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

Tuscan Energy (Scotland) Limited

ARDMORE FIELD 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 P1035, consent has been granted to Tuscan Energy (Scotland) Limited for the getting of petroleum and the construction of installations, in relation to the development of the Ardmore field in accordance with the environmental statement. The consent for the Ardmore field took effect from 01/09/02 and shall last until 31/12/06.

Background

Tuscan Energy (Scotland) Limited along with its partner Acorn North Sea Limited are proposing to develop the Ardmore field, located in Block 30/24 in the central North Sea. The field lies 290 kilometres east of Farne islands, Northumberland. The field is not a new field having previously been developed by BHP under the name Argyll field.

The Argyll field was decommissioned in 1992.

A number of development options were reviewed in the ES, including the use of jack-ups or semi subs with process facilities and fixed platforms with export pipelines. The final preferred development is the use of two permanently moored vessels: a Floating Production Unit (FPU) and a Floating Storage Unit (FSU), this will be in the form of a permanently moored bulk oil tanker. Oil will be exported from the storage vessel via shuttle tanker transport. The FPU will separate the gas and water from the oil and pump the oil to the storage tanker where it will be stored before offloading onto a shuttle tanker. The water will be treated and discharged over the side as produced water and the gas will be used for fuel gas or flared.

Up to four production wells are planned for this development. These will be drilled using conventional drilling rigs.

Tuscan Energy plan to use water based mud for all four wells and discharge all of the 4,876 tonnes of mud and cuttings. Tuscan Energy intends to minimise the need for flaring from well clean-up by flowing back to the FPU.

However, this may not be possible in which case a twenty-four hour test may be conducted during which between 950 –1,275 m³ per day of oil and 1.5-2.0 mmscf/d of gas will be flared for each well.

Oil and gas production will start relatively high for the first year and decrease thereafter. Water production will increase over the predicted field life.

The Ardmore field is to be decommissioned in line with applicable legislation at the time.

Sensitivities

The existing environment is adequately assessed within the environmental statement (ES) and does not identify any particular environmental sensitivity. The ES identified a number of environmental impacts including: Physical presence, Seabed disturbance, Noise and vibration, Atmospheric emissions, Drill mud & cuttings discharges, Discharge of chemicals, Produced water, Emissions from oil loading and Oil spills.

Within the ES none of the potential environmental impacts were identified as being significant. However, atmospheric emissions from flaring, produced water and emissions from oil loading were identified to be of particular concern. Additional information was requested and Tuscan Energy provided further detailed information on Gas management, Produced water quality and VOC Emissions. The conclusion reached from further assessments was that although the emissions and discharges from the Ardmore field were high they were within the industry norm when compared to the volume of oil produced.

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.