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

Kerr McGee

TULLICH DEVELOPMENT

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 P257, consent has been granted to Kerr-McGee North Sea (UK) Limited for the getting of petroleum and the construction of installations, in relation to the development of the Tullich field in accordance with the environmental statement, received 7th December 2001. The consent for the Tullich field took effect from 28/03/02 and shall last until 31/12/12.

Background

Kerr-McGee intends to develop the Tullich Field which is situated in Block 9/23a, approximately 276 km North East of the UK mainland, 170 km from the nearest land (Shetland Islands), and 8 km from the UK/Norway median line (210 km from Norwegian Coast). The oil and gas field lies in approximately 111 metres of water.

The project consists of drilling 6 wells, 5 producers and one water injector, which are to be tied back to the existing Gryphon A Floating Production, Storage and Offloading (FPSO) Vessel, which is approximately 5km distant from the field. The wells will be drilled from 4 different locations and will be drilled in two phases, phase 1: 4 production wells, phase 2: 1 production well & 1 injector well. A combination of Water Based Mud (WBM) and Low Toxicity Oil Based Mud (LTOBM) is to be used with LTOBM to be shipped to shore. Produced water will be returned to Gryphon A FPSO where it will be re-injected. Gas will be exported via the Leadon gas pipeline either to Beryl Alpha for export via Sage or to the Global Producer III FPSO in the Leadon field to supply fuel gas. There will be a number of additions to the existing subsea layout, including 5.3km pipelines (8” & 6” production & 4” gas lift) and control umbilical, in order to produce and transport the reservoir fluids. These are to be trenched and left open.

There will also be modifications required to the Gryphon A FPSO with regard to power generation and Kerr-McGee have been requested to supply a formal case to substantiate their claim that the modifications will not constitute a substantial change under the Offshore Combustion Installations (Prevention and Control of Pollution) Regulations 2001. This submission is expected at the end of March.

Additional information was requested on a number of issues, including transboundary effects. Following provision of the additional information, it was concluded that the environmental statement (ES) addresses the impacts from the proposed development and overall no significant environmental impacts have been identified, and it is unlikely to have any effect on any possible future SAC. The review of this ES was completed 8 March 2002.

Recommendation

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