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

Talisman

BLOCK 12/26

Pursuant to Regulation 5(8) of the above Regulations, the Secretary of State for Trade and Industry gives notice that, being content that the requirements of the above Regulations have been satisfied, he has, pursuant to Licence P. 982, granted a consent to Talisman Energy (U.K.) Limited to the getting of petroleum and the drilling of an exploration well in Block 12/26 (hereafter referred to as "the project") subject to Talisman Energy (U.K.) Limited conducting operations in respect of the project in accordance with the relevant environmental statement. Consent for the well was given on 15 March 1999.

Background

Talisman are planning to drill an exploration well in Block 12/26, in 37m of seawater to about 2600m below seabed, to extend the life of the Beatrice field and to fund the replacement of a section of the Nigg-Beatrice pipeline. Because of the small scale and temporary nature of the drilling operation and the environmental safeguards to be put in place, routine activities are predicted to pose no risks to the viability of individual species or habitats or to the adjacent socio-economic activities, such as fishing and tourism. Cumulative impacts have been assessed as negligible in this case.

Drilling and Well Completion

Drilling

The final choice of drilling contractor and drilling rig has not yet been made. Drilling is expected to start in mid February and last about 50 days. An option to side-track the well has been included in the mud and chemical calculations. An estimated 700 tonnes of cuttings will be produced during drilling, of which 210 tonnes (from the 36" hole) will be discharged to the seabed. Total containment of the mud and cuttings is envisaged after riser installation (490 tonnes). Water-based mud will be used throughout. The total quantity of chemicals used will not exceed the trigger limits set for each category under HOCNS and a summary is given

<table>
<thead>
<tr>
<th>Drilling Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hole Diameter</td>
</tr>
<tr>
<td>36&quot;</td>
</tr>
<tr>
<td>17.5&quot;</td>
</tr>
<tr>
<td>12.25&quot;</td>
</tr>
<tr>
<td>Total 700</td>
</tr>
</tbody>
</table>

TVD True vertical depth MD Measured depth

Well Testing/Completion

Testing will be carried out to determine PVT and deliverability, both of which can be achieved with a short test of less than 96 hours. A test to prove contacted volume will take 8 days and no oil will be flared to eliminate the risk of drop out to the sea. Testing will only be carried out if a suitable method of containing the oil can be found. Any associated gas will be flared. Analysis of emissions generated during well testing showed that this source would not contribute to concentrations of gases approaching regulatory limits.

Abandonment

If insufficient reserves are found the well will be abandoned; the casing being removed to a depth of at least 3m below
the seabed. If future use is possible the well will be suspended in accordance with UKOOA guidelines, and an over-trawlable cage positioned over any protruding casing.

**Environmental Sensitivities and Impacts**

With high year-round environmental sensitivities identified, Talisman have adopted a risk-based approach to evaluate the level of risk associated with the activities, as opposed to their direct impacts. The emphasis has been placed on minimising the environmental risk of unplanned and emergency events together with suitable mitigation measures. Impacts have been adequately assessed. An approved oil spill contingency plan will have to be in place before the start of operations.

**Recommendation**

Overall the ES and supporting documentation are good and adequately assess the potential impacts of the proposed drilling; suitable mitigation measures are put forward. Recommend consent is given with the SNH/JNCC conditions attached.