

By Email

Department of Energy & Climate Change

Atholl House

86-88 Guild Street,

ABERDEEN, AB11 6AR

T: 01224 254092

F: 01224 254019

E: wendy.kennedy@decc.gsi.gov.uk

www.decc.gov.uk

Your ref:

Our ref:

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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

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 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.

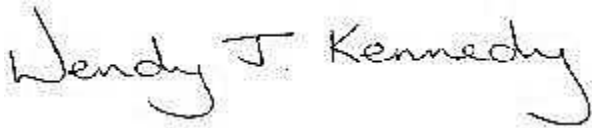
Applications for Chemical Permits (PON15Ds and PON15Fs)

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".

Wendy Kennedy
Head, Offshore Environment and Decommissioning