



Oil & Gas
Authority

Habitats Regulations Assessment 14th Onshore Oil and Gas Licensing Round

Consultation on proposed assessment

URN: 15D/401 18th August 2015

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General information

Purpose of this consultation:

This consultation seeks comments on the Oil & Gas Authority's (strategic plan-level Habitats Regulations Assessment (HRA) of blocks taken forward for consideration of award in 14th Onshore Oil and Gas Licensing Round. The Oil & Gas Authority is an Executive Agency of the Department of Energy and Climate Change (DECC).

Issued: 18th August 2015

Respond by: 29th September 2015

Enquiries to:

Consultation on Habitats Regulations Assessments of 14th Onshore Oil and Gas Licensing Round
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Consultation reference: URN **15D/401** – Habitats Regulations Assessments of 14th Onshore Oil and Gas Licensing Round

Territorial extent:

England and Wales only

How to respond:

Your response will most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

Where possible, responses should be sent electronically to the online consultation response facility which is accessible from the consultation home page.

Alternatively you may email the address above. Hardcopy responses sent to the postal address above will also be accepted.

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If you want information that you provide to be treated as confidential please say so clearly in writing when you send your response to the consultation. It would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded by us as a confidentiality request.

We will summarise all responses and place this summary on the [GOV.UK website](#). This summary will include a list of names or organisations that responded but not people's personal names, addresses or other contact details.

Quality assurance:

This consultation has been carried out in accordance with the [Government's Consultation Principles](#).

If you have any complaints about the consultation process (as opposed to comments about the issues which are the subject of the consultation) please address them to:

DECC Consultation Co-ordinator
3 Whitehall Place
London SW1A 2AW
Email: consultation.coordinator@decc.gsi.gov.uk

Habitats Regulations Assessments of 14th Onshore Oil and Gas Licensing Round

Habitat Regulations Assessments of 14th Onshore Oil and Gas Licensing Round

1. Under the Petroleum Act 1998, the Secretary of State for Energy and Climate Change may grant licences for a defined geographical area (Ordnance Survey “Blocks”) and for a specified period of time. These licences confer exclusive rights on the licensee to “search and bore for and get” petroleum but do not, in their own right, confer on the licensee any consent, permission or authorisation to carry out development activity.
2. The oil and gas licensing system is administered by the Oil & Gas Authority (OGA), an executive agency of the Department of Energy and Climate Change (DECC), on behalf of the Secretary of State for Energy and Climate Change. Oil and gas licensing administration transferred from DECC to the OGA on 1st April 2015.
3. On the 28th of July 2014, DECC opened the 14th round for companies seeking licences to explore for onshore oil and gas, with the round closing on the 28th October 2014. In total, DECC received 95 licence applications covering 295 Blocks in England, Scotland and Wales. Following reviews of geotechnical analysis, scrutiny of the operator competency, financial viability, capacity and environmental awareness and following the decision not to award licences in Scotland and Wales, this was reduced to 159 blocks for further consideration.
4. Each of these 159 blocks, for which a licence application has been received, has been analysed and assessed in accordance with the requirements of the Conservation of Habitats and Species Regulations 2010 (SI 2010 No. 490) (as amended), hereafter referred to as the “Habitats Regulations”, which implement the Habitats Directive (92/43/EEC) and Birds Directive (2009/147/EC) within the UK. The Habitats Regulations provide for certain protections to be accorded to designated sites, including Special Areas of Conservation (SACs) and Sites of Community Importance (SCI), designated under the Habitats Directive, and Special Protection Areas (SPAs) designated under the Birds Directive. UK planning policy also accords the same level of protection to sites listed or proposed under The Convention on Wetlands of International Importance, called the Ramsar Convention, and to possible/proposed SPAs and candidate SACs. Collectively, all of these sites are referred to in this report as “European sites”.
5. In order to satisfy the requirements of the Habitats Regulations, an analysis and assessment is required of any “plan or project” that is likely to have a significant effect on a European site. The first step in this process, the initial threshold assessment, is designed to determine whether the proposed plan or project is likely to have a significant effect on a European site(s). If this analysis determines that that plan or project is likely to have such an effect on a European site, that plan or project must be made subject to a further detailed assessment (an

“appropriate assessment”) in order to determine whether it will adversely affect the integrity of the European site(s) concerned.

