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Teleconference on Conventional and Unconventional oil/gas drilling by Cuadrilla

13/6/13

Participants:

Owen Paterson (Defra), Michael Fallon (BIS/DECC) [cut off early on; Duarte Figueira of the Office for Unconventional Gas covered], Lord Browne (Cuadrilla), Francis Egan (Cuadrilla), Lord Chris Smith (EA)

Summary of discussion

The discussion was of two exploration areas; Balcome (Sussex) and Lancashire. Exploration at Balcome is for conventional oil. Exploration in Lancashire is for Shale Gas.

The European Commission have recently decided that the Mining Waste Directive should apply to oil/gas drilling.

Balcome

In discussion, the following points were made:

There are concerns at the decision that permits are now being required under the requirements of the Mining Waste Directive. This has not previously been applied for conventional oil/gas wells. However, the clear legal advice to the Environment Agency is to apply the directive. The EA have offered a shortened 2 week consultation process prior to determining permits. Cuadrilla have decided to undertake a 4 week consultation to minimise the risks of legal challenge.

The current planning permit expires on 27 September. Given the likely time for drilling (40 days) and testing after the 4 week consultation period, and even if EA rapidly grant a permit, there is a risk that building in a 4 week consultation will take Cuadrilla beyond 27 September. Cuadrilla will apply for an extension from West Sussex County Council next week.

Next steps:

The EA will be examining what can be done to simplify the application process further and will engage with WSCC on the planning permit.

Lancashire

In discussion the following points were made:

The MWD also impacts Cuadrilla's exploration in the Lancashire area. Following legal advice, the EA have advised Cuadrilla that they cannot determine permits until Cuadrilla's Environmental Impact Assessment, that will accompany their planning application, is complete. This is likely to take until the end of the year. The completion of the EIA in part depends upon Lancashire County Council, and the length of the consultation period. If the EIA process can be shortened then the determining of permits by the EA can be brought forward.

The main additional risk to drilling, in addition to the MWD, is permitting for flaring. The EA intend to deal with this in parallel to the other issues. There is also the risk of new regulation from the EU. The Secretary of State (Defra) will be attending the Informal Environment Ministers meeting on 16 July to discuss this issue.

In view of the scale of interest in shale gas exploration, and the complex permitting arrangements, there may be scope to simplify the relevant planning process and to consider going to a National Infrastructure Plan.

Next steps:

Defra officials to engage with CLG officials on the EIA/planning process and will report back to the EA to ensure all strands of work are taken forward together.

The EA will do some additional horizon scanning for additional risks.

The EA will do further work on developing a single application process.

SoS (Defra) will discuss shale gas regulation with EU colleagues in Vilnius on 16 July.