

Our ref: 12/1766

21 December 2012

By e-mail to:

Dear

ENVIRONMENTAL INFORMATION REQUEST : 12/1766

I refer to your e-mail of 13 December which asked a number of questions about coal bed methane drilling activities in the UK.

We have considered your request in accordance with the Environmental Information Regulations 2004 (EIRs) as the information you have sought disclosure of, does in our view, fall within the definition of 'environmental information' as stated in the EIRs.

Your questions and our responses to these are listed below:

Q: Based on the above quote from the DECC can you please explain (i) how such developments do not come at the expense of local communities, (ii) how fracking is safe, based on mounting evidence from the USA and Australia that fracking is hazardous to the environment and human health, (iii) how can the public be confident it is safe, when the technology is relatively new and is progressing faster than legislation, and public opinions, particularly neighbours, are not taken into full consideration on the granting of licences ?

A: A full statement on the Government's position in relation to fracking was made to Parliament on 13 December 2012 – please see the following link:

http://www.decc.gov.uk/en/content/cms/news/wms_shale/wms_shale.aspx

Q: The DECC grants the licences for coal bed methane and shale gas, what do these licences cover?

A: Petroleum licences are not specific to shale gas and do not give permission for operations, but grant exclusivity to licensees in relation to petroleum exploration, appraisal and exploration within a particular licence area. Further consents from DECC are required for any drilling operations, for hydraulic fracturing (fracking), or for production.

Q: What does the DECC do in regard to monitoring or regulating the licences that have been granted?

Q: What is the DECC actually responsible for with regard to onshore coal bed methane and shale gas extraction?

A: A number of regulators are involved in controlling and monitoring activities. See the following link: http://www.decc.gov.uk/en/content/cms/meeting_energy/oil_gas/shale_gas/shale_gas.aspx

Q: Does the DECC have any say in an application that is rejected by a local planning authority? If an application is declined would the DECC allow this licence to be passed to another operator to have another try at the planning process?

A: The licence and planning system are separate. In issuing licences DECC only gives the operator exclusivity to the area in question. It is the local planning authority which has to consider any planning application.

Q: What legislation is currently in place regulating onshore coal bed methane and shale gas?

A: The regulations are described here:

http://www.decc.gov.uk/en/content/cms/meeting_energy/oil_gas/shale_gas/shale_gas.aspx#7

Q: How many licences for (i) coal bed methane and (ii) shale gas have been submitted, of these (iii) how many have been granted (iv) how many have been declined and on what basis (v) how many of these have been fully and comprehensively monitored by an independent agency and what were the results?

A: There are 176 extant Landward Production Licences. The map showing all extant licences is at <http://og.decc.gov.uk/assets/og/data-maps/maps/landfields-lics.pdf>. Operations under these licences are subject to monitoring and scrutiny by the relevant planning authority, the relevant environment agency (in Scotland, the Scottish Environment Protection Agency) and the HSE, as well as by DECC.

Q: What procedures are in place and what are these for a possible incident?

Q: Who is ultimately responsible for an incident in terms of, but not limited to, evacuation, clean up, compensation etc?

Q: What checks are done on applicants in terms of competency, public liability, insurance etc for a onshore gas licence?

A: Under the Borehole Sites and Operations Regulations 1995, the operator is required to outline in their health and safety document an: escape plan to ensure the safe evacuation of, and rescue from, the borehole site; a plan to detect and control harmful gases, a plan for the prevention of fire and explosion; and a plan to protect against, detect and combat the outbreak and spread of fire. The health and safety document will also outline the arrangements for the attendance of emergency services and site access.

Under the Offshore Installations and Wells (Design and Construction, etc) Regulations 1996, the operator must ensure that the persons involved in drilling operations are capable of carrying out the tasks allocated to them and that there is sufficient supervision in place.

Q: With respect to Scotland which agencies are responsible for the various aspects and monitoring of onshore coal bed methane and shale gas extraction? Including but not limited to water treatment, water discharge, public drinking water, soil quality, air quality, flooding impact of dewatering, disposal of contaminants extracted, radioactive materials, seismic activity, transportation of hazardous materials, explosion and fire, fracking chemicals, dewatering chemicals.

A: The Scottish Environmental Protection Agency. Website: <http://www.sepa.org.uk/>

Q: If an application for coal bed methane is granted, what is the procedure to apply for a fracking licence or/and a shale gas application? What agencies are responsible for what?

A: This is described in text within the following link:
http://www.decc.gov.uk/en/content/cms/meeting_energy/oil_gas/shale_gas/shale_gas.aspx#7

Q: How does coal bed methane and shale gas contribute to the UK governments commitment to the environment and reducing greenhouse gases including international agreements, particularly in comparison to the renewables energy sector?