6. This process has been carried out for the 14th licensing round. It is the purpose of this strategic plan-level Habitats Regulations Assessment to present the findings of the appropriate assessment of effects on European sites arising from the 159 blocks for which licence applications have been received and which were taken forward for consideration of award. The associated consultation is designed to seek views on the proposed approach and assessment.

Assessment methodology

7. It is important to emphasise at the outset that the grant of a licence under the Petroleum Act 1998 does not, in itself, confer on the licensee any consent, permission or authorisation to carry out any development activity. All proposed development activity will necessarily be subject to further approval processes, including further analysis from a Habitats Regulations perspective, by the relevant planning and/or regulatory authorities. Accordingly, the results of this assessment do not give or imply any definitive or final conclusion on Habitats Regulations issues.

8. The methodology that we have adopted analyses those activities which are potentially associated with the project lifecycle for exploration, development and production, and thus are activities which could potentially be associated with the granting of a licence. Each stage of the lifecycle contains a variety of activities, many of which are common to both conventional and unconventional exploration, development and production. Whilst the number of stages varies, the following six stages have been used:

- A. Non-intrusive exploration;
- B. Exploration drilling and hydraulic fracturing;
- C. Production development;
- D. Production/operation/maintenance;
- E. Decommissioning of wells; and
- F. Site restoration and relinquishment.

9. These are set out in more detail below.

Stage	Activities: Conventional Oil and Gas	Activities: Unconventional Oil and Gas (Shale and Coalbed Methane)
A.	<p>Non-intrusive exploration, including:</p> <ul style="list-style-type: none"> • Site identification, selection, characterisation; • Seismic surveys; • Securing of necessary development and operation permits. 	No additional activities to those summarised for conventional oil and gas Stage A.
B.	<p>Exploration drilling, including:</p> <ul style="list-style-type: none"> • Well site and pad preparation, road connections and baseline monitoring; • Seismic monitoring; • Well design construction and completion; • Well testing including flaring. 	<p>No additional activities to those summarised for conventional oil and gas Stage B, except:</p> <ul style="list-style-type: none"> • Hydraulic fracturing of some exploration wells.

Stage	Activities: Conventional Oil and Gas	Activities: Unconventional Oil and Gas (Shale and Coalbed Methane)
C.	Production development , including: <ul style="list-style-type: none"> Well site and pad preparation, road connections and baseline monitoring; Facility construction and installation; Well design construction and completion; Provision of pipeline connections; Well testing, possibly including flaring. 	No additional activities to those summarised for conventional oil and gas Stage C, except: <ul style="list-style-type: none"> Hydraulic fracturing; (Possibly) re-fracturing.
D.	Production/operation/maintenance , including: <ul style="list-style-type: none"> Gas/oil production; Production and disposal of wastes/emissions; Environmental monitoring and well integrity monitoring. 	No additional activities to those summarised for conventional oil and gas Stage D.
E.	Decommissioning of wells , including: <ul style="list-style-type: none"> Well plugging and testing; Site equipment removal; Environmental monitoring and well integrity monitoring. 	No additional activities to those summarised for conventional oil and gas Stage E.
F.	Site restoration and relinquishment , including: <ul style="list-style-type: none"> Pre-relinquishment survey and inspection; Site restoration and reclamation. 	No additional activities to those summarised for conventional oil and gas Stage F.

10. Stages A (non-intrusive exploration) to D (production, operation and maintenance) could have a range of effects on the environment, some of which are relevant to the consideration of likely significant effects of the activities on European sites.

11. There are however uncertainties over the nature of future activities coming forward following licensing and these uncertainties increase through the exploration, development and production lifecycle. The evidence reviewed, and presented in more detail in the technical annex, for Stages E (decommissioning) and F (site restoration) suggests that any associated effects from activities at these stages would be of scale and duration that would be less than in any of the preceding stages. Furthermore, given the purpose of the activities in Stages E (decommissioning) and F (site restoration), it is considered less likely that the associated activities would have long-term adverse effects on the environment. Reflecting on the scope of the activities in Stages E and F and consistent with the conclusion that they would be less intrusive than the preceding stages, if Stages B, C and D could be assessed as having no LSEs or no AEOLs on any European Sites, it appears reasonable to conclude that Stages E and F would do so also. However, if LSEs or AEOL are identified for Stages B, C and D, licence conditions would be used to ensure such effects would be avoided (by the prevention of such activities) and as such, any further consideration of the effects of Stages E and F would not be needed.

12. Therefore, for the purpose of this HRA, the stages of conventional and unconventional oil and gas exploration, development and production that have been considered relevant to the assessment are Stages A, B, C and D.

