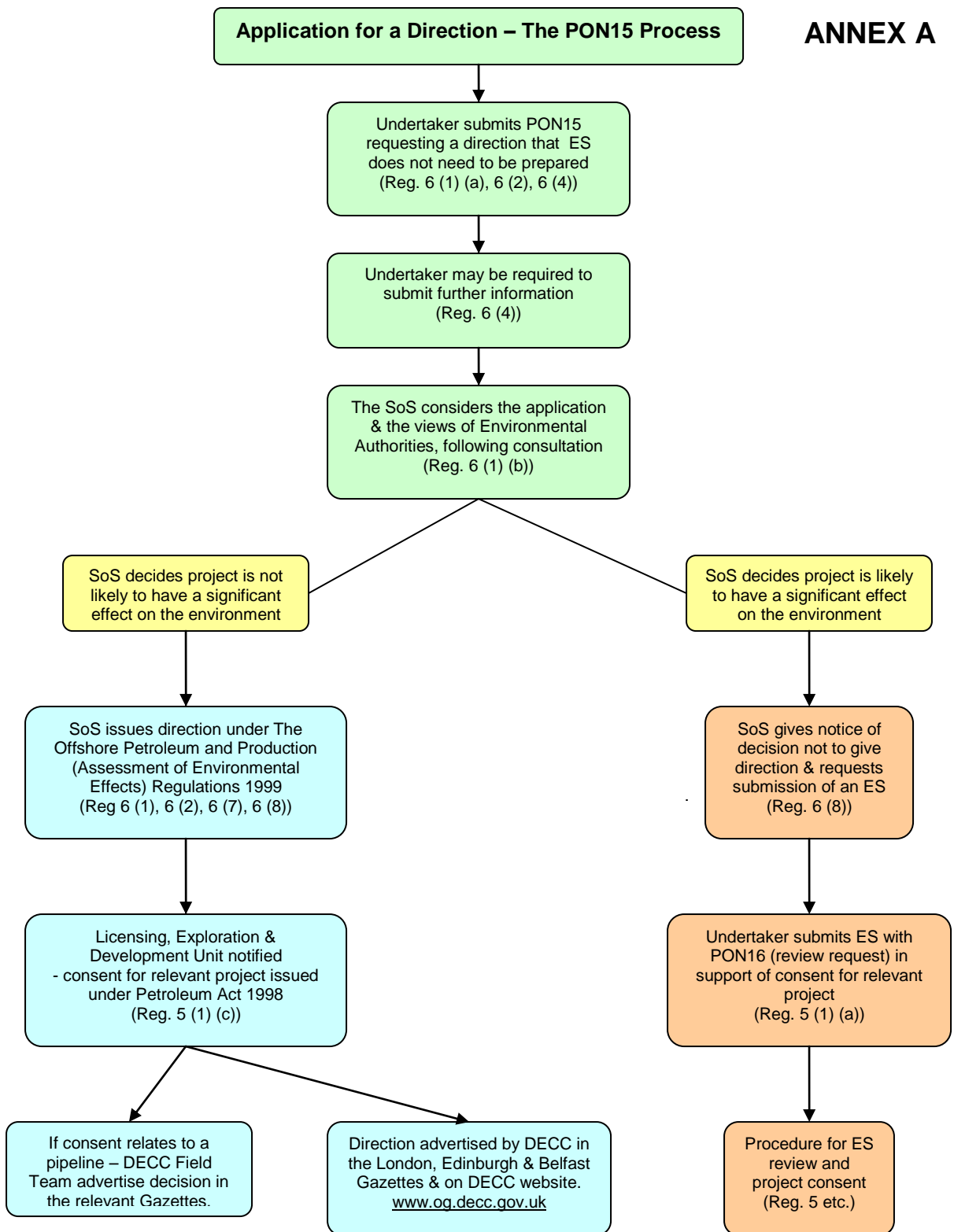
11. **Annex M** – Letter issued to Industry on 23 December 2010 regarding amended requirements subsequent to the Macondo Incident.

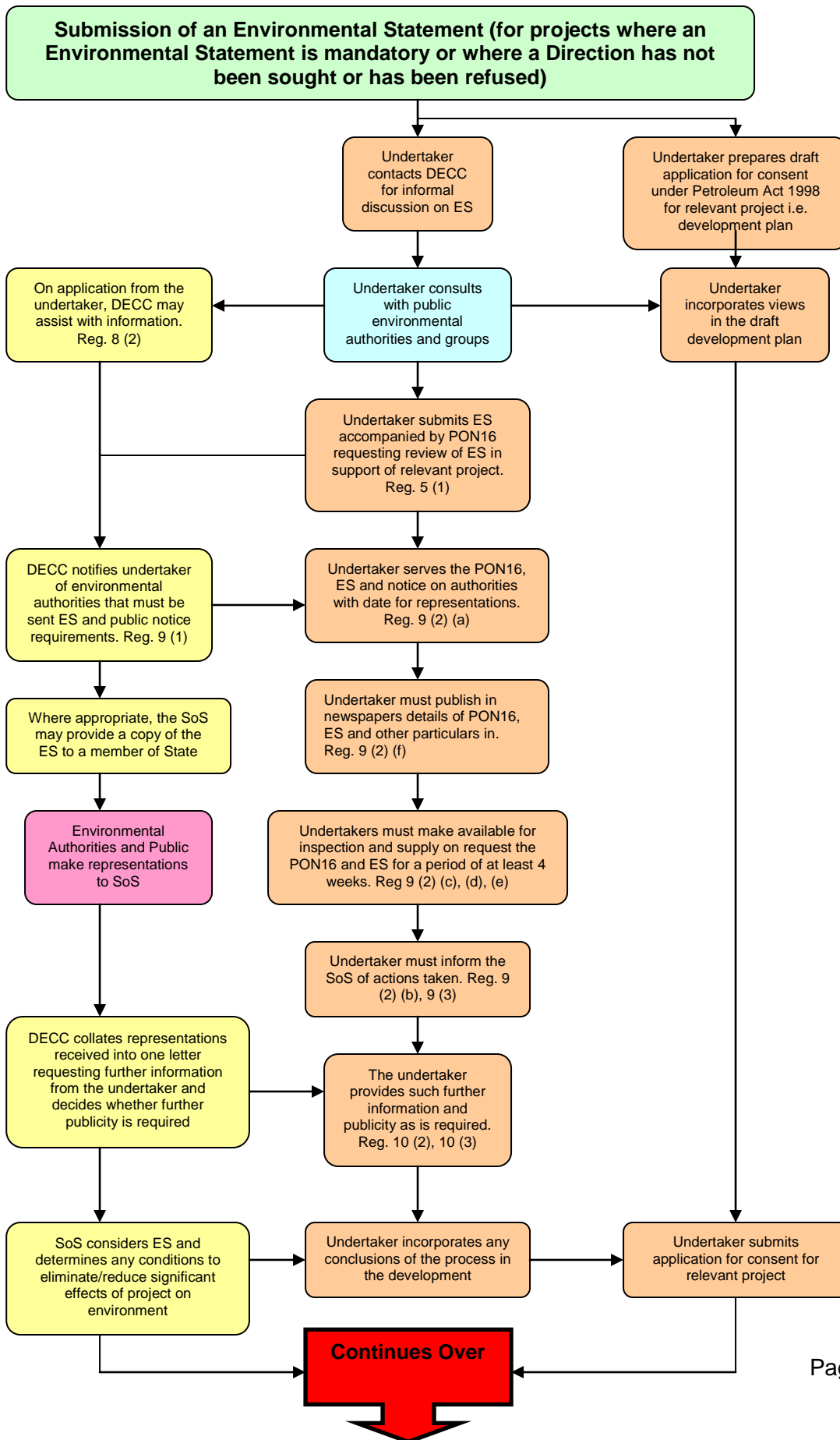
12. **Annex N** – Letter to Industry 21 July 2011 – Revised guidance relating to Environmental Submissions.

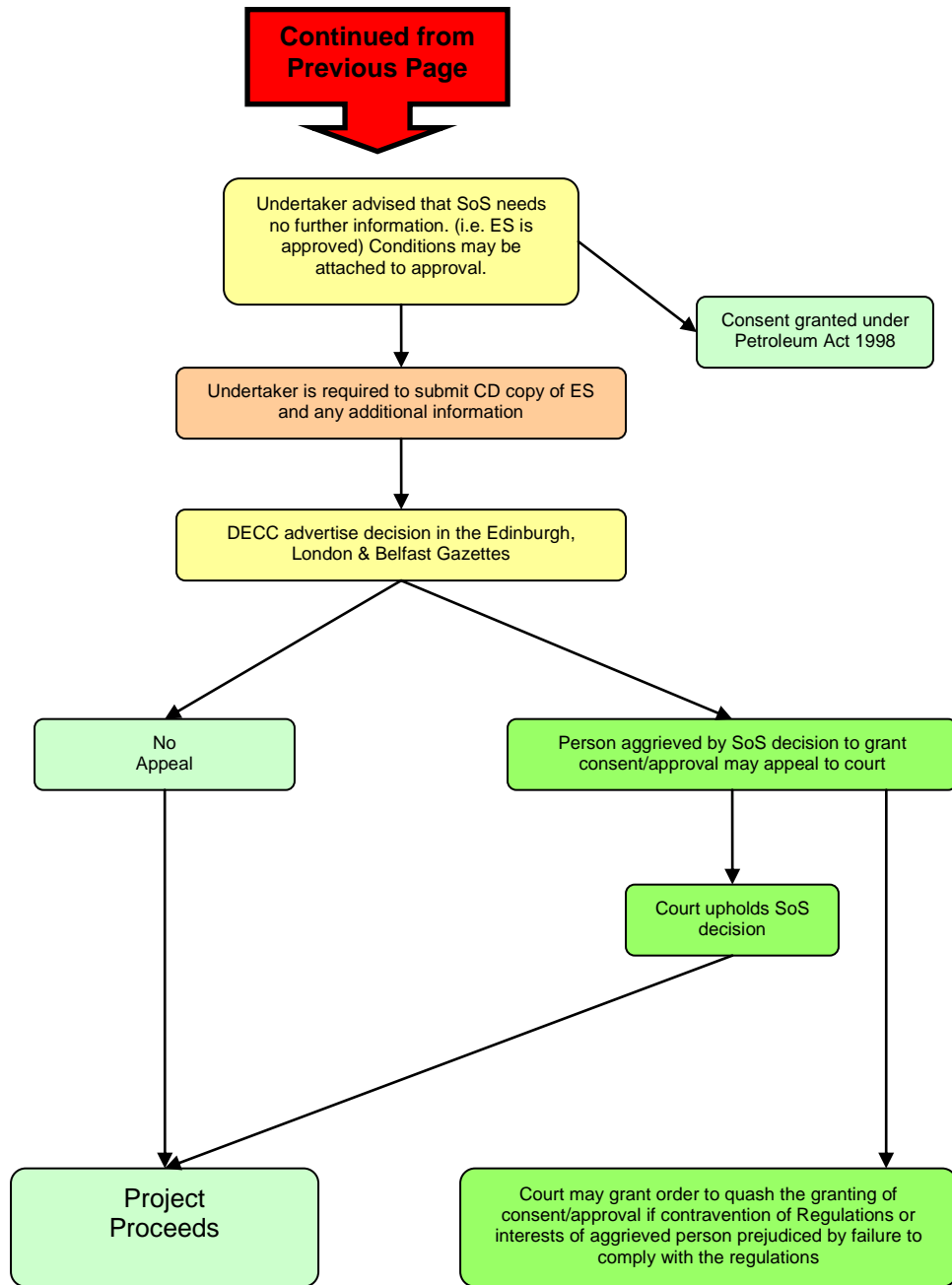
13. **Annex O** – Letter to Industry 20 September 2011 – Clarification of Recent Guidance relating to Drilling Activities.

14. Revised order and naming of annexes

	<i>Prior to Revision</i>	<i>Post Revision</i>
1. PON15 Process Flow Chart	Annex A	Annex A
2. ES Flow Chart	Annex B	Annex B
3. PON16	Annex C	Annex C
4. Further Guidance for Exploration, Appraisal and Development Wells	Annex D	Annex K
5. List of EA's	Annex E	Annex I
6. Public Notices - Developments	Annex F	Annex E
7. Public Notices – Increase in Production	Annex G	Annex F
8. Public Notices - Wells	Annex H	Annex G
9. Public Noticed - Pipelines	Annex I	Annex H
10. ES Acknowledgement Letter	Annex J	Annex D
11. Schedule 2 – Contents of ESs	Annex K	Annex J
12. Extent of Legislation	Annex L	Annex L







THE OFFSHORE PETROLEUM PRODUCTION AND PIPE-LINES (ASSESSMENT OF ENVIRONMENTAL EFFECTS) REGULATIONS 1999 (AS AMENDED)

PETROLEUM OPERATIONS NOTICE No.16

APPLICATION FOR CONSENT OF A PROJECT UNDER THE PETROLEUM ACT 1998 OR THE ENERGY ACT 2008

SUBMISSION OF AN ENVIRONMENTAL STATEMENT IN SUPPORT OF THE APPLICATION FOR CONSENT

DATA ON THIS FORM MAY BE RELEASED TO THE PUBLIC

Petroleum Operations Notice No.16 (the PON16) is the form of application where a consent is required under the Petroleum Act 1998 or the Energy Act 2008 and must be submitted to accompany an Environmental Statement (ES).

Upon receipt of the PON16 and accompanying ES, the Department will issue the applicant with a notice pursuant to Regulation 9(1) of the Offshore Petroleum Production and Pipe-lines (Assessment of Environmental Effects) Regulations 1999 (as amended), detailing those authorities to whom you are required to send copies of the PON16 and the ES and that representations may be made to the Secretary of State by a specified date.

