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

Conoco BLOCK 204/14-1

Pursuant to Regulation 5(8) of the above Regulations, the Secretary of State for Trade and Industry gives notice that, being content that the requirements of the above Regulations have been satisfied, he has, pursuant to Licence P974, granted a consent to Conoco Limited to the getting of petroleum and the drilling of an exploration well in 204/14-1 (hereafter referred to as "the project") subject to Conoco Limited conducting operations in respect of the project in accordance with the relevant environmental statement. The consent for the well was given on 12/07/99.

Background

Conoco Limited propose two separate programmes in the southern portion of Blocks 204/14 and 204/15, about 121 km off the north west coast of Shetland. The purpose of both projects is to investigate the viability of oil and gas formations at approximate depths of 10,000 to 14,000 ft below sea level. A risk based methodology was employed to assess the likely significance of environmental effects that could potentially occur during proposed projects. No intolerable or substantial environmental risks were identified. Consultation was carried out with 17 relevant parties including government departments, local councils and conservation bodies.

Drilling and Well Testing

Drilling

Throughout the project wbm will be used with a total estimated weight of cuttings generated of 1015 tonnes, during drilling of well 204/14-D. Of these, 149 tonnes would be discharged directly to the seabed during the drilling of the top section. The remaining sections will have the mud recovered and recycled and the cuttings cleaned and discharged overboard. The total quantities of chemicals used will not exceed the tonnage triggers set for each category under HOCNS; the usage is summarised in Table 4-15 of the ES. Clean-up chemicals have not been included but will be kept to a minimum and contained on the rig.

Testing

If a DST is required at either location, the design would be identical. Duration would be for up to three days; no extended well tests would be carried out. In a worst case scenario, a single DST will result in a cumulative flow of 30,000 stb of oil and 12,000 mscf gas.

Any flaring would only be carried out in daylight with good visibility, using clean burner technology and flow rates restricted to a minimum to obtain the necessary reservoir information.

Well Suspension and Abandonment

If well 204/14-D will be used at a later date, it will be suspended at the end of drilling in accordance with UKOOA guidelines. This will leave about 3 to 4 m of casing protruding from the seabed. Fishermen's organisations have been notified of operations and the well's position will be marked on charts. If the well does not yield significant hydrocarbons it will be abandoned. The well casing would be cut several metres below the seabed, leaving no residual hazard.

Drainage

This will be managed as per relevant legislation. All machinery, chemical, fuel and lube oil storage areas will be bunded to minimise risk of overboard discharge. Helifuel spillages will be directed to a separate hazard drain. Oily waste drains are connected to the bilge tank. This is pumped to the oily waste tank and backloaded to shore for recycling, or passed through a separator, prior to discharge at less than 15 ppm, in accordance with legislation.

Environmental Sensitivities and Impacts

According to the risk based methodology used in this assessment, no 'intolerable' or 'substantial' environmental risks have been identified. Because of the sensitivity of the location, events with an 'intermediate' risk have been considered in more detail. Broadly these consisted of cuttings discharges, spillages and loss of well control. **Cuttings** will be deposited around the well head, contributing to a small cuttings pile of some 7 to 10 mm thickness and will be detectable for about 50 m distant. The effects of smothering would be quickly reversible, with benthic organisms naturally colonising the pile. A post drilling survey will be carried out to assess the impacts. Cumulative impacts are considered negligible as the two wells that have been drilled in Block 204/14 lie 5.2 km apart and it is unlikely the spread of cuttings will overlap.

Spillages will be mitigated by two means: measures to prevent the incident from happening in the first place and measures to ensure rapid clean-up, including an Oil Spill Contingency Plan and an Emergency Response Plan. The nearest coastline is between 121 and 127 km eastwards. In worst case scenarios, an oil slick has the potential to beach in about 40 hours.

Loss of well control would be prevented by use of appropriate muds and weighting agents, together with the installation and regular testing of a BOP. In the unlikely event of a spill these would be cleaned up as noted above.

Transboundary effects are considered to be highly unlikely.

Recommendation.

The ES adequately assesses the impact and associated risks of the project and demonstrates that there is sufficient information to evaluate the proposed mitigation measures. Recommend consent is given.