13. For the purposes of our appropriate assessment, we have considered the specific nature and characteristics of every European site, including the interest features and conservation objectives for which they are designated, that is situated within:

- a. a licence block itself; and/or
- b. a radius of 10 km around each block.

14. Adopting this methodology has enabled us to assess the likely significant effects (“LSEs”) which could potentially occur as a result of Stage A, B, C and/or D activities being undertaken at any location within each licence block.

15. Our assessment has determined that, for those licence blocks which do not contain a European site and are situated more than 10km from a European site, there are no LSEs associated with any of Stage A, B, C or D activities, and as such a further detailed assessment under the Habitats Regulations is not required.

16. For the remaining licence blocks, a detailed assessment has been completed so as to analyse and determine whether there could be adverse effects on integrity (AEOI) on any European sites in relation to the four key stages of exploration and production activities (non-intrusive exploration, exploration, production development and production) that may occur following the licensing process.

17. Given the strategic plan-level nature of the assessment, and the inherent uncertainties which exist at this stage as regards the precise nature, location, scale and duration of activities which could potentially follow the licensing process, a number of assumptions have been used as part of the assessment in order to ensure the outcome of the assessment is consistent, transparent and appropriate. These include assumptions regarding operator compliance and good practice, the nature of activities and, based on available evidence, the likely effects from activities that could follow licensing.

18. Natural England and Natural Resources Wales have been consulted on our methodology and, in consequence, have confirmed that the approach to the assessment is appropriate and proportionate, particularly in light of the inherent uncertainties which exist at this strategic stage.

19. Each licence block has been assessed individually by an ecologist with the results recorded in an assessment proforma, accompanied by a site plan (map) indicating the geographical location and extent of each block area and the relevant European sites within the defined search areas (i.e. within the block itself or within a 10 km radius of the block). For each European site that is situated within a licence block search area, a site-specific commentary has been produced which summarises relevant locational information and the key issues that may be relevant for that particular European site – for example, the site’s primary sensitivities, its effect pathways, and possible receptors. The assessment for each block therefore identifies whether the carrying out of any of Stage A, B, C or D activities anywhere in the block would have AEOI on any of the European sites considered as part of that block’s assessment.

20. As part of the assessment, a “buffer zone” has been placed around each European site. For the purpose of this HRA, buffer zones are defined as areas that lie outside the designated area of a European site but which can play an important role in maintaining the conservation status of one or more of a site’s qualifying interest features. A buffer zone, for example, could be land that is used for foraging by the European site’s population of birds or bats – the birds or bats being its interest feature. Consequently, buffer zones are treated by this assessment as potentially sensitive areas of land because of their proximity or connectivity to European site(s)

but, nevertheless, are areas of land within which we have concluded that Stage A, B, C or D activities may be carried out without AEOI on the adjacent European site.

21. For most of the anticipated effects from Stage A, B, C and D activities (set out in the technical annex), a 1 km wide buffer zone captures the potentially sensitive area, and this area has been deemed an appropriate buffer zone given the characteristics of the European site. There are a small number of circumstances when a buffer zone of over 1 km may be required due to the characteristics of the European site, namely:

- where the licence block includes or is within 10 km of a European site that is designated for highly mobile species such as bats and otters, which can travel significant distances for foraging, commuting and shelter;
- coastal and riparian habitats that are ecologically, hydrologically and/or hydrogeologically continuous with European sites; and
- bird species/populations that are reliant on extensive habitats beyond a European site boundary to maintain the status of their population.

Results of assessment

22. The results of the assessment are as follows:

- a total of 159 blocks that were taken forward for consideration of award were assessed;
- 27 blocks have been assessed as having no LSEs;
- all remaining 132 Blocks for which a licence application has been received have been subject to a further detailed AA.

23. In respect of all 132 Blocks that have been subject to a further detailed AA, results can be summarised as follows:

Outcome	Rationale
<p>Category 1</p> <p>Licence to be granted but no or specific activities will be permitted at or near to the surface anywhere in the block (through conditions attached to licence) because the block is totally comprised of European site(s)</p> <p>An advice notice may be provided</p>	<p>The AA identified Adverse Effects on Integrity (AEOI) associated with one or more stages of the oil and gas exploration and production activities at or near to the surface within all of the European site(s). It is recommended that conditions are included in the licence to prevent activities associated with AEOI in the licensed area to ensure that there will be no AEOI. However, whilst all or specific activities would be prevented from taking place at or near to the surface in the whole licence block, the conditions would not prevent underground exploration and production activities from taking place because they will not have AEOI.</p> <p>Where some activities are permitted in at least some area(s) of the block, an advice notice will also be included with the licence if the area in which some activity is permitted also comprises a “buffer zone” (see below in this table) of another European site. The advice notice will not</p>