Any queries regarding the PON16 form, or a PON16 or ES relating to a specific application, should be addressed to:

Environmental Management Team
Energy Development Unit
Department of Energy and Climate Change
Atholl House
86-88 Guild Street
Aberdeen
AB11 6AR

Tel: 01224 254050 or 254045
Fax: 01224 254019
E-mail: EMT@decc.gsi.gov.uk

2011/0

Section A: ADMINISTRATIVE INFORMATION

A1 - Applicant Contact Details

Company name:

Contact name:

Contact title:

Address:

Post code:

Telephone number:

Mobile number:

Fax number:

E-mail address:

A2 - Licensed Operator Contact Details (if different from above)

Company name:

Contact name:

Contact title:

Address:

Post code:

Telephone number:

Mobile number:

Fax Number:

Email address:

A3 - Environmental Statement Contact Details (if different from above)

Company name:

Contact name:

Contact title:

Address:

Post code:

Telephone number:

Mobile number:

Fax number:

Email address:

A4 - Licence Details

a) **Licence Covering Proposed Activity or Activities**

Licence number:

b) **Date and/or Round of Licence Award**

Round / Year:

c) **Partner Licensees and Current Equity**

Company	Percentage Equity

Please extend table if necessary.

Section B: PROJECT INFORMATION

B1 - Nature of Project

a) **Please specify the name of the project that is the subject of the application for consent under the Petroleum Act 1998 or the Energy Act 2008.**

Name:

b) **Please specify the name of the Environmental Statement (if different from the project name)**

Name:

c) **Please indicate the primary nature of the project (select one option)**

- (i) Drilling of Well(s)
- (ii) Construction of Pipeline(s)
- (iii) Getting of Petroleum¹
- (iv) Unloading or Storage of Natural Gas
- (v) Storage of Carbon Dioxide
- (vi) Other (please specify)

d) **Please indicate the main elements of the project (select all relevant elements)**

- (i) Exploration Well(s)
- (ii) Appraisal Well(s)
- (iii) Development Well(s)
- (iv) Well Testing (including Trial Injection or Production Operations)
- (v) Construction, Repair or Replacement of Inter or Intra-field Pipelines
- (vi) Construction, Repair or Replacement of Import or Export Pipelines

- (vii) Establishment or Extension of Surface Installation
- (viii) Establishment or Extension of Subsea Installation
- (ix) Petroleum¹ Field Development
- (x) Petroleum¹ Field Development – Incremental Project
- (xi) Petroleum¹ Field Re-development
- (xii) Petroleum¹ Production
- (xiii) Petroleum¹ Production – Extension (Increase in Production)
- (xiv) Unloading of Natural Gas
- (xv) Storage of Natural Gas
- (xvi) Storage of Carbon Dioxide
- (xvii) Other (please specify)

B2 - Project Location

a) Please indicate the offshore location of the main project elements

Quadrant number:

Block number:

Block suffix (if applicable):

Latitude Longitude
(Please include N and W / E designations)

Distance to nearest UK coastline (km):

Which coast? England / Wales / Scotland / NI

Distance to nearest international median line (km)

Which line? UK /

b) Please indicate the location of main pipeline elements (if applicable)

2011/0

	Quad	Block	Country	Facility	Latitude	Longitude
Start						
End						

Please extend table if necessary.

B3 – Description of Project

a) Please provide a **brief** description of the project

b) Please indicate the anticipated duration of any related offshore construction activities

From:

To:

B4 - Related Projects

a) **If the project relates to the repair, replacement, re-development or extension of an existing or previous development, e.g. an incremental field development or the conversion of an oil or gas development into a storage facility, please provide details of the original project**

Name of project:

Was the project the subject of a previous Environmental Statement? Yes / No

Date of submission to DECC of any previous ES relating to the existing or previous development:

Reference number of previous ES:

b) **If the project involves connection to an existing “host” facility, that will be integral to the project, please provide details of the host installation**

Name of host installation:

Names of any existing oil and gas fields, or unloading or storage facilities, associated with the host installation:

Was the host facility the subject of a previous Environmental Statement? Yes / No

2011/0

Date of submission to DECC of any previous ES relating to the host installation or associated facilities:

Reference number of any previous ES:

Section C: ENVIRONMENTAL IMPACT INFORMATION

Please summarise any significant environmental impacts identified in the Environmental Statement

1.

2.

3.

Please add extra text boxes if necessary

ANNEX D

«Number»

Energy Group

«Name_»

«Company»

«Address_1»

«Address_2»

«Address_3»

«Address_4»

**Energy Development Unit
(EDU)**

4th Floor
Atholl House
86-88 Guild Street
Aberdeen AB11 6AR

Tel +44 (0)1224 254***

Fax +44 (0)1224 254019

«Date»

**www.decc.gov.uk
EMT@decc.gsi.gov.uk**

Dear

THE OFFSHORE PETROLEUM PRODUCTION AND PIPE-LINES (ASSESSMENT OF ENVIRONMENTAL EFFECTS) REGULATIONS 1999 (AS AMENDED) - THE OFFSHORE EIA REGULATIONS¹

«Field_Name»

<Gas Storage Facility Name>

«Well_number»

<Pipeline Name>

I acknowledge receipt of your PON16 application, accompanied by [x] paper copies [and x CD-ROM copies] of the Environmental Statement (ES) submitted in support of your application under the [Petroleum Act 1998 or the Energy Act 2008 - insert as appropriate]. The DECC Project Number for this application is «Number» and this number should be quoted in all future correspondence relating to the application and ES.

I enclose a notice given under regulation 9(1) of the Offshore EIA Regulations which identifies the environmental authorities likely to be interested in the proposed project and upon whom you must serve a copy of the notice, a copy of the PON16 application and a copy of the ES. Once served, confirmation in each case of service and the date of service, must be sent to the Environmental Management Team at the address shown on this letter.

Regulation 9(2) of the Offshore EIA Regulations requires you to place advertisements in such newspapers as to be likely to come to the attention of those interested in, or affected by, the proposals. As a minimum, the advertisements must be published in a newspaper with national circulation and a newspaper with local circulation in the area adjacent to the proposed activity. You may be aware that previous applications relating to the general area that is relevant to your application and supporting ES have been

advertised in The Independent and the [insert name(s) of local newspaper(s)], but we make no direction or recommendation concerning particular newspapers and you may consider it more appropriate to place the advertisements in alternative or additional newspapers. A recommended form of the text of the public notice advertisement is attached to this letter [attach appropriate Annex]. However, it is your responsibility to ensure that you have complied with regulations 9(2), 9(2A), 9(3) and 9(5). In addition to the requirements detailed in those regulations, it is also recommended that a copy of the public notice and the ES are placed on your company's website.

Following publication of the advertisements, confirmation of publication (names of newspapers and dates of publication) and copies of the original newspaper advertisements (please provide the relevant pages, to include the names of the newspapers and the dates of publication) must be sent to the Environmental Management Team at the address shown on this letter. I would also be grateful if you could confirm whether a copy of the public notice and the ES have been placed on your company's website.

Requests may be made directly to DECC for copies of the ES subsequent to the public notice, and we will contact you if we require additional copies. Any requested additional copies of the ES should be sent to the Environmental Management Team at the address shown on this letter.

Yours sincerely

Julie Duguid
Environmental Management Team

THE OFFSHORE PETROLEUM PRODUCTION AND PIPE-LINES (ASSESSMENT OF ENVIRONMENTAL EFFECTS) REGULATIONS 1999 (AS AMENDED) - THE OFFSHORE EIA REGULATIONS¹

NOTICE PURSUANT TO REGULATION 9(1)

«Company»

«Field_Name»<Gas Storage Facility Name> «Well_number»<Pipeline Name>

Whereas the Secretary of State has received an application for consent in respect of the [XXXXXX] dated [XX XXXX XXXX] which was accompanied by an environmental statement.

1. The Secretary of State gives notice to «Company» that those persons listed in paragraph 2 are designated representatives of environmental authorities which, in the opinion of the Secretary of State, are likely to be interested in the above-named project by reason of their particular environmental responsibilities. Accordingly, as required under regulation 9(2) of the Offshore EIA Regulations, «Company» must:

(i) serve on each of those representatives a copy of this notice, a copy of the above-mentioned application for consent, a copy of the above-mentioned environmental statement;

(ii) give notice to those representatives stating that representations may be made to the Secretary of State by a date specified in the notice, being a date at least four (4) weeks after the date on which the notice and the above-mentioned documents are served on the environmental authority;

(iii) include in the notice that representations to the Secretary of State should be made by email, letter or fax, to:

The EIA Co-ordinator
Department of Energy and Climate Change
Energy Development Unit
Atholl House
86-88 Guild Street
Aberdeen, AB11 6AR.
E-mail: EMT@decc.gsi.gov.uk
Fax: 01224 254019

(iv) give notice to the Secretary of State of the name of every authority served the above-mentioned documents and the date of such service.

2. The designated representatives referred to in paragraph 1 are:-

- (a) The Joint Nature Conservation Committee, Inverdee House, Baxter Street, Aberdeen, AB11 9QA (All applications)
- (b) **Marine Conservation and Enforcement Team** Marine Environment Team, Marine Management Organisation, PO Box 1275, Newcastle Upon Tyne NE99 5BN (English, Welsh and Northern Irish waters)
- (c) Mr Luca Doria, Regulatory Assessments Team, The Centre for Environment, Fisheries and Aquaculture Science, Lowestoft Laboratory, Pakefield Road, Lowestoft, Suffolk NR33 0HT (English, Welsh and Northern Irish waters and relevant contiguous zones)
- (d) **Environmental Risk Assessor**, Chemicals Consultee, The Centre for Environment, Fisheries and Aquaculture Science, Lowestoft Laboratory, Pakefield Road, Lowestoft, Suffolk NR33 0HT (English, Welsh and Northern Irish waters and relevant contiguous zones)
- (e) **Planning Liaison Officer**, Environment Agency (English and Welsh territorial waters) EMT Admin to find contact for area concerned via the following link to all EA office addresses in England and Wales - <http://www.environment-agency.gov.uk/contactus/36324.aspx>
- (f) **Lead Advisor, Marine**, Natural England, Floor 9, Dover Place, Ashford, Kent TN23 1HU (English territorial waters)
- (g) **Marine Industries Policy Advisor**, Countryside Council for Wales, Penrhosgarnedd, Bangor, Gwynedd, North Wales, LL57 2DW (Welsh territorial waters)
- (h) Department of Agriculture for Northern Ireland, Roberta Bailey, Room 421, Stormont, Belfast, BT4 3SB (Northern Irish territorial waters)
- (i) Mr Derek Moore, Marine Scotland, Marine Laboratory, 375 Victoria Road, Aberdeen, AB11 9DB (Scottish waters and relevant contiguous zones)
- (j) Scottish Environment Protection Agency (Scottish territorial waters), Senior Planning Officer, Graeser House, Fodderty Way, Dingwall, IV15 9XB
- (k) Ms Morven Carruthers, Marine Policy Officer, SNH, Great Glen House, Leachkin Road, Inverness, IV3 8NW (Scottish territorial waters)
- (l) Captain Paul Townsend, Maritime and Coastguard Agency, Bay 2/28, Spring Place, 105 Commercial Road, Southampton, SO15 1EG (All applications)

- (m) **Safeguarding Assistant**, Safeguarding Team, Defence Estates, Kingston Road, Sutton Coldfield, West Midlands, B75 7RL (All applications)
- (n) **Navigation Support Officer**, Navigation Directorate, Trinity House Lighthouse Service, Tower hill, London, EC3N 4DH (Surface installations in English and Welsh waters)
- (o) **Deputy Head of Marine**, Commissioners of Irish Lights, Harbour Road, Dun Laoghaire, Co. Dublin Ireland. (Surface installations in Irish & Northern Irish waters and relevant contiguous zones)
- (p) **Navigation Manager**, The Northern Lighthouse Board, 84 George Street, Edinburgh, EH2 3DA (Surface installations in Scottish waters)
- (q) Coastal Manager, Marine Section, The Crown Estate, 16 New Burlington Place, London W1S2 4X (Carbon Capture & Storage Applications and Gas Unloading and Storage Applications)
- (r) Local Authorities adjacent to proposed operations (Territorial waters) **these will be advised.*

For and on behalf of the Secretary of State

.....
Environmental Manager
Authorised to act in that behalf
Dated «Date»

ANNEX E

Publication Notices

Annex E, F, G, and H (delete as appropriate) provide the templates for the public notice advertisements to be placed in the newspapers as directed in the Department's letter of acknowledgement of the Environmental Statement.

Publication Notices - Developments

Offshore Petroleum Production and Pipelines (Assessment of Environmental Effects) Regulations 1999 (as amended) – The Offshore EIA Regulations

[*Name of Development/Gas Storage Facility]

[*Name of Field]

[*AnyOilCo] has applied to the Secretary of State for Energy and Climate Change for consent to [*Type of activity] in relation to the [*Name of development] located [*No of miles], [*location from coast], [*latitude and longitude coordinates [*00° 00' 00.00" N; 00° 00' 00.00" E/W]. In accordance with the above-mentioned Regulations (as amended), this application is accompanied by a PON16 and an Environmental Statement, copies of which may be inspected between 10 a.m. and 4 p.m. on business days at [*full postal address] until close of business on *dd/mm/yy (at least 28 days after the last date of publication of the notice). Copies of the Statement may be obtained from [*the same address] (**subject to a payment of £2 by P.O. or cheque made payable to [*AnyOilCo]) or may be viewed at the company web site (*enter company web address).

Members of the public have until *dd/mm/yy to make representations in relation to the application to the Secretary of State for Energy and Climate Change. All correspondence should refer to [*the Department's Ref No]. Representations may be made by email, letter or fax and should be marked for the attention of:

EIA Co-ordinator
Environmental Management Team
Energy Development Unit
Department of Energy and Climate Change
4th Floor, Atholl House
86 – 88 Guild Street
Aberdeen, AB11 6AR
Email: EMT@decc.gsi.gov.uk
Fax: 01224 254019

Copies of representations received may be made publicly available. Following receipt of all views and representations the Secretary of State will either grant or refuse consent for the proposal (with or without conditions). Notice of the Secretary of State's decision will be published in the London, Edinburgh and Belfast Gazettes, and on the Department of Energy and Climate Change, Energy Development Unit website.

