Consents given under the Petroleum Act 1998 and Reviews under the Assessment of Environmental Effects Regulations 1999

EOG Resources United Kingdom Limited

Prospect 'A' Exploration Well

The project comprises of a single dry gas exploration well in Block 110/14b, adjacent to the boundary of Block 110/13d in the East Irish Sea (Liverpool Bay) in water depths of around 18 meters. Nearest landfall is at Formby approximately 20 kilometers to the west. It is anticipated that drilling activity will be undertaken for a total of 27 days towards the end of Q1 or early Q2 2009, depending on rig availability.

A jack-up rig will be used to drill a vertical standard casing well with Water Based Mud (WBM). The use of Low toxicity Oil Based Mud (LTOBM) is not anticipated. No well testing will be undertaken at this time, however, if hydrocarbons are encountered the well will be suspended with development planned for the following year. If the well is unsuccessful the well will be plugged and abandoned in line with current guidelines and the sea bed left clear.

The Liverpool Bay area has been identified as a potential Special Protection Area (pSPA) primarily for the protection and conservation of black scoters and red-throated divers. The draft site boundary and conservation objectives for the pSPA have yet to be fully defined, but the proposed well is outwith the current draft boundary. However, it has been agreed that efforts should be made to maintain, in a favourable condition, the bird populations in the area.

The EIA identified the following impacts which were considered potentially significant:-

The physical presence of the rig and support vessel.

Drilling discharges

Hydrocarbon spills

The ES considered these points in detail.
As the proposed well is within a busy shipping area the presence and movement of the rig and support vessels over the short drilling period of 27 days is not expected to significantly impact on the seabird communities. The spud-cans will impact on the seabed however, it is expected that there will be rapid re-colonisation of the areas affected. Due to the short drilling period no scour protection is considered necessary, however, if rock is required the operator undertakes to use the minimum required to ensure the safety of the rig. Again, rapid re-colonisation of the affected area is to be expected.

Drill cuttings will be discharged in the vicinity of the well smothering local benthic communities. Minimisation strategies include shallow drilling to a slim-hole design reducing cuttings discharges and the use of WBM and low toxicity chemicals where possible.

As this is a potential dry gas well associated condensate will be minimal and no crude oil is anticipated, therefore, accidental oil spills would be limited to either bunkering operations or collision risks. The proposed control measures include bunkering operations only during daylight hours and good weather; planned inspection and maintenance of all hoses; the use of non-return valves on all hoses. All possible steps will be taken to ensure all other sea-users are aware of the rig's position.

Following consultation and the provision of the additional information on the 06 October 2008, DECC and its consultees were satisfied that this project is not likely to have a significant impact on the receiving environment, including any sites or species protected under the Habitats Regulations. The ES was approved on the 24 November 2008.