A: Any development of the resource would have to fit in within the UK's targets, including commitments we have made in relation to carbon reductions through our Carbon Plan and Carbon Budgets

Q: As coal bed methane and shale gas extraction are contrary to Scottish energy policy, why does the DECC licence this type of gas extraction in Scotland?

A: We are not aware of any statements by the Scottish Government to this effect.

Q: Does the DECC consult the Scottish Government when granting licences for coal bed methane and shale gas in Scotland?

Q: Does the DECC consult any other agency when granting licences for coal bed methane and shale gas?

A: Oil and gas licensing is a reserved power. There are a range of stakeholders who are consulted by UK Government when a new onshore round is proposed. The last onshore licences were awarded in 2008 and there has not been another onshore round since then.

Q: Can you provide all documentation submitted in support of PEDL133 Airth, Stirlingshire?

A: After a preliminary assessment of this part of your request we are unable to provide you with the environmental information requested because in our view the exception in regulation 12(4)(b) of the EIRs applies. This exception provides that a public authority may refuse to disclose information to the extent that the request for information is manifestly unreasonable. The amount of information you have requested is likely to be substantial. Gathering it together would therefore be likely to involve a significant cost and diversion of resources from the Department's other work. We would

need to trawl various sources and databases and officials within the department who have been involved in this work and the technical assessment of these operations.

In applying this exception, we have considered the public interest in disclosing the information. In this respect we recognise that disclosure could enhance public understanding of the Government's position on shale gas and fracking and facilitate the accountability and transparency of Government decisions. However, we consider the balance of the public interest lies in favour of withholding the information. This is because your request would place a substantial and unreasonable burden on the resources of the Department and on balance, therefore, we consider that the public interest would be better served deploying our resource in undertaking core work of the Department.

We would suggest that you consider narrowing this part of your request, perhaps for example by limiting the timescale or limiting the request to particular documents of which you may be aware, or perhaps to information related to more specific aspects of the project in question. I should though add that if the scope of your request is reformulated, to the extent the request is for environmental information, exceptions to disclosure under the EIRs may still apply. Concerning any non-environmental information, you may wish to bear in mind when clarifying your request the £600 limit mentioned above. Exemptions to disclosure may still apply under FOIA to any narrower request.

Q: Can you provide all documentation relating to the granting of PEDL133, including what the licence includes and excludes?

A: The licence can be found via the following link:

http://og.decc.gov.uk/en/olgs/cms/licences/licence_data/recent_licence/recent_licence.aspx

Q: What justification is there for the granting of licences when regulation is not currently in place and there are ongoing studies to assess the safety, environment impact, impact on human health etc, particularly when in the quote above this industry is to develop "slowly"? 6 live applications in Scotland is not slow, considering these licences cover the heavily populated central belt.

A: As noted above, the licences do not give permission for any activities such as drilling or fracking, which are subject to the obtaining of planning permission, and to robust regulation to ensure safety and proper environmental protection in operation.

Q: What exactly will the new Office of Unconventional Gas and Oil be responsible for, what powers will this department have and will it be linked to Climate Change?

A: The Environment Agency is already conducting a review of the implications of shale gas for its regulatory responsibilities, including the question of whether further controls and monitoring requirements are appropriate in respect of methane emissions. To facilitate future development, further consideration is being given to ensuring a streamlined and transparent regulatory process for environmental permitting. The new Office of Unconventional Gas and Oil will be able to lead in coordinating this work.

Q: How much (£) is the onshore gas industry expected to contribute to the (i) UK economy (ii) Scottish economy and (iii) other economies?

A: This will depend on whether exploration leads to the commercial development of unconventional gas resources or not. It is too early to estimate the potential economic stimulus which it might bring.

Q: How much of the UK onshore gas will be exported outside of the UK?

A: At present it is anticipated that any onshore production would be used within the UK and make up for reduced production from the North Sea. It is impossible to tell at this stage whether enough gas would ever be produced to allow the UK to export gas from onshore UK.

Q: How many incidents have there been at a coal bed methane or shale gas sites, what were these and what were the outcomes?

A: We are not aware of any significant onshore incidents within the UK.

Appeals procedure

If you are unhappy with the result of your request for information, you may request an internal review within two calendar months of the date of this letter. If you wish to request an internal review please contact the department. Please remember to quote the reference number above in any future communications. If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. Contact details: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF.

Yours sincerely

*Oil & Gas Licensing Exploration & Development
Energy Development Unit*