Rights of aggrieved persons

Within six weeks from the date of publication of the details of the consent or approval, any person aggrieved by the decision may apply to the Court. The Court may grant an order quashing the approval or the granting of consent, where it is satisfied the granting of the approval/consent was done in contravention of the requirement to consider the Environmental Statement, any relevant information and any representations received from environmental authorities or other interested parties. The court may also grant such an order where the interests of the aggrieved person have been prejudiced by a failure to comply with any other requirement of the Regulations. Pending determination of the application by an aggrieved person, the court may by interim order, stay the operation of the consent/approval.

Notes

The period of public notice must be a minimum four (4) weeks from date of the last advertisement - so where notices are required in more than one newspaper the end date must be four (4) weeks after the last advertisement. Therefore all advertisements should show the same closing date.

**The Regulations permit a maximum charge of £2 for a copy of the ES. Please remove this if you do not intend to make a charge for providing copies of the ES

*Details marked with an asterix & highlighted should be amended as relevant by the undertaker.

ANNEX F

Publication Notices - Development Extensions

This Annex provides a template for the public notice advertisements referred to in the Department's letter of acknowledgement of the application for consent and supporting Environmental Statement.

Offshore Petroleum Production and Pipelines (Assessment of Environmental Effects) Regulations 1999 (as amended) – The Offshore EIA Regulations

[*Name of Development/Gas Storage Facility]

[*Name of Field]

[*AnyOilCo] has applied to the Secretary of State for Energy and Climate Change for consent to [*Type of activity] in relation to the [*Name of development] located [*No of miles], [*location from coast], [*latitude and longitude coordinates [*00° 00' 00.00" N; 00° 00' 00.00" E/W]. In accordance with the above-mentioned Regulations (as amended), this application is accompanied by a PON16 and an Environmental Statement, copies of which may be inspected between 10 a.m. and 4 p.m. on business days at [*full postal address] until close of business on *dd/mm/yy.(at least 28 days after the last date of publication of the notice). Copies of the Statement may be obtained from [*the same address] (**subject to a payment of £2 by P.O. or cheque made payable to [*AnyOilCo]) or may be viewed at the company website (*enter company web address).

Members of the public have until *dd/mm/yy to make representations in relation to the application to the Secretary of State for Energy and Climate Change. All correspondence should refer to [*the Department's Ref No]. Representations may be made by email, letter or fax and should be marked for the attention of:

EIA Co-ordinator
Environmental Management Team
Energy Development Unit
Department of Energy and Climate Change
4th Floor, Atholl House
86 – 88 Guild Street
Aberdeen, AB11 6AR
Email: EMT@decc.gsi.gov.uk
Fax: 01224 254019

Copies of representations received may be made publicly available. Following receipt of all views and representations the Secretary of State will either grant or refuse consent

for the proposal (with or without conditions). Notice of the Secretary of State's decision will be published in the London, Edinburgh and Belfast Gazettes, and on the Department of Energy and Climate Change, Energy Development Unit website.

Rights of aggrieved persons

Within six weeks from the date of publication of the details of the consent or approval, any person aggrieved by the decision may apply to the Court. The Court may grant an order quashing the approval or the granting of consent, where it is satisfied the granting of the approval/consent was done in contravention of the requirement to consider the Environmental Statement, any relevant information and any representations received from environmental authorities or other interested parties. The court may also grant such an order where the interests of the aggrieved person have been prejudiced by a failure to comply with any other requirement of the Regulations. Pending determination of the application by an aggrieved person, the court may by interim order, stay the operation of the consent/approval.

Notes

The period of public notice must be a minimum four (4) weeks from date of the last advertisement - so where notices are required in more than one newspaper the end date must be four (four) weeks after the last advertisement. Therefore all should advertisements show the same closing date.

**The Regulations permit a maximum charge of £2 for a copy of the ES. Please remove this if you do not intend to make a charge for providing copies of the ES

*Details marked with an asterix & highlighted should be amended as relevant by the undertaker.

ANNEX G

Publication Notices - Wells

This Annex provides a template for the public notice advertisements referred to in the Department's letter of acknowledgement of the application for consent and supporting Environmental Statement.

Offshore Petroleum Production and Pipelines (Assessment of Environmental Effects) Regulations 1999 (as amended) – The Offshore EIA Regulations

[*Name of Development/Gas Storage Facility]

[*Name of Field]

[*AnyOilCo] has applied to the Secretary of State for Energy and Climate Change for consent to [*Type of activity] in relation to the [*Name of development] located [*No of miles], [*location from coast], [*latitude and longitude coordinates [*00° 00' 00.00" N; 00° 00' 00.00" E/W]. In accordance with the above-mentioned Regulations (as amended), this application is accompanied by a PON16 and an Environmental Statement, copies of which may be inspected between 10 a.m. and 4 p.m. on business days at [*full postal address] until close of business on *dd/mm/yy (at least 28 days after the last date of publication of the notice). Copies of the Statement may be obtained from [*the same address] (**subject to a payment of £2 by P.O. or cheque made payable to [*AnyOilCo]) or may be viewed at the company website (*enter company web address).

Members of the public have until *dd/mm/yy to make representations in relation to the application to the Secretary of State for Energy and Climate Change. All correspondence should refer to [*the Department's Ref No]. Representations may be made by email, letter or fax and should be marked for the attention of:

EIA Co-ordinator
 Environmental Management Team
 Energy Development Unit
 Department of Energy and Climate Change
 4th Floor, Atholl House
 86 – 88 Guild Street
 Aberdeen, AB11 6AR
 Email: EMT@decc.gsi.gov.uk
 Fax: 01224 254019

Copies of representations received may be made publicly available. Following receipt of all views and representations the Secretary of State will either grant or refuse consent for the proposal (with or without conditions). Notice of the Secretary of State's decision

will be published in the London, Edinburgh and Belfast Gazettes, and on the Department of Energy and Climate Change, Energy Development Unit website.

Rights of aggrieved persons

Within six weeks from the date of publication of the details of the consent or approval, any person aggrieved by the decision may apply to the Court. The Court may grant an order quashing the approval or the granting of consent, where it is satisfied the granting of the approval/consent was done in contravention of the requirement to consider the Environmental Statement, any relevant information and any representations received from environmental authorities or other interested parties. The court may also grant such an order where the interests of the aggrieved person have been prejudiced by a failure to comply with any other requirement of the Regulations. Pending determination of the application by an aggrieved person, the court may by interim order, stay the operation of the consent/approval.

Notes

The period of public notice must be a minimum four (4) weeks from date of the last advertisement - so where notices are required in more than one newspaper the end date must be four (4) weeks after the last advertisement. Therefore all advertisements should show the same closing date

**The Regulations permit a maximum charge of £2 for a copy of the ES. Please remove this if you do not intend to make a charge for providing copies of the ES

*Details marked with an asterix & highlighted should be amended as relevant by the undertaker.

Publication Notices - Pipelines

This Annex provides a template for the public notice advertisements referred to in the Department's letter of acknowledgement of the application for consent and supporting Environmental Statement.

Offshore Petroleum Production and Pipelines (Assessment of Environmental Effects) Regulations 1999 (as amended) – The Offshore EIA Regulations

[*Name of Development/Gas Storage Facility]

[*Name of Field]

[*AnyOilCo] has applied to the Secretary of State for Energy and Climate Change for consent to [*Type of activity] in relation to the [*Name of development] located [*No of miles], [*location from coast], [*latitude and longitude coordinates [*00° 00' 00.00" N; 00° 00' 00.00" E/W]]. In accordance with the above-mentioned Regulations (as amended), this application is accompanied by a PON16 and an Environmental Statement, copies of which may be inspected between 10 a.m. and 4 p.m. on business days at [*full postal address] until close of business on *dd/mm/yy (at least 28 days after the last date of publication of the notice). Copies of the Statement may be obtained from [*the same address] (**subject to a payment of £2 by P.O. or cheque made payable to [*AnyOilCo]) or may be viewed at the company website (*enter company web address).

Members of the public have until *dd/mm/yy to make representations in relation to the application to the Secretary of State for Energy and Climate Change. All correspondence should refer to [*the Department's Ref No]. Representations may be made by email, letter or fax and should be marked for the attention of:

EIA Co-ordinator
Environmental Management Team
Energy Development Unit
Department of Energy and Climate Change
4th Floor, Atholl House
86 – 88 Guild Street
Aberdeen, AB11 6AR
Email: EMT@decc.gsi.gov.uk
Fax: 01224 254019

Copies of representations received may be made publicly available. Following receipt of all views and representations the Secretary of State will either grant or refuse consent for the proposal (with or without conditions). Notice of the Secretary of State's decision will be published in the London, Edinburgh and Belfast Gazettes, and on the Department of Energy and Climate Change, Energy Development Unit website.

Rights of aggrieved persons

Within six weeks from the date of publication of the details of the consent or approval, any person aggrieved by the decision may apply to the Court. The Court may grant an order quashing the approval or the granting of consent, where it is satisfied the granting of the approval/consent was done in contravention of the requirement to consider the Environmental Statement, any relevant information and any representations received from environmental authorities or other interested parties. The court may also grant such an order where the interests of the aggrieved person have been prejudiced by a failure to comply with any other requirement of the Regulations. Pending determination of the application by an aggrieved person, the court may by interim order, stay the operation of the consent/approval.

Notes

The period of public notice must be a minimum four (4) weeks from date of the last advertisement - so where notices are required in more than one newspaper the end date must be four (4) weeks after the last advertisement. Therefore all advertisements should show the same closing date**The Regulations permit a maximum charge of £2 for a copy of the ES. Please remove this if you do not intend to make a charge for providing copies of the ES

*Details marked with an asterix & highlighted should be amended as relevant by the undertaker.

ANNEX I**List of Environmental Authorities**

Organisation	Address	Telephone No	Fax No	Email
Joint Nature Conservation Committee	Inverdee House, Baxter Street, Aberdeen AB11 9QA.	01224 655716	01224 621488	jnccadvicetodti@jncc.gov.uk
Countryside Council for Wales	Maritime Policy Section Head, Countryside Council for Wales, Maes y Ffynnon, Ffordd Penrhos, BANGOR, Gwynedd, LL57 2DW	01248 385735	01248 385510	j.hamer@ccw.gov.uk km.jones@ccw.gov.uk (Terrestrial matters)
Natural England	Marine Pollution Specialist, Evidence Team, Marine, Coastal & Freshwater Ecosystems, Natural England, Juniper House, Murley Moss, Oxenholme Road, Kendal, LA9 7RL, Cumbria	01539 792840	01539 792830	steve.benn@naturalengland. org.uk
Scottish Natural Heritage	Coastal & Marine Ecosystems Unit, Scottish Natural Heritage,	01738 458621	01738 458627	oilandgas@snh.gov.uk Katie.Gillham@snh.gov.uk George.Lees@snh.gov.uk

	Battleby 2, PERTH, PH1 3EW			
The Scottish Executive Environment and Rural Affairs Department	Marine Directorate, Marine Management Division – Marine Strategy Branch, Area G-H93, Victoria Quay, Edinburgh, EH6 6QQ	0131 244 6233	0131 244 7163	
Marine Scotland, Marine Laboratory	PO Box 101, Victoria Road, Aberdeen AB11 9DB	01224 295331	01224 295524	mooredc@marlab.ac.uk
Marine & Fisheries Agency	Marine & Fisheries Agency, 3-8 Whitehall Place, (6 th Floor Area B), London, SW1A 2HH	020 7270 8685	020 7270 8709	marine.consents@mfa.gsi.gov.uk
Centre for Environment, Fisheries and Aquaculture Science (CEFAS)	CEFAS, Parkfield Road, Lowestoft, Suffolk, NR33 OHT	01502 562244	01502 513865	ogc@cefas.co.uk ocns.ra@cefas.co.uk
The Environment Agency	Rio House, Waterside Drive, Aztec West, Almondsbury, BRISTOL, BS32 4UD	0113 213 4652 08708 506506	0113 213 4609	planningliaison_ridings@environment-agency.gov.uk enquiries@environment-agency.gov.uk www.environment-agency.gov.uk

Department of Agriculture for Northern Ireland, Fisheries Division	Department of Agriculture & Rural Development, Dundonald House, Upper Newtownards Road, BELFAST, BT4 3SB, Northern Ireland	02890 524038	02890 378321	mark.mccaughan@dardni.gov.uk
The Water Quality Unit, EHS	Marine Resources, Water Management Unit, 17 Antrim Road, Lisburn, BT28 3AL	02892 623178		Roslyn.stewart@doeni.gov.uk
MOD Defence Estates	Defence Estates Blakemore Drive Sutton Coldfield West Midlands B75 7RL	0212 311 3818	00212 311 2218	jon.wilson@de.mod.uk

Sea Fisheries Committees				
Cornwall County Council	County Hall, Treyew Road, TRURO, TR1 3AY	01872 322139 01872 322000	01872 270340	seafisheries@cornwall.gov.uk
Cumbria SFC	Chief Fishery Officer, Cumbria County Council, Member Services Unit, The Lonsdale Building, The Courts, CARLISLE, CA3 8NA	01228 606375	01228 606372	dtd@cumbriasfc.fsnet.co.uk
Devon SFC	Office No. 9, Fish Market, The Quay, Brixham, Devon, TQ5 8AW	01803 854648	01803 859217	devonseafish@btconnect.com
Eastern Sea Fisheries Joint Committee	6 North Lynn Business Village, Bergen Way, King's Lynn, Norfolk, PE30 2JG	01533 775321	01553 772031	mail@esfjc.co.uk
Kent & Essex	The Ice House, Military Road, Ramsgate, Kent, CT11 9LG	01843 585310	01843 585310	joan.taylor@kent.gov.uk www.kentandessex-sfc.co.uk
North Western & North Wales	Lancaster University, Bailrigg, LANCASTER, Lancashire, LA1 4YY	01524 68745		nwnwsfc@lancaster.ac.uk

