

Apache (North Sea) Limited

Exploration Well 18/05 (Golden Eagle)

Exploration well 18/05 is located in Block 18/05 in the Outer Moray Firth, approximately 21km north of Fraserburgh. Apache (North Sea) Limited propose to drill an exploration well with the intention to confirm the presence/absence and nature of fluids in the Golden Eagle prospect and to validate seismic interpretations of the location.

Proposed operations will take place over the winter months of 2006. The project comprises the drilling of a slim hole vertical well to 1706m TVDBRT, where the surface hole section will be drilled riserless using seawater with bentonite and other PLONOR chemicals. Cuttings will be discharged at the seabed. The lower sections will be drilled using a WBM system, where WBM and cuttings will be discharged at sea level. In addition, evaluation of the well through logging, coring and sampling will be conducted, followed by Vertical Seismic Profiling (VSP), where a 3-airgun array will be deployed for the duration of 6 hours. There will be no flowing well test during the proposed operations and there will be no associated flaring of oil or gas.

The environmental sensitivities at the proposed location and the potential impacts arising from the proposed development have been assessed within the Environmental Statement submitted to the Department in March 2006. A detailed impact assessment has been undertaken. Where the assessment identified issues of potential significance, mitigation measures are in place to ensure that impacts are kept to a minimum. Details of environmental management systems and spill contingency were also presented.

After a period of public consultation and having taken onboard the advice from statutory consultees, the Environmental Statement was approved on 17 November 2006.