

Environmental Statement (ES) Summary and Sign-Off

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(A) Project Description

Suncor is planning to drill an exploration well in Block 12/27 to target and evaluate the Niobe prospect. The proposed well is located in the Outer Moray Firth, central North Sea approximately 40 kilometres (km) from the Scottish coastline and 245 km from the UK / Norwegian median line.

The well is located in water depth of approximately 55 metres (m) and will be drilled using a jack-up mobile drilling unit (MODU). Drilling is expected to last for approximately 45 days, and is scheduled to commence in May 2015. The well will comprise of the following sections: 36° , $17\frac{1}{2}^{\circ}$, $12\frac{1}{4}^{\circ}$ and $8\frac{1}{2}^{\circ}$ (contingency). Top hole sections will be drilled using Water Based Mud (WBM), with an estimated 397 tonnes of cuttings discharged directly to sea. Lower sections will be drilled with Low Toxicity Oil Based Mud (LTOBM), with all cuttings skipped and shipped to shore for treatment and disposal.

Well logging will be undertaken during or following completion of the drilling operations, and if successful a Vertical Seismic Profile (VSP) may be undertaken. No well testing is planned. Following completion of drilling operations, subject to the necessary consent from DECC Oil and Gas Authority (OGA), the well will be plugged and abandoned in accordance with Oil and Gas UK Guidelines. All activities will be subject of an Oil Pollution Emergency Plan (OPEP) that will need to be approved prior to commencement of operations.

(B) Key Environmental Impacts

The ES identified and discussed the following key activities as having the potential to cause an environmental impact:

- Physical presence jack-up drilling rig and support vessels
- Seabed disturbance discharge of WBM and cuttings, drill rig footprint
- Noise
- Atmospheric emissions
- Wider concerns accidental events, transboundary issues, cumulative effects

(C) Key Environmental Sensitivities

The ES identified the following environmental sensitivities:

Fish: The Niobe well is located within the spawning grounds for cod, lemon sole, *Nephrops*, plaice, sandeel, sprat and whiting and nursery grounds for anglerfish, blue whiting, cod, European hake, haddock, herring, lemon sole, ling, mackerel, *Nephrops*, plaice, sandeel, spotted ray, sprat, spurdog, thornback ray and whiting. The spawning and nursery areas are extensive and the drilling of the proposed exploration well is unlikely to have an impact on these species.

Seabirds: The most abundant seabird species recorded in the area are Guillemot, Razorbill, Kittiwake, Puffin and Fulmar. Other species including Great Black-Backed Gull, Arctic Tern and Gannet occur in lower densities at certain times of the year. Seabird vulnerability in the vicinity of the proposed well is very high throughout the year. It has been assessed that there are sufficient mitigation measures in place to prevent accidental spills that could have a significant impact on seabirds and this will also be covered by the OPEP.

Protected Habitats: No potential Annex I habitats have been designated in the vicinity of the proposed well, and surveys undertaken in 2014 did not identify any potential habitats in the area. The closest identified Annex I habitat is the Moray Firth Special Area of Conservation (SAC) for subtidal sandbanks located 50 km to the west of the proposed well. The nearest Nature Conservation Marine Protected Areas (MPA) are the East Caithness Cliffs and Noss Head MPAs located approximately 35 km and 40 km respectively to the south of the proposed well. The drilling operation is not expected to have any significant impact on these protected habitats.

Protected Species: The proposed well is approximately 50 km east of the Moray Firth SAC for bottlenose dolphin. Fin whale, Harbour porpoise, Humpback whale, Killer whale, Long-finned pilot whale, Minke whale and White-beaked dolphin have also been recorded in the general area of the proposed well with highest numbers recorded during the period April to September and November. Areas of the Inner Moray Firth have also been designated as an SAC for common seal. Grey and common seals inhabit the coastal waters around the Moray Firth and have occasionally been observed to travel long distances when foraging, both species may be present in the vicinity of the proposed well. Any disturbance of marine mammals is expected to be limited to the drilling period, and the localised disturbance is considered unlikely to have any significant impact.

Other Users of the Sea: The proposed well is situated within ICES rectangle 45E7, and relative fishing effort in the area is moderate. Shipping density in the vicinity of the proposed well is also relatively low. Appropriate navigational controls will be put in place, and it is not anticipated that there will be any significant impact on other users of the sea.

(D) Consultation

The Joint Nature Conservation Committee (JNCC), Marine Scotland (MS), Scottish Environment Protection Agency (SEPA), Scottish Natural Heritage (SNH), the Maritime and Coastguard Agency (MCA), Ministry of Defence (MoD) and were consulted on the proposals. The ES was also subject to public notice, but no comments were received. The consultees

did not raise any objections to the proposals.

(E) Further Information

Further information was requested from Suncor to address the issues identified during DECC OGED review, which included clarification in relation to drill cuttings dispersion modelling. The response received from Suncor on 16 March 2015 adequately addressed the issues raised.

(F) Conclusion

Following review of the ES, the comments received from consultees and the additional information provided by Suncor, DECC OGED is satisfied that the project will not have a significant adverse impact on the receiving environment or on the living resources it supports, or on any protected sites or species or other users of the sea.

(G) Recommendation

On the basis of the information presented within the ES and advice received from consultees, DECC OGED is content that there are no environmental or navigational objections to approval of the proposals.

Approved

Sarah Pritchard

......Date 7 April 2015

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