North Eastern Sea Fisheries Committee	Town Hall, Bridlington, East Riding of Yorkshire, YO16 4LP	01482 393690	01482 393699	david.mccandless@eastriding.gov.uk
Northumberland Sea Fisheries Committee	Unit 60B, South Nelson Industrial Estate, South Nelson Road, Cramlington, Northumberland, NE23 1WF	01670 731399	01670 731639	nsfc@nsfc.org.uk
South Wales SFC	Queens Building, Cambrian Place, SWANSEA, SA1 1TW	01792 654466	01792 645987	swsfc@aol.com
Southern Sea Fisheries District Committee	64 Ashley Road, Parkstone, Poole, Dorset, BH14 9BN	01202 721373	01202 721373	southernnsfc@btconnect.com
Sussex	Unit 6, Highdown House, Shoreham Airport, Shoreham-by-sea, West Sussex, BN43 5PB	01273 454407	01273 454408	admin@sussex-sfc.gov.uk
Isles of Scilly	Town Hall, St Mary's, Isles of Scilly, TR21 0LW	01720 422537	01720 422202	enquiries@scilly.gov.uk phygate@scilly.gov.uk

Scottish Environment Protection Agency				
Head Office	Erskine Court, The Castle Business Park, Stirling, FK9 4TR	01786 457700	01786 446885	colin.bayes@sepa.org.uk campbell.gemmell@sepa.org.uk
Highlands, Islands and Grampian Area	Graesser House, Fodderty Way, Dingwall Business Park, Dingwall, IV15 9XB	01349 862021	01349 863987	jim.mackay@sepa.org.uk colin.craig@sepa.org.uk
South West Area	West, 5 Redwood Crescent, Peel Park, East Kilbride, G74 5PP	01355 574200	01355 574688	stuart.mearns@sepa.org.uk
South East Area	Clearwater House, Heriot- Watt Research Park, Avenue North, Riccarton, Edinburgh, EH14 4AP	0131 449 7296	0131 449 7277	linda.white@sepa.org.uk gillian.bruce@sepa.org.uk

ANNEX J

Schedule 2, Regulation 3 - Contents of ESs

(a) A description of the activity comprising information on the site, design and size of the activity and where relevant to the particular characteristics of the activity or the environmental features likely to be affected and to the extent that the operator might reasonably be required to compile the information having regard to current knowledge and methods of assessment such a description shall include –

(i) the land and seabed use requirements during the construction and operational phases;

(ii) a description of the main characteristics of the production processes including the nature and quantity of the material used; and

(iii) an estimate by type and quantity of the expected residues and emissions (including water, air, and soil pollution, noise, vibration, light, heat and radiation) resulting from the operation of the proposed activity.

(b) a description of the measures envisaged in order to avoid, reduce and, if possible, remedy significant adverse effects on the environment;

(c) the data required to identify and assess the main effects which the activity is likely to have on the environment and where relevant to the particular characteristics of the activity or the environmental features likely to be affected and to the extent that the operator might reasonably be required to compile the data having regard to current knowledge and methods of assessment such data shall include –

(i) a description of specific aspects of the environment likely to be significantly affected including, in particular, human population, fauna, flora, soil including the seabed and its subsoil, water including the sea and any aquifers under the seabed, air, climatic factors, the landscape of the seascape, tangible property, architectural and archaeological heritage and the interaction between any of the foregoing; and (ii) a description of the likely significant effects on the environment arising from the existence of the activity, the use of natural resources, the emission of pollutants, the creation of nuisances and the elimination of waste together with details of the forecasting methods used to assess the effects on the environment.

(d) an outline of the main alternatives (if any) studied by the developer and an indication of the main reasons for his choice, taking into account the environmental effects;

(e) a non-technical summary of the information provided under the above headings; and

(f) where relevant to the particular characteristics of the activity and the environmental features likely to be affected and to the extent that the operator might reasonably be

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required to compile the information having regard to current knowledge and methods of assessment, an indication of any difficulties (technical difficulties or lack of know-how) encountered by the operator in compiling the required information.

ANNEX K**Further Guidelines for Exploration, Appraisal and Development Wells**

The following criteria apply to exploration, appraisal, additional satellite and template wells and to sidetracking of wells already drilled and would that indicate that an ES **would normally** be required. All distances are relative to the surface location of the well.

1. Distance to the coast less than 40 kilometres, where there is a relevant sensitivity which may be significantly impacted by the proposed activity e.g. a coastal SAC, SPA, or SSSI.
2. Presence within 10 kilometres of an offshore SAC or SPA in locations where the Department does not already have sufficient information on the likely impacts or where there is likely to be a significant impact from the proposed activity for which consent is sought.
3. Presence of known archaeological features; designated under the Protection of Wrecks Act 1973, The Protection of Military Remains Act 1986 or the Ancient Monument and Archaeological Areas Act 1979; or other heritage features potentially subject to damage or physical disturbance by the proposed drilling operations.
4. Seasonal sensitivity may also influence the Departments decision to request an ES, e.g. Seasonal sensitivity at proposed time of drilling; this may include the presence within 20 kilometres of concentrations of seabirds or mammals, fish spawning in the water column or fish nursery areas.
5. Operations that may significantly affect herring or sand-eel spawning grounds.
6. Operations that may significantly affect important fisheries (including shell fisheries such as *Nephrops*).
7. Operators should therefore ensure that seasonal sensitivities are taken into consideration when planning the timing of potential operations.

Other considerations:-

8. The presence of large or long-lived biological features within 10 kilometres which may be significantly affected by the proposed operations
9. Operations that may significantly impact other users of the sea (for example, the presence within 10 kilometres of fishing grounds or navigation channels)

10. International boundary within 10 kilometres, where there is likely to be a significant impact or where another member state has requested to participate in the procedure.

Development Wells

There is a presumption that where a proposed development consists of a single development well with a pipeline, that an ES should assess the likely impacts of the well and the pipeline. Where the development consists of multiple development wells where the sanctioning is not dependent on the further appraisal of the initial well drilled, then the expectation would be that the ES should include the impacts from the drilling of all wells and the laying of the associated pipelines.

Multiple Wells

Where drilling campaigns consist of multiple wells or the drilling of appraisal wells where there is extremely high probability of proceeding straight to development, then the Department would advise that an ES is submitted to support your application for consent which assesses the impact of the whole project.

We would remind operators that a PON15 application is a request for a direction that an ES is not required and having considered the application the Department may decide that an ES should be submitted. Therefore operators should ensure that sufficient time is allowed before the planned operations as the Department's decision as to whether an ES should be submitted is irrespective of the proposed timing of the operation.

If none of the above applies then an ES is **unlikely** to be required, but operators are reminded that **each well will be considered on a case-by-case basis.**

ANNEX L

Transposition of EC Habitats Directive (Council Directive 92/43/EEC of 21 May 1992 on the Conservation of Natural Habitats and of Wild Flora and Fauna) and EC Birds Directive (Council Directive 79/409/EEC on the Conservation of Wild Birds) into UK Legislation

	0-12 nm	Beyond 12nm	Specifically Oil and Gas Activities
Scotland	The Conservation (Natural Habitats, &c.) Regulations 1994 (as amended)	Offshore Marine Conservation Regulations (2007) (as amended)	The Offshore Petroleum Activities (Conservation of Habitats) Regulations 2001 (as amended)
England	The Conservation (Natural Habitats, &c.) Regulations 1994 (as amended)	Offshore Marine Conservation Regulations (2007) (as amended)	The Offshore Petroleum Activities (Conservation of Habitats) Regulations 2001 (as amended)
Wales	The Conservation (Natural Habitats, &c.) Regulations 1994 (as amended)	Offshore Marine Conservation Regulations (2007) (as amended)	The Offshore Petroleum Activities (Conservation of Habitats) Regulations 2001 (as amended)
NI	The Conservation (Natural Habitats, etc) Regulations (Northern Ireland) 1995 (as amended)	Offshore Marine Conservation Regulations (2007) (as amended)	The Offshore Petroleum Activities (Conservation of Habitats) Regulations 2001 (as amended)
UKCS	N/A	Offshore Marine Conservation Regulations (2007) (as amended)	The Offshore Petroleum Activities (Conservation of Habitats) Regulations 2001 (as amended)



By Email

Department of Energy & Climate Change

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T: 01224 254092
F: 01224 254019
E: wendy.kennedy@decc.gsi.gov.uk
www.decc.gov.uk

Your ref:
Our ref:

23 December 2010

Dear Sir/Madam

Revised Guidance Relating to Environmental Submissions

As information has become available about the Macondo incident in the Gulf of Mexico, DECC has been considering its impact on the UK environmental regime. This letter is to advise you of the changes that we are implementing as a result of the information that has been reviewed to date.

1. Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998

Operators are reminded that an Oil Pollution Emergency Plan (OPEP) prepared in accordance with the above Regulations should set out the "arrangements for responding to incidents which cause or may cause marine pollution by oil, with a view to preventing such pollution or reducing or minimising its effect". The primary purpose of the OPEP is to inform the operator, so that they can implement a robust, effective and tested emergency response procedure. It is therefore the operator's responsibility to ensure that the OPEP clearly identifies the potential release scenarios, the potential environmental impacts, and how they would respond to mitigate those impacts.

Content of OPEPs

Section 4.2 of the DECC OPEP Guidance Notes specifies that operators must identify potential scenarios which could give rise to a pollution incident, including the worst-case scenario. Industry has requested clarification on the scope of the worst-case scenario to aid response planning. With immediate effect, all OPEPs associated with exploration, appraisal and development (production) drilling operations, or work-over and intervention operations on hydrocarbon producing wells, that are undertaken on the UKCS must assess and provide for an effective response to an identified worst-case scenario where all containment barriers have failed resulting in a blow-out, that would normally require the drilling of a relief well.



The following information **must** therefore be taken into consideration when preparing the OPEP submission:

- Identification of the worst-case scenarios in relation to potential releases of hydrocarbons, including releases of both installation inventories and reservoir hydrocarbons; and, in the case of releases of reservoir hydrocarbons, the measures that would be taken to stop the release and an estimate of the maximum duration of the release. In the case of the blowout scenario, there could be natural cessation related to the nature of the hydrocarbons and well flow characteristics, or the measures taken could include the use of an appropriate method to stop or control the release, such as the deployment of a capping or containment device, but it would normally require the drilling of a relief well.
- Well and reservoir information relevant to the scale of potential releases of hydrocarbons, including information relating to the nature of the hydrocarbons and the well flow characteristics; the potential daily release rate; and the total quantity of hydrocarbons that could be released during the maximum time that it could take to stop the release.
- Where appropriate, details of plans to implement the drilling of a relief well, to demonstrate that there is adequate provision in place for this eventuality; and/or plans to deploy any other method to stop or control the release. (These aspects may be covered in a separate section within the OPEP).
- Modelling data relevant to the worst-case liquid hydrocarbon release scenarios detailed in the OPEP, to meet the requirements specified in Section 5.2 of the DECC Guidance Notes, to identify the areas that could be impacted as a result of any release, including potential beaching locations and the waters of adjacent States, and the likely time-frames for hydrocarbons to beach or cross a median line.
- A summary of the predicted environmental and socio-economic impacts of the worst-case hydrocarbon release scenarios, taking account of the results of the modelling undertaken to identify the areas that could be impacted as a result of any liquid hydrocarbon release, and the sensitivity data relevant to those areas.
- Details of the response strategy to conduct an effective and early intervention to protect the environment in the event of a hydrocarbon release, including robust and location-specific arrangements to deal with any liquid hydrocarbon release based on the outcome of the modelling and the predicted environmental and socio-economic impacts. The information provided should include details of the pollution prevention and response equipment that the operator intends to access and deploy in the event of a release, or a potential release, and the time that it would take to deploy that equipment.

OPEP Justification Document

Details of the assumptions, calculations and models that have been used to develop the OPEP can be provided in the OPEP justification document, so that only information pertinent to the response strategy is included in the OPEP. In all cases, operators must ensure that information provided in the OPEP is consistent with the justification, and consistent with any related



documentation, such as well design / engineering plans, safety risk assessments and environmental impact assessments.

Modelling Studies

The modelling studies should identify the areas and associated environmental sensitivities that could be impacted as a result of any liquid hydrocarbon release, to facilitate a robust response strategy. Stochastic models must be used to provide an indication of the areas that could be potentially impacted, using data that is relevant to the nature of the hydrocarbons and the estimated uncontrolled flow rate of the well. If the depth of the release could significantly affect dispersion, this should be taken into account if it is a feature of the model, as it is likely to be relevant to the environmental impact assessment. However, the deepwater release assessment cannot be relied upon for the purpose of developing a robust response strategy, and operators must model equivalent surface release scenarios.

Models must be run for a period of time that is sufficient to identify the potential directions of travel and the areas likely to be at risk. As a minimum, the models must be run for a period of 10 days using the worst-case hydrocarbon release rates during that period, and until none of the liquid hydrocarbons released during that period remains on the sea surface (i.e. until it has naturally dissipated or beached). If the minimum 10-day release period does not clearly identify the potential areas at risk, then the release period must be extended. Trajectory modelling must use the same scenario inputs as the stochastic modelling, and follow the guidance detailed in Section 5.2 of the DECC Guidance Notes. In all cases, the modelling must be undertaken using weather, current and temperature data obtained from scientifically-validated sources, which must be fully referenced.

It has been determined that currently-available models are capable of meeting these requirements, to enable operators to develop a competent response strategy that adequately addresses all potential release scenarios.

Relief Wells

It should be noted that DECC does not expect operators to have an alternative drilling unit on contract, but operators must demonstrate that a relief well could be drilled in a timely manner. It will therefore be necessary to confirm that sufficient finance or insurance / indemnity provision is available to cover the eventuality; that consideration has been given to relief well design; that procedures are in place to implement a relief well management plan, supported by relevant specialist personnel; and that consideration has been given to sourcing a rig in the event that the unit drilling the primary well is not available. Estimates should also be provided of the time that it would take to commence drilling and complete the relief well.

Updating Existing OPEPs

Section 14.4.1 of the DECC Guidance Notes details the requirement to regularly review OPEPs, and Section 15 of the guidance details the action that should be taken following approval of the OPEP. The requirements detailed in this letter for new OPEPs should be taken into account when updating existing plans to cover new exploration, appraisal and development (production)



drilling operations, or new work-over and intervention operations on hydrocarbon producing wells,

Control Copies of OPEPs

Following approval, both hard-copy (paper) and electronic (pdf format) control copies of all new and amended OPEPs must be submitted to the Department, for retention by the Department's Offshore Environmental Inspectorate.