	be a formal licence condition.
<p>Category 2</p> <p>Licence to be granted but certain activities may be prohibited at or near to the surface within the areas of the block that are European site(s) (through conditions attached to the licence)</p> <p>An advice notice may be provided</p>	<p>The AA identified AEOI associated with one or more of the oil and gas exploration and production activities. It is recommended that conditions are included in the licence to prevent such activities in the parts of the licence area that is comprised of European sites to ensure that there will be no AEOI.</p> <p>Where part of the block is within the “buffer zone” of a European site, and therefore oil and gas exploration and production activities could be proposed within this buffer zone, an advice notice will also be included with the licence. This will only highlight the potential sensitivity of the buffer zone (due to its proximity or connectivity to the European site) and the fact that mitigation and/or alternative siting may therefore be required by planning authorities and possibly other permitting bodies further considering HRA issues for specific project-level operations. However, at this strategic plan level, our conclusion is that Stage A, B, C and D activities can be carried out outside the European site (including within the buffer zones) without causing AEOI. Accordingly, the advice notice will not be a formal licence condition.</p>
<p>Category 3</p> <p>Licence granted (no conditions attached)</p> <p>An advice notice may be provided</p>	<p>The AA found that there were no AEOI because the block contains no European sites. In consequence, licence conditions are not required to achieve no AEOI.</p> <p>An advice notice may be included with the licence in relation to “buffer zones” (see above in this table). The advice notice will not be a formal licence condition.</p>

24. Further discussion of each of the above three Categories can be found in the technical annex.

25. In order to identify the European sites that could potentially be affected by ‘in combination effects’, the assessment has identified all European sites that have more than one licence block within a 10 km radius and, of those, all those that have more than one licence block within a 1 km radius. At this strategic project level and given the uncertainties as to future activities, it is concluded that there will be no AEOI resulting from “in combination” activities.

26. Given the high level at which the AA of the licences has, by necessity, to be carried out, it should be noted that issuing a licence does not imply any definitive or final clearance of Habitats Regulations considerations – any proposals for specific operations will be subject to further consideration of the Conservation of Habitats and Species Regulations 2010 (as amended) requirements by individual planning authorities and possibly other permitting authorities at the project level once more information is available as to the nature and location of the activities proposed.

27. For those 27 blocks assessed as having no LSEs, it is recommended that a licence is awarded with no conditions. There will also be no advice notice for these blocks.

28. Below is a table that summarises the results for the 132 blocks that have been subject to Appropriate Assessment.

Scenario	Total number of licence blocks	Total Number Granted a Licence (no conditions)	Total Number Granted a Licence (with conditions)	Total Number Granted a Licence
Category 1	0	0	0	0
Category 2	73	0	73	73
Category 3	59	59	0	59
TOTALS	132	59	73	132

29. Further details of the results for each block and the conditions applied are set out below.

Key to conditions proposed for the licence	
No LSEs	No conditions proposed
No conditions proposed	No conditions proposed
Condition 1	<p>Conditions proposed:</p> <p>Stage B, C and D activities will be prohibited at or near to the surface within the boundaries of all European sites in this block. Stage A activities at or near to the surface will be prohibited in certain sites. Stage A activities, at or near to the surface, are therefore also banned in any overlapping area of two or more European sites, where such activities are prohibited in at least one of those sites.</p>
Condition 2	<p>Conditions proposed:</p> <p>Stage B, C and D activities will be prohibited at or near to the surface within the boundaries of all European site(s) in this block.</p>
Condition 3	<p>Conditions proposed:</p> <p>Stage A, B, C and D activities will be prohibited at or near to the surface within the boundaries of all European sites in this block.</p>

