Neptune E&P UK Ltd
Seagull Field Development

Environmental Statement Summary

To: Jonathan Ward
From: Sarah Rogers
Date: 21st January 2019

| ES Title: | Seagull Field Development |
| Developer: | Neptune E&P UK Ltd |
| Consultants: | Xodus Group |
| OGA Field Group: | Northern North Sea |
| ES Report No: | D/4224/2018 |
| ES Submission Date: | 21st August 2018 |
| Block No: | 22/24 22/29 |
| Development Type: | Oil and Gas Development |

Project Description

Apache Ltd (Apache) submitted an Environmental Statement (ES) to develop the Seagull Field on 21st August 2018, but subsequently transferred the asset to Neptune E&P UK Ltd (Neptune) on 6th December 2018. Apache confirmed transfer of the ES supporting the application for consent for the development to Neptune on 13th December 2018. Following completion of the transfer, Neptune confirmed on 15th January 2019 that there were no changes to the proposed development and that they would honour the commitments detailed in the ES.

The Seagull Field is located in Blocks 22/24 and 22/29 in the central North Sea approximately 210 kilometres (km) from the nearest UK coastline and approximately 39 km from the UK / Norway median line, in a water depth of approximately 90 metres (m). Neptune propose to develop the field with up to four development wells drilled through a four-slot manifold that will be tied-back to the Egret Wye structure via a 5 km 16” diameter pipe in pipe production pipeline and a 5 km water-wash pipeline. A 17 km 6” control umbilical and 4” gas lift line will also be installed to connect the Seagull manifold to the Eastern Trough Area Project (ETAP). Produced fluids will be transferred from the Egret Wye structure to the Skua manifold via an existing pipeline and then transferred to ETAP for processing. The new pipeline systems will be trenched and backfilled, with pipeline crossings and transition points protected with rock placement, mattresses and grout bags.

Production is scheduled to commence in 2022, with anticipated peak production of approximately 1,493,450 m³ of gas and 5,150 tonnes of oil per day in 2022. As production will exceed the EIA Directive thresholds, an ES was required under the Offshore Petroleum Production and Pipelines (Assessment of Environmental Effects) Regulations 1999.

Key Environmental Impacts

The ES identified and discussed the following as having the potential to result in an
environmental impact:

- Physical presence of subsea infrastructure and rock dump;
- Interactions with other sea users;
- Noise;
- Additional atmospheric emissions;
- Increased chemical use and discharge requirements; and
- Accidental events.

Key Environmental Sensitivities

The ES identified the following environmental sensitivities:

- Fish: The field is located within spawning grounds for cod, lemon sole, Norway pout, mackerel, sandeels and Norway lobster; and within nursery areas for blue whiting, haddock, hake, ling, Norway pout, anglerfish, herring, mackerel and Norway lobster. However, the spawning and nursery areas are extensive and the proposals are unlikely to have any impact on these species.

- Seabirds: Seabird vulnerability in the area is low throughout the year. It is also considered that there are sufficient mitigation measures in place to prevent accidental spills that could have a significant impact on seabirds, and Neptune will be required to have an approved Oil Pollution Emergency Plan (OPEP) in place before offshore operations are undertaken.

- Protected habitats: The field is located approximately 5 km from the East Gannet and Montrose Fields Nature Conservation Marine Protected Area (NCMPA). The proposals are not expected to have any significant impact on this or any other protected habitat.

- Protected species: Harbour porpoise occur in moderate numbers in the vicinity of the development in July, and low numbers are also observed in June, September and October. Grey and common seals inhabit coastal and inshore waters adjacent to Scotland and have occasionally been observed to travel long distances when foraging. However, both species are unlikely to be present in large numbers in the Seagull field area. Piling of the subsea infrastructure has the potential to impact marine mammals, but the JNCC guidelines will be followed to minimise the impact and modelling indicates that the proposed soft start procedures would reduce the potential injury zone to 7 m for the harbour porpoise.

- Other users of the sea: The development is located within ICES rectangle 43F1, and relative fishing effort in the area is considered low. Shipping density is also low. Appropriate navigational controls will ensure that there is no significant impact on other users of the sea.

- In-combination, cumulative and transboundary impacts: No significant in-combination, cumulative or transboundary effects are anticipated as a result of the development.

Key Mitigation Measures (including environmental or monitoring conditions)

All activities will be undertaken in line with commitments detailed in the ES and best industry practice. A specific mitigation measure identified for the project is that piling will be undertaken in accordance with JNCC guidelines for minimising the risk of injury to marine mammals.
Consultation

The Joint Nature Conservation Committee (JNCC), Marine Scotland (MS) the Maritime and Coastguard Agency, (MCA), the Ministry of Defence (MOD) and the Northern Lighthouse Board (NLB) were consulted on the proposals. The Health and Safety Executive (HSE) were also notified of the proposals. The ES was also subject to public notice.

JNCC: JNCC did not raise any objections but highlighted that hard substrate introduction (rock dumping) should be minimised, and that JNCC guidelines for minimising the risk of injury to marine mammals from piling noise should be followed.

MS: MS confirmed that they had no objections.

MCA: MCA did not raise any objections.

NLB: NLB did not raise any objections.

No comments were received from the MOD or HSE, or in response to the public notice.

Further Information

Further information was requested from Apache prior to the transfer of the asset, to address issues that were raised by consultees and during the internal OPRED review. The information requested related to option selection, drill cuttings, rock dumping and oil spill modelling. Additional information provided by Apache on 17th October, 12th November and 5th December 2018 addressed all the issues that were raised.

Determination

Following review of the ES, the responses received from consultees, the additional information provided by Apache and assurances received from Neptune, BEIS OPRED 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 habitats or species or other users of the sea.

Recommendation

Based on the information presented within the ES, the advice received from consultees and the additional information provided by Apache and Neptune, BEIS OPRED is content that there are no objections, and agrees to the OGA issuing the necessary consent for the proposed development. This agreement is not subject to the inclusion of any specific environmental conditions.

Jonathan Ward 21.01.2019
Jonathan Ward Date
Director, Environmental Operations
BEIS OPRED