2. Offshore Petroleum Production and Pipelines (Assessment of Environmental Effects) Regulations 1999 (as amended)

The DECC Guidance Notes relating to these Regulations, commonly referred to as the Environment Impact Assessment (EIA) Regulations, indicate that EIAs must include a detailed assessment of the potential environmental impact of a hydrocarbon release, broadly based upon the OPEP requirements but including significant additional detail in relation to the mitigation measures in place to prevent a release and the potential environmental impacts of a release. Operators have been recommended to include this assessment as an annex to the main body of the Environmental Statement (ES), so that it can be maintained and updated as necessary and could form part of the OPEP justification document mentioned in Sections 4.3 and 13 of the DECC OPEP Guidance Notes.

Environmental Statements

The EIA guidance in relation to the assessment of the potential environmental impact of a hydrocarbon release is unchanged, but the scope of the assessment must be extended to match the revised scope of the OPEP, as detailed in Section 1 of this letter.

Where a development or proposed activity has not been the subject of an ES, or the ES predates the most recent EIA guidance in relation to the assessment of the potential environmental impact of a hydrocarbon release, operators should prepare a separate assessment document, which can form part of the OPEP justification document referred to above. Irrespective of whether the hydrocarbon release assessment has been developed from an ES, prepared as a separate document or forms part of the OPEP justification document, it is necessary to extend the scope of the assessment to match the revised scope of the OPEP, as detailed in Section 1 of this letter.

Applications for Directions (PON15Bs)

Although it is not necessary to include a detailed assessment of the potential environmental impact of a hydrocarbon release in an application for a Direction, it is necessary to confirm whether the proposed operation is covered by an approved OPEP, or a current OPEP application.

Future applications for Directions relating to exploration, appraisal and development (production) wells should additionally include an expanded section dealing with accidental events, summarising the mitigation measures in place to prevent any release of hydrocarbons and the worst-case release scenarios that have been identified in the OPEP, as well as



confirming that the potential environmental impacts associated with those scenarios have been assessed as part of the ES or OPEP process and referencing the relevant documents. Where approval of the OPEP is still outstanding at the time of the application for a Direction, it will also be necessary to submit an update or variation of the application to confirm when the OPEP is approved.

3. Offshore Chemicals Regulations 2002

Work-over and intervention operations are essentially maintenance activities carried out further to an already-consented project, i.e. the drilling of the well, and are not covered by the EIA Regulations. However, the nature of the operations means that virtually all work-overs and interventions have to be the subject of an application for a Chemical Permit.

Applications for Chemical Permits (PON15Ds and PON15Fs)

Where it is necessary to obtain a Chemical Permit for work-over or intervention operations, there is currently a requirement to confirm whether the proposed operation is covered by an approved OPEP, or a current OPEP application

Future applications for Chemical Permits for work-over and intervention operations on production wells should additionally include an expanded section dealing with accidental events, summarising the mitigation measures in place to prevent any release of hydrocarbons and the worst-case release scenarios that have been identified in the OPEP, as well as confirming that potential environmental impacts associated with those scenarios have been assessed as part of the OPEP process and referencing the relevant documents. Where approval of the OPEP is still outstanding at the time of the application for a Chemical Permit, it will also be necessary to submit an update or variation of the application to confirm when the OPEP is approved. The purpose of the above changes is to ensure that all well operations are the subject of a robust OPEP, supported by an appropriate EIA, that will allow operators to respond effectively and efficiently to all identified hydrocarbon release incidents, including the worst-case scenarios. Additional changes may be required in the future, when DECC has reviewed outstanding reports relating to the Macondo incident.

Yours faithfully

A handwritten signature in black ink that reads "Wendy J. Kennedy". The signature is written in a cursive style.

Wendy Kennedy
Head, Offshore Environment and Decommissioning



By Email

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Your ref:

Our ref:

21 July 2011

Dear Sir/Madam

Revised Guidance Relating to Environmental Submissions

We wrote to you on Thursday 23 December 2010 outlining changes to the UK environmental regime following the Macondo incident in the Gulf of Mexico.

Since then DECC has continued to review information relating to the incident to assess its relevance to UK regulatory practices, has corresponded with operators and, together with Oil and Gas UK, participated in Oil Pollution Emergency Plan (OPEP) workshops in Aberdeen and London.

This letter is to advise you of further changes and to provide information and clarification in relation to specific points raised during the OPEP workshops and identified during our ongoing regulatory review and the review of environmental submissions.

The changes, information and clarification are detailed in the attached appendices to this letter, and each appendix should be read in conjunction with the applicable DECC regulatory guidance and the letter issued to industry on Thursday 23 December 2010, which remain current. The appendices are as follows:

- Appendix 1: Copy of DECC Letter to Industry Issued Thursday 23 December 2010
- Appendix 2: Information Relating to Environmental Statements and PON15 Applications
- Appendix 3: Information Relating to Oil Pollution Emergency Plan Applications
- Appendix 4: Information Relating to Pre-spud Regulatory Review Meetings and/or Inspections
- Appendix 5: List of Published Macondo & Montara Reports – Wednesday 13 July 2011



If any operator is still unclear about the requirements, enquiries relating to Appendix 2 should be directed to emt@decc.gsi.gov.uk and enquiries relating to Appendices 3 and 4 should be directed to offshore.inspectorate@decc.gsi.gov.uk .

It is DECC's intention to formally update the relevant regulatory guidance as soon as possible following the conclusion of the work of the independently-chaired HSE/DECC/MCA Regulatory Review and the relevant OSPRAG Working Groups.

Yours faithfully

A handwritten signature in black ink that reads "Wendy J. Kennedy".

Wendy J Kennedy
Head, Offshore Environment and Decommissioning



Appendix 1

Copy of DECC Letter to Industry Issued Thursday 23 December 2010

Dear Sir/Madam

Revised Guidance Relating to Environmental Submissions

As information has become available about the Macondo incident in the Gulf of Mexico, DECC has been considering its impact on the UK environmental regime. This letter is to advise you of the changes that we are implementing as a result of the information that has been reviewed to date.

1. Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998

Operators are reminded that an Oil Pollution Emergency Plan (OPEP) prepared in accordance with the above Regulations should set out the “arrangements for responding to incidents which cause or may cause marine pollution by oil, with a view to preventing such pollution or reducing or minimising its effect”. The primary purpose of the OPEP is to inform the operator, so that they can implement a robust, effective and tested emergency response procedure. It is therefore the operator’s responsibility to ensure that the OPEP clearly identifies the potential release scenarios, the potential environmental impacts, and how they would respond to mitigate those impacts.

Content of OPEPs

Section 4.2 of the DECC OPEP Guidance Notes specifies that operators must identify potential scenarios which could give rise to a pollution incident, including the worst-case scenario. Industry has requested clarification on the scope of the worst-case scenario to aid response planning. With immediate effect, all OPEPs associated with exploration, appraisal and development (production) drilling operations, or work-over and intervention operations on hydrocarbon producing wells, that are undertaken on the UKCS must assess and provide for an effective response to an identified worst-case scenario where all containment barriers have failed resulting in a blow-out, that would normally require the drilling of a relief well.

The following information **must** therefore be taken into consideration when preparing the OPEP submission:

- Identification of the worst-case scenarios in relation to potential releases of hydrocarbons, including releases of both installation inventories and reservoir hydrocarbons; and, in the case of releases of reservoir hydrocarbons, the measures that would be taken to stop the release and an estimate of the maximum duration of the release. In the case of the blow-out scenario, there could be natural cessation related to the nature of the hydrocarbons and well flow characteristics, or the measures taken could include the use of an appropriate method to stop or control the release, such as the deployment of a capping or containment device, but it would normally require the drilling of a relief well.



- Well and reservoir information relevant to the scale of potential releases of hydrocarbons, including information relating to the nature of the hydrocarbons and the well flow characteristics; the potential daily release rate; and the total quantity of hydrocarbons that could be released during the maximum time that it could take to stop the release.
- Where appropriate, details of plans to implement the drilling of a relief well, to demonstrate that there is adequate provision in place for this eventuality; and/or plans to deploy any other method to stop or control the release. (These aspects may be covered in a separate section within the OPEP).
- Modelling data relevant to the worst-case liquid hydrocarbon release scenarios detailed in the OPEP, to meet the requirements specified in Section 5.2 of the DECC Guidance Notes, to identify the areas that could be impacted as a result of any release, including potential beaching locations and the waters of adjacent States, and the likely time-frames for hydrocarbons to beach or cross a median line.
- A summary of the predicted environmental and socio-economic impacts of the worst-case hydrocarbon release scenarios, taking account of the results of the modelling undertaken to identify the areas that could be impacted as a result of any liquid hydrocarbon release, and the sensitivity data relevant to those areas.
- Details of the response strategy to conduct an effective and early intervention to protect the environment in the event of a hydrocarbon release, including robust and location-specific arrangements to deal with any liquid hydrocarbon release based on the outcome of the modelling and the predicted environmental and socio-economic impacts. The information provided should include details of the pollution prevention and response equipment that the operator intends to access and deploy in the event of a release, or a potential release, and the time that it would take to deploy that equipment.

OPEP Justification Document

Details of the assumptions, calculations and models that have been used to develop the OPEP can be provided in the OPEP justification document, so that only information pertinent to the response strategy is included in the OPEP. In all cases, operators must ensure that information provided in the OPEP is consistent with the justification, and consistent with any related documentation, such as well design / engineering plans, safety risk assessments and environmental impact assessments.

Modelling Studies

The modelling studies should identify the areas and associated environmental sensitivities that could be impacted as a result of any liquid hydrocarbon release, to facilitate a robust response strategy. Stochastic models must be used to provide an indication of the areas that could be potentially impacted, using data that is relevant to the nature of the hydrocarbons and the estimated uncontrolled flow rate of the well. If the depth of the release could significantly affect dispersion, this should be taken into account if it is a feature of the model, as it is likely to be relevant to the environmental impact assessment. However, the deepwater release assessment



cannot be relied upon for the purpose of developing a robust response strategy, and operators must model equivalent surface release scenarios.

Models must be run for a period of time that is sufficient to identify the potential directions of travel and the areas likely to be at risk. As a minimum, the models must be run for a period of 10 days using the worst-case hydrocarbon release rates during that period, and until none of the liquid hydrocarbons released during that period remains on the sea surface (i.e. until it has naturally dissipated or beached). If the minimum 10-day release period does not clearly identify the potential areas at risk, then the release period must be extended. Trajectory modelling must use the same scenario inputs as the stochastic modelling, and follow the guidance detailed in Section 5.2 of the DECC Guidance Notes. In all cases, the modelling must be undertaken using weather, current and temperature data obtained from scientifically-validated sources, which must be fully referenced.

It has been determined that currently-available models are capable of meeting these requirements, to enable operators to develop a competent response strategy that adequately addresses all potential release scenarios.

Relief Wells

It should be noted that DECC does not expect operators to have an alternative drilling unit on contract, but operators must demonstrate that a relief well could be drilled in a timely manner. It will therefore be necessary to confirm that sufficient finance or insurance / indemnity provision is available to cover the eventuality; that consideration has been given to relief well design; that procedures are in place to implement a relief well management plan, supported by relevant specialist personnel; and that consideration has been given to sourcing a rig in the event that the unit drilling the primary well is not available. Estimates should also be provided of the time that it would take to commence drilling and complete the relief well.

Updating Existing OPEPs

Section 14.4.1 of the DECC Guidance Notes details the requirement to regularly review OPEPs, and Section 15 of the guidance details the action that should be taken following approval of the OPEP. The requirements detailed in this letter for new OPEPs should be taken into account when updating existing plans to cover new exploration, appraisal and development (production) drilling operations, or new work-over and intervention operations on hydrocarbon producing wells,

Control Copies of OPEPs

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The DECC Guidance Notes relating to these Regulations, commonly referred to as the Environment Impact Assessment (EIA) Regulations, indicate that EIAs must include a detailed assessment of the potential environmental impact of a hydrocarbon release, broadly based upon the OPEP requirements but including significant additional detail in relation to the mitigation measures in place to prevent a release and the potential environmental impacts of a release. Operators have been recommended to include this assessment as an annex to the main body of the Environmental Statement (ES), so that it can be maintained and updated as necessary and could form part of the OPEP justification document mentioned in Sections 4.3 and 13 of the DECC OPEP Guidance Notes.

Environmental Statements

The EIA guidance in relation to the assessment of the potential environmental impact of a hydrocarbon release is unchanged, but the scope of the assessment must be extended to match the revised scope of the OPEP, as detailed in Section 1 of this letter.

Where a development or proposed activity has not been the subject of an ES, or the ES pre-dates the most recent EIA guidance in relation to the assessment of the potential environmental impact of a hydrocarbon release, operators should prepare a separate assessment document, which can form part of the OPEP justification document referred to above. Irrespective of whether the hydrocarbon release assessment has been developed from an ES, prepared as a separate document or forms part of the OPEP justification document, it is necessary to extend the scope of the assessment to match the revised scope of the OPEP, as detailed in Section 1 of this letter.

Applications for Directions (PON15Bs)

Although it is not necessary to include a detailed assessment of the potential environmental impact of a hydrocarbon release in an application for a Direction, it is necessary to confirm whether the proposed operation is covered by an approved OPEP, or a current OPEP application.

Future applications for Directions relating to exploration, appraisal and development (production) wells should additionally include an expanded section dealing with accidental events, summarising the mitigation measures in place to prevent any release of hydrocarbons and the worst-case release scenarios that have been identified in the OPEP, as well as confirming that the potential environmental impacts associated with those scenarios have been assessed as part of the ES or OPEP process and referencing the relevant documents. Where approval of the OPEP is still outstanding at the time of the application for a Direction, it will also be necessary to submit an update or variation of the application to confirm when the OPEP is approved.



3. Offshore Chemicals Regulations 2002

Work-over and intervention operations are essentially maintenance activities carried out further to an already-consented project, i.e. the drilling of the well, and are not covered by the EIA Regulations. However, the nature of the operations means that virtually all work-overs and interventions have to be the subject of an application for a Chemical Permit.

