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

BHP Billiton

LIVERPOOL BAY ASSET

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 Licences P710, P99 and P791, consent has been granted to BHP Billiton Petroleum Limited to the getting of petroleum and the construction of installations in the Liverpool Bay Asset (comprising Douglas, Lennox, Hamilton, Hamilton North, Hamilton East and OSI), in accordance with the relevant environmental statement, received 21st September 2001. The consent for Liverpool Bay Asset took effect from 01/01/02 and shall last until 31/12/16.

Background

BHP Billiton and partners, Lasmo (ULX) Ltd and Centrica Resources Ltd. requested the renewal of the Production Consent for the Liverpool Bay Asset which expired at the end of December 2001. Given the sensitive location of the operations, both from the point of view of the natural environment and the recreational and economic activities of the area, DTI required that an environmental statement (ES)be prepared in support of the application. The Liverpool Bay Asset comprises five producing fields, two oil with associated gas (Douglas and Lennox) and three gas fields (Hamilton, Hamilton North and Hamilton East), an oil storage and offloading facility and a total of fourteen connecting pipelines ranging from 2 to 24 inches in diameter and 7 to 34 kilometres in length. It is served by a number of support and supply vessels making use of a base at Heysham and a helicopter connection to the Blackpool Heliport. Also present in the field for significant periods of time is a jack-up drilling rig. The only planned additional activities are the drilling of two or three production wells but these are to be located at the existing facilities (two at Douglas and one at Lennox).

The ES described the development of the Asset and the evolution of the management system and mitigation measures now in place to reduce to a minimum or eliminate environmental impacts. During the life of the fields a number of incidents have occurred, principally two minor and one significant, oil spill and odour problems. The ES set out the lessons learned from these incidents and the measures taken to ensure that they are not repeated. A significant and commendable approach of BHP in this (and earlier assessments) was to consult widely in the local communities through Local Government bodies and the general public. This helps to, identify issues which may not seem significant from a professional or engineering viewpoint but which may be important to the general public.

Sensitivities

On the Liverpool Bay coastline, both in England and North Wales, are located many sensitive sites with conservation interest including SSSI's and SAC's as well as sites of lower, but still important, classifications. The assessment of the Liverpool Bay operations identified a major oil spill as the only source of impact likely to affect these sites, (much larger than those which had occurred in the past which had not lead to damage). Risk assessment indicated that a large oil spill was highly unlikely given the nature of the operations and the management processes but nonetheless an Appropriate Assessment was carried out under the Habitats Regulations to examine this possibility. The conclusion was that the mitigation measures were appropriate and that these combined with the very low likelihood of a major spill conveyed an adequate measure of protection to the sites. No candidate SAC's were identified from the proposed development.

Recommendation

Overall the environmental statement is satisfactory and adequately assesses the potential environmental impacts of the proposed development. It is recommend that consent given to the project.