

**Iona Energy Company (UK) Limited  
Kells Field Development.  
Environmental Statement Summary**

<b>Title:</b>	Kells Field Development.
<b>Operator:</b>	Iona Energy Company (UK) Limited (Iona)
<b>Consultants:</b>	Hartley Anderson Limited.
<b>Report No:</b>	D/4135/2012
<b>Submission Date:</b>	February 2012
<b>Quad/Block No:</b>	3/8d
<b>Project Type:</b>	New Field Development.
<b>Reviewer:</b>	Sam Coupland
<b>Date:</b>	04 July 2012

**A) Project Description**

Iona intend to develop the Kells Field as a subsea satellite, by drilling two production wells and a water injection well that will be tied-back to the Canadian Natural Resources (CNR) operated Ninian Central Platform (NCP) via a new 13.2 kilometre (km), 6 inch diameter, insulated, pipeline and control umbilical. Kells gas and fluids will be processed at the NCP before entering the Far North Liquids and Associated Gas System (FLAGS) and Ninian export pipelines respectively. Drilling is planned to commence in September 2013 with first production expected in December 2014.

**B) Key Environmental Sensitivities**

The Environmental Impact Assessment (EIA) identified the following environmental sensitivities:

**Fish stocks:** The area is within spawning grounds for Norway pout, Cod and Saithe (January to April) and Haddock (February to May).

**Seabirds:** Seabird vulnerability to surface pollution is high in January, March, April, July, September and November and moderate to low out-with these months.

**Annex I Habitats:** There are no designated Annex I habitats within the development area.

**Annex II Species:** Grey seals, Harbour seals (infrequently and in small numbers) and Harbour porpoise (observed in the general area only) may be found in the development area.

**Other users of the sea:** No well defined seasonal patterns in fishing effort are observed in this area, although the highest effort is generally during the first half of the year. Shipping traffic in the development area is classed as moderate.

**C) Key Environmental Impacts**

The EIA identified the following potential impacts and related mitigation measures:

**Physical interference:** Appropriate mitigation measures will be put in place, e.g. 500 metre (m) safety zones around the platforms and drilling rig; and Kingfisher Bulletins and Notices to

Mariners etc. to notify the construction activities to other users of the sea. Despite the moderate shipping traffic in this area, the majority of activities during both the construction and production phases have been assessed as having minimal impact on shipping and navigation.

**Seabed disturbance:** A number of the proposed activities will impact the seabed, the most significant being the footprint of the new Kells pipeline, subsea wellheads and manifold; anchor scarring from the semi-submersible mobile drilling unit (MoDU); and the deposit of cuttings during the drilling of the wells. The relatively limited scale of the disturbance, and the inferred general resilience of the seabed habitat and associated species, leads to the conclusion that there will be no significant adverse effects. A dynamically-positioned (DP) pipelay vessel is the preferred choice to install the pipeline which will minimise anchoring impacts along the export route.

**Noise:** The majority of noise associated with the Kells development will be generated during the installation phase of the project. Noise generated by subsea piling, a vertical seismic profile (VSP), drilling operations and from vessel thrusters, particularly during DP pipe-lay operations are likely to initially produce a startle response as the noise commences. However due to the localised and temporary nature of the impacts described above and the low sensitivity of the area, the impact of the proposed drilling and installation activity on any cetaceans, which may be present in the area, is considered to be negligible.

**Atmospheric emissions:** The main atmospheric emissions associated with the development and operation of the field are the combustion products from power generation and engine use on the NCP platform, the MoDU, the pipe-lay vessel, other associated vessels and helicopters. Power generation for chemical injection and Kells subsea facilities will be provided by gas turbines on the NCP. The scale of these emissions is considered unlikely to have any significant impact on local, regional or global air quality.

**Marine discharges:** Kells produced water will be treated and discharged at the NCP and will initially peak at 54.5 cubic meters (m<sup>3</sup>) per day. To maintain reservoir pressure in the longer term, seawater from the Ninian South Platform (NSP) will be injected increasing the produced water discharge volume to a maximum of 593 m<sup>3</sup>/day. This is still a relatively low volume compared with other developments in the North Sea and would represent only 1.6% of the total produced water currently discharged from the NCP. Due to these low volumes, low hydrocarbon content (less than 30 mg/l) and rapid dispersion, such discharges are not expected to result in significant environmental effects.

**Accidental events:** A number of control measures will be in place to minimise the risk of accidental events, and Iona will develop an Oil Pollution Emergency Plan (OPEP) and Emergency Procedures Plan (EPP). Modelling of a blow-out spill and diesel spill has been undertaken and included in the ES.

**Cumulative Impacts:** The area of the proposed development includes a range of oil and gas operations, in addition to shipping and commercial fishing operations. However, it is considered unlikely that the development will have a significant effect in combination with other projects.

**Transboundary Impacts:** The UK / Norway median line is approximately 16 km from the development area. Transboundary impacts are unlikely, even in the case of a worst-case

release scenario as any spilt hydrocarbons would disperse or evaporate before reaching the closest international boundary.

#### **D) Consultation**

Comments were received from the Joint Nature Conservation Committee (JNCC), the Ministry of Defence (MOD), the Maritime and Coastguard Agency (MCA) and Marine Scotland (MS). The ES was also subject to public notice.

**JNCC:** JNCC were content that piling operations would be undertaken in line with JNCC's piling protocol to mitigate any impact on marine mammals.

**Marine Scotland:** MS were content that the ES should be approved, but requested copies of the survey reports cited in the ES.

**MOD and MCA:** Both organisations were content that the ES should be approved.

**Public Notice:** No comments were received in response to the public notice.

#### **E) Additional Information**

Further information was requested to clarify a number of minor issues. Iona provided the requested information on 26th April 2012. All the issues were satisfactorily addressed and, where appropriate, Iona committed to take account of the comments in future submissions.

#### **F) Conclusion**

Following consultation and the provision of the additional information, DECC OED is satisfied that the project will not have a significant adverse impact on the receiving environment or the living resources it supports, or on any protected sites or species or other users of the sea.

#### **G) Recommendation**

On the basis of the information presented within the ES and advice received from consultees, DECC OED is content that there are no environmental or navigational objections to approval of the proposals, and has advised DECC LED that there are no objections to the grant of the relevant consents.

**Approved: Sarah Pritchard, Acting Director, DECC Offshore Environment and Decommissioning**

*Sarah Pritchard 09/07/2012*

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**Date:**