Applications for Chemical Permits (PON15Ds and PON15Fs)

Where it is necessary to obtain a Chemical Permit for work-over or intervention operations, there is currently a requirement to confirm whether the proposed operation is covered by an approved OPEP, or a current OPEP application

Future applications for Chemical Permits for work-over and intervention operations on production wells should additionally include an expanded section dealing with accidental events, summarising the mitigation measures in place to prevent any release of hydrocarbons and the worst-case release scenarios that have been identified in the OPEP, as well as confirming that potential environmental impacts associated with those scenarios have been assessed as part of the OPEP process and referencing the relevant documents. Where approval of the OPEP is still outstanding at the time of the application for a Chemical Permit, it will also be necessary to submit an update or variation of the application to confirm when the OPEP is approved.

The purpose of the above changes is to ensure that all well operations are the subject of a robust OPEP, supported by an appropriate EIA, that will allow operators to respond effectively and efficiently to all identified hydrocarbon release incidents, including the worst-case scenarios. Additional changes may be required in the future, when DECC has reviewed outstanding reports relating to the Macondo incident.

Yours faithfully

A handwritten signature in black ink that reads "Wendy J. Kennedy". The signature is written in a cursive style.

Wendy Kennedy
Head, Offshore Environment and Decommissioning



Appendix 2

Information Relating to Environmental Statements and PON15 Applications

1. All Environmental Submissions for Drilling Operations

Some operators are failing to provide sufficient notice of proposed drilling. It will not always be possible to sign-off all the necessary approvals if the Department does not receive the minimum recommended notice, and a longer period of notice may be required for some wells drilled using Mobile Drilling Units (MoDUs).

Operators are reminded that reliable, consistent and complete information is needed by DECC to develop a preliminary assessment of potential risks. Failure to provide the necessary information will cause delay and may lead to an application being refused.

Issues which may arise in relation to PON15 submissions, although they are also relevant for wells that are the subject of an Environmental Statement, are summarised in the following sections.

2. Naming of wells

The Portal requires applicants applying for a Direction and/or Chemical Permit to include a WONS well number. Operators must use this number for all environmental submissions, not their own well designation. Without the WONS well number the sign-off process is likely to be delayed because it is not clear if the well being applied for is covered by an approved Oil Pollution Emergency Plan (OPEP). The well number provided in environmental submissions should be consistent, and any field or prospect name should be included in the submissions.

3. Multiple Wells

Operators must identify all the relevant wells covered by an OPEP. If there is a three-well programme but only one is identified in the OPEP, it will be assumed that there is an outstanding OPEP submission for the other wells and, in the case of exploration, appraisal and development wells, the Department will not sign-off any of the related environmental applications if the well is not named in the corresponding OPEP. (An exception may be made for the sign-off of the Consent to Locate, if the operator wishes to locate the MoDU pending receipt of the other environmental approvals).

4. Well Type

Operators must correctly name the well type, in Sections C and D of the PON 15 application. If contradictory or incomplete information has been provided this may significantly delay the sign-off. PON15s will be rejected if contradictory or incomplete information is provided and operators required to amend the information.



5. **Hydrocarbon Type**

Operators must identify the anticipated hydrocarbon, i.e. whether it is oil, condensate or gas, or a combination of those hydrocarbons and do so consistently in different sections of the application. If the hydrocarbon type has not been identified, or if inconsistent or contradictory information has been provided in different sections of the application this may significantly delay the sign-off. PON15s will be rejected if the hydrocarbon type is not identified, or if inconsistent or contradictory information is provided and operators required to amend the information.

6. **Hydrocarbon Flow Rates**

For appraisal and development wells, operators must confirm the anticipated flow rates in Section D2 of the PON15 application and must ensure the correct hydrocarbon is identified (see above). Information must be consistent with the flow rates identified in the OPEP and referred to in Section C of the PON15 (see below). PON15s will be rejected if the anticipated flow rates are not provided for appraisal and development wells, or the information provided is not consistent with, or conflicts with, the hydrocarbon type. Operators will also be requested to amend the application if they do not provide an explanation for any inconsistency or conflict with the flow rates identified in the OPEP, or any other regulatory submission, and referred to in Section C of the PON15.

7. **Accidental Events and Modelled Spill Flow Rates**

Operators preparing PON15s are now required not only to make reference to a relevant OPEP but also include a brief summary of the accidental events covered in the relevant OPEP, including details of the worst-case scenarios; the outcome of the modelling; where appropriate, the measures that will be taken to stop the release; and the measures that will be taken to respond to any spill. Operators are also required to include confirmation that they have considered the recommendations included in the various reports into Macondo including the Presidential Commissions reports, the Deepwater Horizon Joint Investigation and company reports (see Appendix 5) where relevant, to confirm that they have taken the relevant recommendations into consideration during the development of their drilling management plans. Additionally operators of specific wells may be required to separately provide additional information answering the relevant Macondo report recommendations as they apply to their proposed operation (see Appendix 4).

Operators should clearly establish the link between worse-case release rates modelled in the OPEP and the flow rates identified in Section D2 of the PON 15 and should provide consistent and compatible information; and should model a worst-case scenario that is relevant to the well being drilled, or explain why a different approach has been taken (for example it may be appropriate to use published flow rates for an exploration well drawn from literature relevant to the locality of the well).

Operators are reminded that copies of both the PON15s and the OPEPs can be obtained upon request to the Department, and that the public have the opportunity to raise questions about the quality of information provided.



8. **Other Risk Factors**

PON15s should also identify any other risk factors that are pertinent to the impact assessment, such as any anticipated abnormal reservoir temperature or pressure (particularly if the reservoir is High Pressure and High Temperature (HP/HT)), whether it is a particularly deep reservoir or whether there are shallow gas deposits in the area, in addition to the detail currently provided in relation to environmental sensitivities, risks and potential impacts. Acknowledging the risks and confirming that appropriate mitigation is in place is likely to speed up, rather than delay, the process, as it avoids seeking confirmation from the applicant or seeking advice from elsewhere.

9. **Spud Dates**

It is appreciated that operators wish to obtain early approval of their submissions, but the provision of speculative and unrealistic spud dates, or spud dates that conflict with other wells or with other operator's use of the same MoDU, serves no useful purpose. It is acknowledged that there may be cases where batch drilling will justify the use of the same spud date for a number of wells, and this should be explained in the application, but in all cases the date provided should be realistic, and should be updated to reflect any delays to allow the Department to effectively prioritise workload and ensure that approvals are issued to meet the operator's requirements. Operators should also notify the Department as soon as possible (via emt@decc.gsi.gov.uk) following commencement and completion of every well, as this will enable the Department to plan its inspections and prepare for the sign-off of the next well.

10. **Quality Control Checks**

The Department must receive reliable, consistent and complete submissions. Submissions must be received with sufficient notice to complete the determinations to meet the operators' requirements. Operators must carry out their own quality control checks. Poor quality submissions will inevitably lead to a delay in the approval process and may lead to a consent being refused.



Appendix 3

Information Relating to Oil Pollution Emergency Plan Applications

This appendix provides additional information and clarification in relation to the preparation of Oil Pollution Emergency Plans (OPEPs) to meet the requirements of the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations (OPRC) 1998 and the Offshore Installations (Emergency Pollution Control) Regulations (EPC) 2002, and to supplement the DECC Guidance Notes to Operators of UK Offshore Oil and Gas Installations (OPEP Guidance).

1. Overall Operational Response Function and Scope of OPEP

- Operators are responsible for, and must be able to respond to, pollution incidents relating to their installations or infrastructure. The OPEP Guidance requires operators to produce an OPEP which is a fit-for-purpose, operational document that sets out clear procedures for responding to offshore oil pollution incidents in an effective and efficient manner, and in co-ordination with the UK's National Contingency Plan.
- The scope of an OPEP will cover many different activities and functions. When developing an OPEP, a multi-disciplinary team approach should be used to capture operational and response requirements. Team members may include, but not be limited to, senior management, offshore and onshore operational personnel (including relevant contractors), offshore and onshore response personnel (including relevant contractors), HS and E advisors, insurance advisors etc.
- If contractors or environmental consultants are employed to develop and write an OPEP then information must be provided and reviewed by appropriate operator staff, to ensure that a robust and fit-for-purpose OPEP is produced. The final OPEP must be reviewed by senior operator staff involved in the activity, before it is submitted to the Department for consideration.

2. Quality Control Checks

- Operators can informally approach the Department to seek regulatory guidance on the development of an OPEP, but once the final draft is submitted to the Department it will be listed on the DECC Oil & Gas website and copies will be released to enquirers upon request.
- OPEPs, and all other regulatory submissions, should be subject to quality control checks by the operator, to ensure the content is accurate and that the OPEP is relevant to the installation, the proposed operations, the environmental sensitivities and the response arrangements. It is unacceptable to provide submissions that have not been subject to a quality control check, and poor quality submissions will inevitably lead to a delay in approval. If a submission is of such poor quality that it is rejected, any re-submission may be subject to a further two month review period. Poor quality submissions will inevitably lead to a delay in the approval process and may lead to a consent being refused.



- Operators must ensure that relevant information within separate environmental submissions relating to the same development and/or operation are consistent, e.g. a worst-case well blow-out flow rate should be consistent, as should well names and numbers, infrastructure details etc.
- Where applicable, information within different sections of an environmental submission must also be consistent.
- OPEPs should be produced on a case-by-case basis, taking account of the particular circumstances, operations and arrangements associated with the installation and proposed activity. Some information may overlap between OPEPs, but it is unacceptable to cut and paste information between OPEPs if the information is not relevant or specific to the proposed activity. This can lead to errors when responding to incidents or to operators taking responsibility for actions and procedures that do not reflect their operations.
- If abbreviations are used in the OPEP, there should be a glossary of abbreviations included within it.
- When figures or tables are included, they should be legible, intelligible and clearly titled. Where appropriate, figures should clearly identify all the infrastructure covered by the scope of the OPEP

3. Comments on Applications

- OPEPs are reviewed and assessed by the Department on a case-by-case basis, taking account of the particular circumstances, operations, response arrangements and potential environmental impacts. The Department's comments will therefore be specific to each application. However, the Department may provide advice, comments, guidance clarification or policy clarification of relevance to the preparation of future OPEPs or those currently undergoing review. Operators should have systems and procedures in place to ensure that there is effective dissemination of this information.
- Comments on regulatory submissions provided by the Department must be addressed by the operator. It is unacceptable to ignore comments, or to re-submit applications when comments have not been addressed, either will inevitably delay the application assessment process. If there are reasons for not addressing any comments, these should be provided in correspondence covering the re-submission, or in discussions with DECC as soon as possible.
- Operators should ensure that they fully understand the comments being made before re-submitting an OPEP, rather than re-submitting an OPEP based on assumptions or that only partially addresses any comments. Any dialogue in relation to the Department's comments on OPEP submissions should be submitted by e-mail to offshore.inspectorate@decc.gov.uk .



4. Categories of Installations / Infrastructure Requiring an OPEP

- All installations, infrastructure and activities that could give rise to an oil pollution event on the UKCS must be covered by an OPEP. Details are provided in the DECC guidance (Section 3), and the requirement applies to fixed and floating installations, including MoDUs; gas, condensate and oil pipelines; and subsea facilities, including any connected third party infrastructure that is not the subject of a separate OPEP. If there is any doubt as to whether an OPEP is required, operators should contact the Department's Offshore Environmental Inspectorate.
- The facilities and activities covered by the OPEP must be clearly stated in the submission, and be consistent throughout the document. A schematic of the infrastructure should be used, with back-up data in a table format.
- DECC guidance details specific requirements for OPEPs relating to exploration, appraisal and development wells drilled from fixed installations and MoDUs.

5. Worst-Case Scenario and Well Specific Data

- OPEPs must identify and provide a response strategy for worst-case scenarios, as detailed in the DECC guidance and subject to the additional information provided in the DECC letter to industry dated Thursday 23 December 2010.
- The worst-case scenario should be directly related to the particular circumstances of the installation and proposed activities, and should be consistent with the information used by other departments, e.g. well engineering.
- Worst-case scenarios should be developed using appropriate and relevant information associated with the infrastructure and the reservoir. For example, if operators are drilling a gas well and no oil or condensate is expected, this should be reflected in the OPEP; or if there is insufficient reservoir pressure for a well to flow unaided, or the predicted flow rate will reduce over the period of any release, this should also be reflected in the OPEP. These factors must be clearly stated, as they may significantly affect the pollution response strategy and any potential environmental impact in the event of an incident.
- If there are reservoir characteristics that could impact on the response operation, such as High Pressure and High Temperature (HP/HT) conditions this information must be included within the OPEP to accompany the installation and operation details.
- For all operations relating to exploration, appraisal and development wells (i.e. drilling, well interventions, work-overs and abandonments) the worst-case scenario will be the quantity of reservoir hydrocarbons that could potentially be released if all containment barriers failed, i.e. a well blow-out with total loss of containment.



- If an OPEP covers a number of wells, details of every well must be included. For example, if there is a three-well drilling programme, all three must be identified in the submission. If only one of the wells is identified in the OPEP, the Department will assume that there is an outstanding OPEP submission for the other two wells, even if the OPEP mentions a three-well drilling programme, and this will inevitably affect the sign-off of related environmental submissions.
- If an OPEP covers a number of wells, the highest flow rate well should be used to identify the worst-case scenario, and this should be explained in the OPEP and all other related environmental submissions, particularly if it conflicts with information provided in relation to other wells.
- Although the OPEP must address the worst-case scenarios, for release of both reservoir hydrocarbons and stored fuels, operators are reminded that comparatively small releases of certain types of oil or releases in sensitive areas, or releases in certain conditions, may have the potential to result in a significant environmental impact and may therefore require a substantial response.

6. Oil Spill Counter Pollution Response

- OPEPs should only include available response resources. Any that are not immediately available to the operator, such as a capping device or a MoDU to drill a relief well, but that can be accessed if required, should be clearly identified and a timescale provided for provision of the relevant resources.