Habitat Regulations Assessments of 14th Onshore Oil and Gas Licensing Round

Block	Conditions proposed
NZ51	1
NZ52b	3
NZ52c	3
NZ90	2
SD16	1
SD17	1
SD20	1
SD21	1
SD26a	1
SD26b	1
SD40	No conditions proposed
SD45	1
SD50	No conditions proposed
SD55	3
SD60d	No conditions proposed
SD61	No LSEs
SD62	No LSEs
SD63	No conditions proposed
SD70	No conditions proposed
SD71	No conditions proposed
SD72	No conditions proposed
SD73	No conditions proposed
SD81	2
SD83	1
SE30b	No conditions proposed
SE31c	No conditions proposed
SE32b	No conditions proposed
SE40f	No LSEs
SE41e	No LSEs
SE42e	No LSEs
SE50b	No conditions proposed
SE51b	No conditions proposed
SE52	No conditions proposed
SE57	No conditions proposed
SE61d	No conditions proposed
SE65	1
SE66	1
SE67a	No conditions proposed

Block	Conditions proposed
SE72	3
SE73	1
SE74	1
SE75	1
SE76	3
SE77e	3
SE78f	No conditions proposed
SE79	1
SE84	No conditions proposed
SE85	No conditions proposed
SE86b	No conditions proposed
SE87b	No conditions proposed
SE87e	No conditions proposed
SE88c	No conditions proposed
SE95	No LSEs
SE96a	No conditions proposed
SE97a	No conditions proposed
SE97c	No conditions proposed
SE98c	No conditions proposed
SE99a	1
SJ56	2
SJ57	2
SJ64	2
SJ65	2
SJ66	2
SJ67	No conditions proposed
SJ75	2
SJ76	2
SJ77	2
SJ78	2
SJ84c	No conditions proposed
SK29	1
SK36a	1
SK37	1
SK38	No conditions proposed
SK39	No conditions proposed
SK43	No LSEs
SK45	No LSEs

Round

SE68b	No conditions proposed
SE69	1
SK48	No LSEs
SK49	No LSEs
SK52a	No LSEs
SK53	No LSEs
SK55	No conditions proposed
SK56i	No conditions proposed
SK57c	No conditions proposed
SK58a	No LSEs
SK59b	No conditions proposed
SK66b	2
SK66c	No conditions proposed
SK67a	No conditions proposed
SK72a	No LSEs
SK76b	No conditions proposed
SK86c	No LSEs
SK87b	No LSEs
SK87c	No LSEs
SK88b	No LSEs
SK89e	No LSEs
SK96	No LSEs
SK99a	No LSEs
SO50	3
SO51	3
SO60a	3
SO60b	3
SO61	3
ST04	No conditions proposed
ST14	3
ST24	3
ST25	3
ST34	3
ST35	3
ST36	3
ST84	1
ST85	1
ST94	1
ST95	1
SU34b	No conditions proposed

SK46c	No conditions proposed
SK47b	No conditions proposed
SU90a	No conditions proposed
SY79a	No conditions proposed
SY88d	1
SY89b	1
SY97b	1
SY98c	1
SY99	1
SZ07	1
SZ08c	1
SZ09a	1
SZ38a	1
SZ47	2
SZ48	1
SZ57	2
SZ58	1
TA05	No conditions proposed
TA06b	No conditions proposed
TA07a	No conditions proposed
TA08	No conditions proposed
TA09	2
TA15	No conditions proposed
TA16	2
TA17	1
TA18	No conditions proposed
TA30	3
TF06	No LSEs
TF07e	No LSEs
TF07f	No LSEs
TF17	No LSEs
TF18b	No LSEs
TF36	No LSEs
TF38c	No conditions proposed
TF39b	No conditions proposed
TF46	No conditions proposed
TF47	No conditions proposed
TF48b	1
TF56	1
TF57	No conditions proposed

SU44	No conditions proposed
SU81c	1

TQ34d	No conditions proposed

30. The purpose of this consultation is to seek views on our approach to the Habitats Regulations Assessment for the 14th licensing round and to present the findings of the AA of effects on European sites arising from the blocks applied for.

31. The Annexes appended to this consultation document set out the methodology adopted for the AA in further detail in order to aid. We would like to invite your views on the AA that we have carried out, in line with the questions set out below.

Consultation questions

Consultation Question

- | | |
|----|--|
| 1. | Q. Do you have any comments on the Habitats Regulations Assessment carried out for the 14 th onshore oil and gas licensing round? |
|----|--|

Consultation Question

- | | |
|----|---|
| 2. | Q. Do you have any comments on the assessments carried out for individual licence Blocks? (You may wish to comment on more than one Block.) Please provide the reference for the Block you are commenting on (e.g. SD26a). |
|----|---|

It will be helpful for us in analysing responses if, in the covering e-mail addressing the above questions, you let us know:

- whether you are a member of the public or representing an organisation
- your post code.

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