

**Agip U.K. Limited**

**EXPLORATION WELL 164/27-1**

Pursuant to Regulation 5(8) of the above Regulations, the Secretary of State for Trade and Industry gives notice that she is content that the requirements of the above Regulations have been satisfied. Pursuant to Licence P960, consent has been granted to Agip U.K. Limited to the getting of petroleum and the drilling of an exploration well in Block 164/27 subject to Agip U.K. Limited conducting operations in respect of the project in accordance with the relevant environmental statement.

**Background**

Agip UK Ltd propose to drill a single exploration well, the Antaeus Well (164/27-1) situated in Block 164/27-1 in the Atlantic Margin Region, in the north east Rockall Trough Basin, approximately 100Km north west of the Isle of Lewis, with the closest international boundary being the median line with the Faeroe islands, approximately 90Km north of the proposed well. The well is intended to investigate if hydrocarbons are present at the well location, and it is expected that if hydrocarbons are discovered, they will be oil rather than gas. Water depth at the proposed location is approximately 1180metres and the drilling is scheduled to commence in September 2002, for a maximum period of 61 days. On completion of drilling and data acquisition, the well will be abandoned, and there is no intention to carry out a well test.

**Sensitivities**

It is proposed to use water based mud (WBM) for drilling all sections of the well and Agip have committed to monitor the cuttings from the reservoir section for oil contamination and have a contingency in place to skip and ship should the level exceed 1% oil.

The proposed well is situated in an area that is relatively unexplored, with the nearest commercially exploited oil & gas reserves being BP Exploration operated Foinaven & Schiehallion Fields, approximately 220KM to the North East. However there have been 8 exploration wells drilled in the Northern Rockall Basin, 4 within a radius of 50KM of the proposed well. The ES makes good reference to previous work undertaken, in particular a post drill survey conducted on a well drilled by Agip approximately 10km away from the Antaeus well. A pre-drill survey has been undertaken at the proposed well location and there is a commitment to undertake a post drill survey.

Three areas were identified in the environmental statement (ES) as requiring more detailed assessment:

Drill mud (chemical) discharges  
Cuttings discharge  
Accidental oil spillage

These risks have been assessed in detail, including running deterministic and stochastic modelling for oil spill predictions and a base line seabed survey. Prevention measures and mitigation procedures have been put in place to minimise any potential impacts. Cumulative and Transboundary effects were considered negligible. Sea bird vulnerability during the proposed drilling period is moderate and although the block coincides with the edge of extensive spawning for mackerel (March- July) and blue whiting (April - June), the drilling is programmed for a period out with the relevant time periods. The ES does not identify, any habitats or concentrations of species that are Special Areas of Conservation (SACs) or could be considered in the future that are likely to be affected by the proposed exploration well.

Additional information was requested on a few points namely sampling methods for the reservoir section, clarification of the contingency arrangements for a skip & ship operation, procedures to contact JNCC should explosives be required for severance of the conductor or surface casing, use of dispersants, environmental awareness training for personnel. Additional information was supplied by Agip, which fully addressed the points raised.

The ES is a well-presented, thorough document, which makes good use of existing data, and references license conditions. Having considered the dynamic nature of the environment, the timing of the drilling and the mitigation measures proposed and taking into account the additional information provided, it has been concluded that the ES addresses the impacts from the proposed exploration well and consider that there is unlikely to be any significant effect from the drilling of this exploration well, nor is it likely to have any significant effect on any possible future SAC. No comments were received as a result of public consultation.

**Recommendation**

Overall the environmental statement is satisfactory and adequately assesses the potential environmental impacts of the proposed operation. It is recommended that consent is given to the project.