7. Dispersants

- Operators must satisfy themselves that the reservoir hydrocarbons are likely to be amenable to dispersant treatment, if this is identified as a component of the response strategy. Where prior testing of dispersant efficacy is possible, it should be undertaken in accordance with the Marine Management Organisation (MMO) guidance.
- If dispersant use is identified as a Tier 1 response, the OPEP should confirm the type and quantity of dispersant held onboard the stand-by vessel. If the type of dispersant is critical because of the nature of the reservoir hydrocarbons, this will make it easier to locate stocks from elsewhere should the standby vessel be relocated or the stocks need to be replenished. If the stand-by vessel is changed, provision must be made to maintain the dispersant response capability detailed in the OPEP.

8. Capping Devices

- If the use of a capping device is identified as a potential control option, operators must have suitable arrangements in place to implement such a response.



- The capping device must be suitable for the subject well, i.e. it can be deployed to attach to the well structure and can be used under the expected well pressure. This should be confirmed within the OPEP.
- The source of the capping device must be confirmed, including details of the nature of any contractual arrangement in place and relevant contractor contact details. The OPEP should also include details of the operator contacts responsible for securing the capping device and for making all the necessary arrangements for its deployment in the event of an incident.
- The OPEP should provide a clear breakdown of the anticipated timetable to: source the equipment; transport the equipment to the well site; assemble; test; deploy and stop the flow from the well. This will allow OPEP users to predict response times and potential impacts during any incident response.
- Operators and their contractors may have specific source control plans relating to the use of capping devices. These plans should be referenced in the OPEP.

9. Relief Wells

- If drilling a relief well is identified as a potential control option, operators must provide details of their plans to initiate the management of such an operation, including details of the operator contacts responsible for initiating the relief well plan, and contact details of any contractor involved in the operation. Where relevant, confirmation should be provided of any communication or contracts with third party companies in relation to the provision of the necessary equipment and/or personnel.
- The Department does not require the operator to have a contract in place for the provision of a MoDU to drill a relief well, but there should be arrangements in place to source a MoDU, if one is required. Again confirmation should be provided of any communication with relevant third party contractors to ensure that response personnel know what resources may be available and how to go about accessing those resources in the event of an incident.
- The OPEP should include details of any specific type of MoDU required to drill the relief well, and details of any MoDUs that have been identified for potential use in the event of an incident.
- The OPEP should provide a clear breakdown of the timetable to source a MoDU (including provision for suspension of any current operations), to relocate the MoDU to the relief well site, and to drill the relief well and kill the well.

10. Modelling

- Modelling should be carried out for the worst-case release scenarios, as described in DECC guidance and clarified in the DECC letter to industry dated Thursday 23 December 2010, to determine the likely areas and extent of the potential impact, including beaching locations and the potential for spills to cross any median line.



- For pipeline releases, the worst-case estimate should be based on the total volume of hydrocarbons present in the isolated pipeline, and in the case of export pipelines the modelling must be based on three potential release locations in order to identify changes in the predicted impact:

- at the final exporting installation;
- mid-way to shore; and
- near-shore. The near-shore modelling should be carried out as close to the shoreline as the model will allow.

11. Well Flow Rates

- The worst-case scenario well flow-rate should be specific to the well that is the subject of the OPEP or OPEP Addendum, and be based on information relating to the particular reservoir. The well flow rate should be provided in cubic metres per day or hour, and the units clearly stated.

- The predicted total loss of hydrocarbons during the period covered by the modelling, and during the estimated time taken to stop the release, should also be clearly stated.

- The well flow rate identified in the OPEP should be consistent with information included in the PON15 and any other regulatory submissions, or the discrepancy should be explained.

12. Socio-economic Impacts

Any significant socio-economic impacts that could have a bearing on the response strategy should be summarised in the OPEP. For example, in certain areas it may be important to ensure that fishermen and fish farmers are regularly advised on the location and direction of a slick, or it may be important to avoid using dispersants in areas where there would be a possibility of contaminating harvested or farmed shellfish stocks. It could also be desirable to take action to prevent oil coming ashore in areas with a high amenity value. It is not necessary to try to quantify the economic impact, but any significant potential impacts should be identified and clearly linked to the response strategy.

13. Environmentally Sensitive Areas

- Where required, a Shoreline Protection Plan must be produced and submitted to DECC in accordance with DECC guidance.

- Where a shoreline protection plan is required, the relevant local authorities, nature conservation authorities etc should be contacted to ensure that appropriate and up-to-date environmental information is included in the plan.

- Details of other environmental sensitivities that could be impacted by a release should be obtained from the relevant regulatory authorities, e.g. the MMO or Devolved Authority and bodies



such as the Environment Agency and the Scottish Environment Protection Agency, and the relevant nature conservation authorities, e.g. JNCC, Natural England, Scottish Natural Heritage etc.

14. Areas of Potential Impact Outwith UK Waters

- Where the modelling indicates that a hydrocarbon release could impact areas outwith UK waters, the OPEP should provide details of where the operator would intend to obtain access to relevant information to assess the potential environmental and socio-economic impacts, including reference to any communication with the relevant states. Where relevant, reference should also be made to international response agreements, such as the Norbrit Agreement.

15. SOPEP/OPEP Status

- Operators and MoDU owners should note that a Shipboard Oil Pollution Emergency Plan (SOPEP) covers floating production facilities and MoDUs when they are in transit, but are not relevant once the vessels are engaged in oil and gas activities authorised by the Department. When undertaking such oil and gas activities, an approved OPEP must be in place before the activities commence.

16. OCU Location Approval

- The proposed location of the SOSREP Operations Control Unit (OCU) must be detailed within the OPEP.
- Only one OCU location should be identified within an OPEP, as the SOSREP and his team require clear instructions about where to convene in the event of an incident. If an operator considers it necessary to include alternative locations, prior discussion must take place with the Department and approval sought.
- If an operator wishes to relocate the OCU, or amend the facilities provided once an OPEP is submitted for approval, they must contact the Department's Offshore Environmental Inspectorate at the earliest opportunity. If the proposals are acceptable, the operator will be required to submit an update of the OPEP to meet the requirements of the EPC approval process.

17. Operator Representation at the OCU

- Provision for an Emergency Operations Manager (EOM) and the Operator's Representative (or Representatives) to attend the OCU must be identified in the OPEP. Details of the staff positions and, only if relevant, the names of the personnel, should be included. It is insufficient to state "a senior member of the company or similar will undertake the role". The designated positions or personnel must be sufficiently senior to make decisions on behalf of the company, and the same person cannot fulfil the two roles within an active OCU.
- For certain operations, such as drilling undertaken using a MoDU, the response arrangements may necessitate that the EOM and an Operator's Representative (or



Representatives) are employees of the MoDU drilling contractor, this must be clearly stated in the OPEP.

- The EOM and the Operator's Representative (or Representatives), and other relevant response personnel, must be suitably, as per DECC Guidance, trained and aware of the expectations and requirements when participating in or supporting the OCU.

18. Training and Exercise Requirements

- Details of the operator's training and exercise commitments must be included in the OPEP, highlighting the levels of training required for response personnel and refresher course intervals, and the frequency and scope of OPEP exercises.
- The exercise requirements will be specific to the OPEP in question, and previous exercises in relation to other OPEPs will not be taken into consideration. This will be particularly relevant in the case of MoDU operations, where the exercise schedule will relate to specific OPEPs and wells.
- Operators must have systems and procedures in place to ensure that appropriate training is provided and maintained, and that the required exercises are completed.

19. Consultation Process

- All OPEPs must be submitted to the Department for review in a ring bound hard copy (for review) and in an electronic format (by e-mail to offshore.inspectorate@decc.gsi.gov.uk or on a CD), so that copies can be provided in response to requests from the general public. Once finalised, the Controlled Copy must again be submitted as a hard copy and in electronic format (by e-mail or on a CD).
- The review copy should be sent to the MCA by e-mail, to meor.meor@mcga.gov.uk, and the Controlled Copy should be sent to the MRCC station nearest to the proposed locations of the operations, preferably on a CD, or as a hard copy, as the local stations cannot accept Controlled Copies via e-mail.
- Both the review copy and the Controlled Copy should be sent by e-mail to the JNCC (jnccadvice@jncc.gov.uk), the MMO (English and Welsh waters) (dispersants@marinemanagement.org.uk), and Marine Scotland (Scottish waters) (spillresponse@marlab.ac.uk and spillresponse@scotland.gsi.gov.uk). If transmission isn't possible because of the document size, copies should be provided on a CD.
- Where the DECC guidance indicates that additional consultees are appropriate, operators should contact the relevant bodies, e.g. local authorities, to ensure that the OPEP takes account of any local sensitivities or arrangements. Details of any consultation with bodies other than the MCA, JNCC and the MMO/ Devolved Authorities should be included in the OPEP submission.



- All bodies involved in the formal review process should be advised to forward their comments to the Department, so that the comments can be taken into consideration during the Department's review.

20. Review, Approval and Maintenance Processes

- New regulatory OPEP submission requirement: The Department has prepared a submission cover sheet that must be completed and submitted to accompany the OPEP review copy. The cover sheet provides basic information on the scope of the submission and will be used by the Department to assess any additional requirements prior to sign-off, including any inspection requirements. The cover sheet can be found at the attached link <https://www.org.decc.gov.uk/environment/msr1998.htm>
- OPEPs are subject to a two-month consultation period, but it may be necessary to take comments from consultees or members of the public into account and/or to undertake a pre-operation inspection before the activity can be approved. Operators should, therefore, submit review copies at least two months before the proposed activity commencement date, and are encouraged to submit as early as possible.
- OPEPs are "living documents" and should be reviewed on a regular basis to ensure they remain current and applicable to operations, and where applicable will need to be updated to take account of any changes relating to the operator, the infrastructure or the response arrangements. If the changes are significant, such as a change of operator or the addition of a new activity, the revised OPEP will normally be subject to a two-month consultation period prior to any acceptance of the changes. If the changes relate to the strengthening of the response arrangements, it is unlikely that they would be considered as significant, and lengthy consultation may be unnecessary, however, the Department may still wish to comment on the changes and enter into a dialogue with the operator or specific consultees.
- In addition to the operator reviews, all OPEPs are subject to a formal review that is undertaken at least every five years after the initial date of submission. If the operator is still carrying out operations covered by the OPEP, it should be revised to take account of any new or amended guidance and re-submitted to the Department and the relevant consultees at least two-months prior to the date of "expiry" of the OPEP. Although the OPEP must be reviewed every five years, operators can submit a the revised document for formal review at any time.
- Operators must take full account of the Regulations, the DECC guidance and best practice when developing, updating or revising their OPEP.
- Once an updated or revised OPEP is approved, the amendments or revised submissions must be forwarded to all Controlled Copy holders in a timely manner.

Operators are reminded that the Department and other Controlled Copy holders must be advised if there is a cessation of operations and the OPEP is no longer required. This allows them to dispose of OPEPs, and prevents unnecessary auditing of completed operations.



Appendix 4

Information Relating to Pre-spud Regulatory Review Meetings and/or Inspections

The Department e-mailed operators on Friday 27 May 2011 indicating that, subsequent to the DECC letter of Thursday 23 December 2010, it had become increasingly clear that the implications of the changes introduced had not been fully appreciated by some operators as there was evidence of some not allowing sufficient time for all the necessary regulatory processes to be completed to prevent unnecessary delays.

This appendix does not introduce any new requirements, but it provides further information in relation to the Department's procedures underpinning the environmental consenting requirements.

Operators should be aware that DECC may require additional information to provide the necessary level of assurance that:

- all necessary measures have been taken to manage the activities, the environmental aspects, and compliance with the environmental regulations and related approvals;
- actions have been taken to mitigate the risk of environmental incidents; and
- sufficient pollution control and response arrangements are in place in the event of an incident.

Activities are assessed on a case-by-case basis, and additional assurances will normally be required prior to the regulatory approval of drilling activities that fall into the following categories:

- New operator and/or drilling contractor and/or MoDU on the UKCS; and/or
- Oil/condensate exploration, appraisal and development wells to be drilled that are:
 - Deepwater (>300 metres water depth); and/or
 - West of Shetland or in the Moray Firth; and/or
 - High Pressure/High Temperature.

Activities qualifying for one or more of the above categories may be subject to all, or a combination of specific elements, of, the following:

- Confirmation of the status of the operators Environmental Management System (EMS) to demonstrate that it has been independently verified in accordance with OSPAR and DECC requirements. This may also include a review of any actions being progressed to demonstrate implementation of the EMS and/or to strengthen environmental management.
- Proof that OPOL membership covers the proposed activity, and confirmation that insurance indemnity provision includes the following:

operations to stop or control the release of hydrocarbons in the event of a well blow-out, such as the deployment of a capping device and the drilling of a relief well;

- clean-up costs associated with any spill, including a worst-case spill; and



- Remediation of pollution damage including liability to third parties. To provide the necessary confirmation of insurance indemnity provision, it will normally be necessary to provide a copy of the insurance policy, together with a summary of the level of insurance cover and an explanation of the process undertaken to determine the type of risks and the level required to cover them.
- Confirmation of specific aspects of the planned or current activities, particularly in relation to timings, working methods, and roles and responsibilities.
- Confirmation of the procedures and arrangements in place to conduct the activities in accordance with the management systems. This may include the management of contractors and interface documents, clarification of respective roles and responsibilities, details of management of change procedures, clarification of training and competency levels, and a review of audits undertaken by the operator or their contractors to demonstrate assurance of provisions in place.
- Confirmation of any planned or completed tests undertaken on environmentally critical equipment, to ensure integrity and proper functioning, particularly in relation to the prevention and/or response to incidents with the potential to have a significant impact on the environment. This may include the planned testing programme for the BOP or relate to the provision of suitably certified ROV or other intervention capabilities in the event of an incident.
- If applicable, confirmation of the progression or close-out of relevant actions requested during any previous DECC environmental inspections or in communications with the operator or drilling contractor. Confirmation, usually in the form of a written statement, that the operator has considered and taken into account the recommendations from the various reports into Macondo (& Montara) that are relevant to the planned activity – a non-exhaustive list as of Wednesday 13 July 2011 is attached at Appendix 5.
- Confirmation of planned or completed actions to satisfy the commitments detailed in any regulatory submission, e.g. the Environmental Statement, PON15, OPPC application, OPEP application etc.
- Participation in an operator onshore desktop emergency response exercise.

Following receipt of the environmental submissions, the Department will undertake an internal review to determine whether all or any of the elements listed above are required. If there is any requirement, the Department will provide the operator with details of the relevant elements, and advise on the action required. Depending upon the activities and the circumstances, and the nature of the request, the Department may require one or more of the following:

- Pre- or post approval review of written submissions.
- Pre-approval onshore regulatory review meeting with the operator and relevant contractors, which may take place at the operator's or the Department's premises.
- Offshore pre-spud inspection. The well approval sign-off will be delayed until any significant issues identified during the inspection have been satisfactorily addressed.
- Offshore inspection during drilling operations, but before drilling reaches a hydrocarbon bearing reservoir.
- Offshore inspection during drilling operations within a hydrocarbon bearing reservoir, or during subsequent operations such as well testing.



Operators are advised to take the potential requirements detailed above into consideration when preparing environmental applications, to ensure that they are submitted well in advance of the proposed spud dates to prevent any unnecessary delays.

Published Macondo and Montara Reports – as of 13th July 2011

Doc Ref	Source	Author	Title	Date	URL
<i>Salazar, 27 May 2010</i>	US Department of the Interior	Salazar	Increased safety measures for energy development on the outer continental shelf	27-May-10	http://www.doi.gov/deepwaterhorizon/loader.cfm?csModule=security/getfile&PageID=33598
<i>OCSOB - Report – 1 Sep 2010</i>	US Department of the Interior	Wilma A Lewis	Outer Continental Shelf Safety Oversight Board - Report to Secretary of the Interior Ken Salazar	01-Sep-10	http://www.doi.gov/news/pressreleases/loader.cfm?csModule=security/getfile&PageID=43677
<i>BP Investigation – 8 Sep 2010</i>	BP	BP	Deepwater Horizon - Accident Investigation report	08-Sep-10	http://www.bp.com/liveassets/bp_internet/globalbp/globalbp_uk_english/incident_response/STAGING/local_assets/downloads_pdfs/Deepwater_Horizon_Accident_Investigation_Report.pdf
<i>Montara report</i>	Australian Government	Australian Govt.	Montara Commission of Inquiry Report - Australian Government Response	24-Nov-10	www.ret.gov.au/montarainquiryresponse
<i>Energy Select Committee</i>	House of Commons Energy and Climate Change Committee	Tim Yeo, MP	UK Deepwater Drilling— Implications of the Gulf of Mexico Oil Spill	06-Jan-11	http://www.publications.parliament.uk/pa/cm201011/cmselect/cmenergy/450/45002.htm
<i>Commission on BP DWH Oil Spill</i>	National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling	Senator Bob Graham and William K Reilley	Recommendations of the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling (Presidential Report)	11-Jan-11	http://www.oilspillcommission.gov/
<i>Commission on BP DWH Spill</i>	National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling	Chief Counsel	Macondo – Chief Counsel's Report 2011	17-Feb-11	http://www.oilspillcommission.gov/

DNV	US Department of the Interior	DNV	Final Report for US Dept of Interior – Forensic examination of the Deepwater Horizon BoP	20-Mar- 11	http://www.deepwaterinvestigation.com/external/content/document/3043/1047291/1/DNV%20Report%20EP030842%20for%20BOEMRE%20Volume%20I.pdf
<i>Joint Investigation Team- Preliminary Reports.</i>	Deepwater Horizon Joint Investigation Team releases preliminary report. <i>NOTE: The findings of the Coast Guard team members will be included as part of the final JIT investigative report, which is expected to be released no later than July 27, 2011</i>	US Coastguard	Report of Investigation into the Circumstances Surrounding the Explosion, Fire, Sinking and Loss of Eleven Crew Members Aboard the Deepwater Horizon.	11-Apr-11	http://homeport.uscg.mil/cgi-bin/st/portal/uscg_docs/MyCG/Editorial/20110422/FINAL%20REDACTED%20VERSION%20DWH.pdf?id=334b0c7003b7436a044d6b22764b603cd133d42b
<i>Transocean</i>	Transocean Investigation	Transocean	Transocean Investigation Report	June 2011	http://www.deepwater.com/fw/main/Public-Report-1076.html

2011/0

ANNEX O

By Email



20 September 2011

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Dear Sir/Madam

Clarification of Recent Guidance Relating to Drilling Activities

We wrote to you on Thursday 21 July 2011 outlining changes to the UK environmental regime following the Macondo incident in the Gulf of Mexico and provided further information and clarification to the review of environmental submissions. Since then, as we have reviewed applications, it has become apparent that the advice provided in Appendix 4 (attached) of that letter has still not been fully understood by some.

The purpose of this letter is to further clarify and restate the advice to Operators (and their contractors) with regard to the requirements detailed within Appendix 4 viz. "Information Relating to Pre-Spud Regulatory Review Meeting and/or Inspections".

You will wish to be aware that failure to be able to demonstrate any of the points detailed below ahead of the offshore drilling activities, may prevent, or result in delays to, the issuing of consents and permits until the Department is satisfied that they have been addressed.

Furthermore, as advised in the e-mail of Friday 27 May 2011, if you have a target date for the desired start of operations it is essential that you allow sufficient time beforehand for all the necessary regulatory processes to be completed otherwise there is the possibility that delays will occur. This has occurred in some instances to date.

For drilling activities categorised within Appendix 4 you are advised to contact your Environmental Inspector ahead of applying for permits to discuss the likely requirements for inspection. The timing of this contact should be sufficiently ahead of activities to ensure you have time to accommodate any changes to your proposed activities and requirements for pre-permitting inspection.

**Environmental Management System (EMS)**

As a licensed operator you are required to be able to demonstrate that you have an independently verified EMS, in accordance with OSPAR recommendation 2003/5 and the Department's associated requirements, and this must be confirmed during the environmental approvals process.

Where contractors (including sub-contractors) are employed to carry out operations on your behalf it is recommended that they also operate an EMS that is compatible with a recognised standard. It should be detailed within any relevant management/contractor interface document how the licensed operator's EMS interfaces with the contractor's EMS. Where any contractor with involvement in operations for which a permit is required has no existing EMS, you, as the operator, must be able to explain and demonstrate how your EMS will be implemented during the proposed operations and what actions you intend to undertake to ensure compliance and implementation of your EMS during the proposed operations.

Environmentally Critical Equipment (ECE)

Operators of drilling and production installations are expected to ensure that ECE has been identified and is included within their Maintenance Management Systems (MMS). Planned maintenance of ECE should be current to ensure integrity and/or proper functioning. You should be prepared to demonstrate that ECE has been identified on your chosen rig.

Operational Procedures

You should ensure that the procedures and arrangements in place to conduct operational activities are developed, and that the review process involves personnel with the technical expertise to ensure that they are correct, can be clearly understood and are implemented.

A clearly identified control and review process should be in place. Where appropriate, for example for safety/environmentally critical tasks, complex tasks and/or tasks rarely undertaken, procedures should give step-by-step instructions and related information to help carry out the tasks safely and to prevent/minimise any environmental impact. Procedures should be, where required, specific to the equipment on board the installation. Operators and / or contractors and sub-contractors should have systems in place to ensure that procedures are kept current and are followed by personnel undertaking the tasks.

Operation Specific Activities

Where operation specific activities are undertaken which have the potential for an environmental impact, e.g. well testing, operators and their contractors and sub-contractors must provide detailed descriptions of the activities to be undertaken in the relevant permit application processes. In addition, in any meeting with the Environmental Inspectorate, operators must be able to inform the Department what procedures/systems are in place with regard to preventing a significant environmental impact as a result of the planned operation.



Internal and External Audits:

The Department will require details of any audits (both internal and external) which have been undertaken by the operator or contractors and sub-contractors to provide assurance that systems and procedures are robust to manage MODU and drilling operations in order to prevent environmental incidents. A summary of any key audit findings and an outline of how audit findings are recorded, tracked and closed out will be required. Details of the frequency and scope of future audits planned during the planned operations will also be required.

Competency and Training

Operators and their contractors and sub-contractors will be required to demonstrate to the Department those procedures by which they can assure of the competency and training of personnel contracted to conduct the well operations. Operators and key contractors and sub-contractors will be required to demonstrate that there are standards set for competency at all levels which are job specific, that there is appropriate assessment of the training and that training is proportionate to the hazards and risks concerned.

Prior to commencement of operations, the Department would expect that discussions will have been held with all contractors and major sub-contractors to ensure that they are fully aware of specific roles and responsibilities and of your expectations for the proposed operation.

Where relevant systems are not currently in place as required above, operators and/or third party contractors will be required to have a detailed time resourced plan, and means to implement it, in place to demonstrate how they intend to achieve these requirements. The Department may not issue permits until satisfied that such systems are in place.

Yours faithfully

A handwritten signature in black ink that reads "Wendy J. Kennedy". The signature is written in a cursive style with a large, sweeping flourish at the end.

Wendy J Kennedy

Head, Offshore Environment and Decommissioning



Appendix 4

Information Relating to Pre-spud Regulatory Review Meetings and/or Inspections

The Department e-mailed operators on 27th May 2011 indicating that, subsequent to the DECC letter of 23rd December 2010, it had become increasingly clear that the implications of the changes introduced had not been fully appreciated by some operators as there was evidence of some not allowing sufficient time for all the necessary regulatory processes to be completed to prevent unnecessary delays.

This appendix does not introduce any new requirements, but it provides further information in relation to the Department's procedures underpinning the environmental consenting requirements.

Operators should be aware that DECC may require additional information to provide the necessary level of assurance that:

- all necessary measures have been taken to manage the activities, the environmental aspects, and compliance with the environmental regulations and related approvals;
- actions have been taken to mitigate the risk of environmental incidents; and
- sufficient pollution control and response arrangements are in place in the event of an incident.

Activities are assessed on a case-by-case basis, and additional assurances will normally be required prior to the regulatory approval of drilling activities that fall into the following categories:

- New operator and/or drilling contractor and/or MoDU on the UKCS; and/or
- Oil/condensate exploration, appraisal and development wells to be drilled that are:
 - Deepwater (>300 metres water depth); and/or
 - West of Shetland or in the Moray Firth; and/or
 - High Pressure/High Temperature.

Activities qualifying for one or more of the above categories may be subject to all, or a combination of specific elements, of, the following:

- Confirmation of the status of the operators Environmental Management System (EMS) to demonstrate that it has been independently verified in accordance with OSPAR and DECC requirements. This may also include a review of any actions being progressed to demonstrate implementation of the EMS and/or to strengthen environmental management.
- Proof that OPOL membership covers the proposed activity, and confirmation that insurance indemnity provision includes the following:



- operations to stop or control the release of hydrocarbons in the event of a well blow-out, such as the deployment of a capping device and the drilling of a relief well;
 - clean-up costs associated with any spill, including a worst-case spill; and;
 - Remediation of pollution damage including liability to third parties. To provide the necessary confirmation of insurance indemnity provision, it will normally be necessary to provide a copy of the insurance policy, together with a summary of the level of insurance cover and an explanation of the process undertaken to determine the type of risks and the level required to cover them.
- Confirmation of specific aspects of the planned or current activities, particularly in relation to timings, working methods, and roles and responsibilities.
 - Confirmation of the procedures and arrangements in place to conduct the activities in accordance with the management systems. This may include the management of contractors and interface documents, clarification of respective roles and responsibilities, details of management of change procedures, clarification of training and competency levels, and a review of audits undertaken by the operator or their contractors to demonstrate assurance of provisions in place.
 - Confirmation of any planned or completed tests undertaken on environmentally critical equipment, to ensure integrity and proper functioning, particularly in relation to the prevention and/or response to incidents with the potential to have a significant impact on the environment. This may include the planned testing programme for the BOP or relate to the provision of suitably certified ROV or other intervention capabilities in the event of an incident.
 - If applicable, confirmation of the progression or close-out of relevant actions requested during any previous DECC environmental inspections or in communications with the operator or drilling contractor. Confirmation, usually in the form of a written statement, that the operator has considered and taken into account the recommendations from the various reports into Macondo (& Montara) that are relevant to the planned activity – a non-exhaustive list as of 13th July 2011 is attached at Appendix 5.
 - Confirmation of planned or completed actions to satisfy the commitments detailed in any regulatory submission, e.g. the Environmental Statement, PON15, OPPC application, OPEP application etc.
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INDEX

A Single Subject ES	8
Annex I Habitat or Annex II Species.....	36
Baseline environmental surveys.....	35
Change of Operator - ES Implications	15
Change of Operator - PON15 Implications	52
Consideration of Alternatives	26
Content and structure of the ES.....	12
Criteria for Activities Requiring an ES or PON15.....	5
Decommissioning	60
Decommissioning surveys	36
Deposits in relation to pipelay.....	49
Development Wells	7
Direction under Regulation 6(1) & 6(2)	60
Environmental Commitments.....	26
Extended Well test (EWT)	44
Formal consultation with The Environmental Authorities.....	18
Formal consultation with The Public	18
Guidelines for Exploration, Appraisal and Development Wells	6
Intelligent Surveying	37
Multiple Fields in same geographical area.....	8
Multiple Wells	7
Offshore Chemicals Regulations 2002 (OCR)	28
OPEP	28
OPPC Regulations 2005.....	30

OSPAR Recommendation 2001/01	33
OSPAR Recommendation 2003/05.....	32
Petroleum Operations Notice 16 (PON16)	21
PON 15 – Consultation Period.....	53
PON 15 – Where Decisions Advertised.....	54
PON15C.....	48
PON15D.....	49
PON15E.....	50
PON15F	51
PPC Regulations 2001	31
Production Figures	26
Review Period.....	22
Rig Stabilisation	46
Scoping.....	17
Sidetracks.....	46
Site specific surveys.....	36
Skeletal PON15.....	14
UK Oil Portal System	57
Validity of an ES	14
Validity of an PON15	14
Vertical Seismic Profile.....	46
Well Bore Clean up.....	44
Well Tests	44
Letter to Industry 23 December 2010.....	111
Letter to Industry 21 July 2011	116

2011/0

Letter to Industry 20 September 2011.....	140
Increase in Production	15 & 49