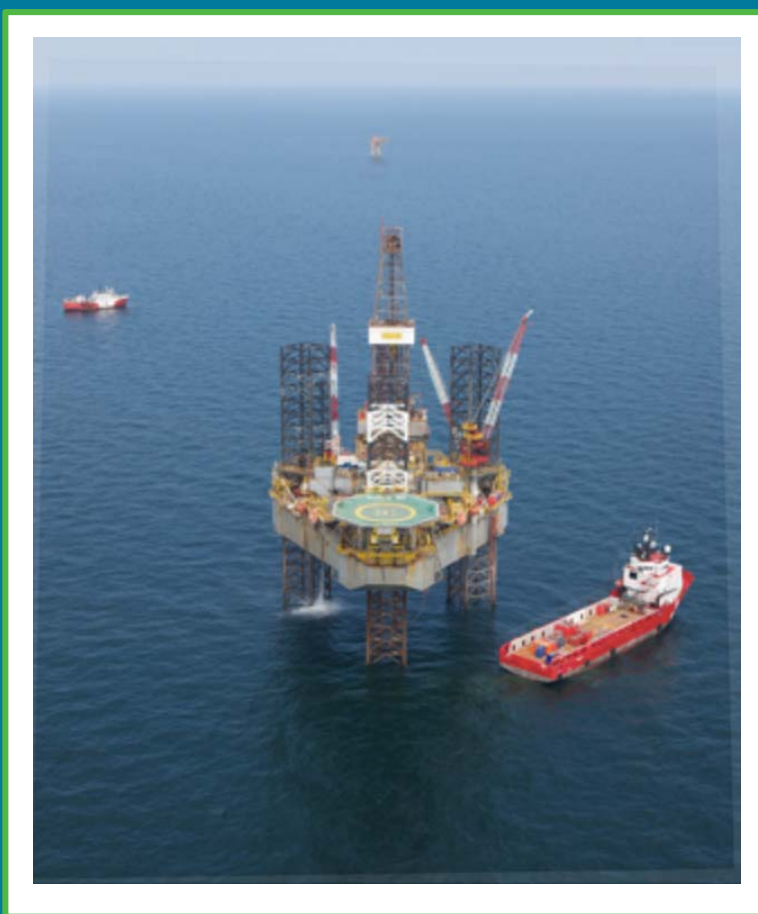


EOGUKL

EOG Resources United Kingdom Limited OSPAR Public Statement 2014



May 2015

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Abbreviations

CH ₄	Methane
CO ₂	Carbon Dioxide
CO	Carbon Monoxide
DECC	Department of Energy and Climate Change
EHS	Environment Health and Safety
EOGUKL	EOG Resources United Kingdom Limited
EMS	Environmental Management System
HQ	Hazard Quotient
NO _x	Nitrogen Oxide
N ₂ O	Nitrous Oxide
OCNS	Offshore Chemical Notification Scheme
OPPC Regulations	The Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005
SO ₂	Sulphur Dioxide
SUB	Substitution
UKCS	United Kingdom Continental Shelf
VOC	Volatile organic compounds

1 Introduction

Under OSPAR Recommendation 2003/5 to Promote the Use and Implementation of Environmental Management Systems by the Offshore Industry, the Department of Energy and Climate Change (“DECC”) requires all operators of offshore installations to produce a Public Statement to report their environmental performance. These Statements must be prepared on an annual basis (covering offshore installation activities carried out during the previous calendar year), made available to the public and copied to DECC by 1st June of each year.

In accordance with this requirement, this document reports on the environmental performance of EOG Resources United Kingdom Limited’s (“EOGUKL”) UKCS operated activities during 2014.

2 EOG Resources United Kingdom Limited

EOGUKL is the UK subsidiary of EOG Resources, Inc., one of the largest independent (non-integrated) oil and natural gas companies in the United States, with substantial proven reserves in the United States, Canada, offshore Trinidad, the United Kingdom and China.

The UK operation is headquartered in Guildford. Further information on the company is available from: <http://www.eogresources.com>.

Table 2.1 shows the EOGUKL operated licenses that were held in the UKCS during 2014.

Table 2.1: The EOGUKL operated licenses held in the UKCS during 2014

Block	Interest	Licence	UKCS Region
110/7b	100%	P.1476	East Irish Sea
110/12a	100%	P.1476	East Irish Sea
15/30a Area AB	32.5% (relinquished Apr15)	P.103	Central North Sea
21/12b	100% (relinquished Jan14)	P.1616	Central North Sea

3 Environmental Management System

EOGUKL operates under an integrated Environmental, Health and Safety (EHS) Management System, which has been developed to be consistent with existing international and national models for health, safety and environmental management (e.g. ISO14001, OHSAS 18001, HSG (65), BS 8800).

The management process is structured around the plan, do, assess and adjust process, with a feedback loop to assure continual improvement in performance, as illustrated in Figure 3.1. This system provides the mechanism to implement EOGUKL standards relevant throughout the business lifecycle from acquisition of new licences and acreage through to decommissioning and divestiture.

The key steps in this process can be described as follows:

1. EHS Policy, Standards and Expectations

The system is driven by the EHS Policy (Appendix A), which sets out the Company’s expectations and commitments to EHS performance. The policy provides a framework for establishing performance goals, from which targets are established.

2. Organize

Planning during the annual budget process defines work activities and resource needs for the upcoming year. EHS roles and responsibilities are clearly defined. Commitment to EHS is visibly demonstrated through defined internal and external communication networks. Personnel have the competence and training to meet their responsibilities.

3. Plan

All potential hazards and risks associated with planned activities are identified, assessed and control measures identified. Plans to respond to emergencies and unforeseen events are in place.

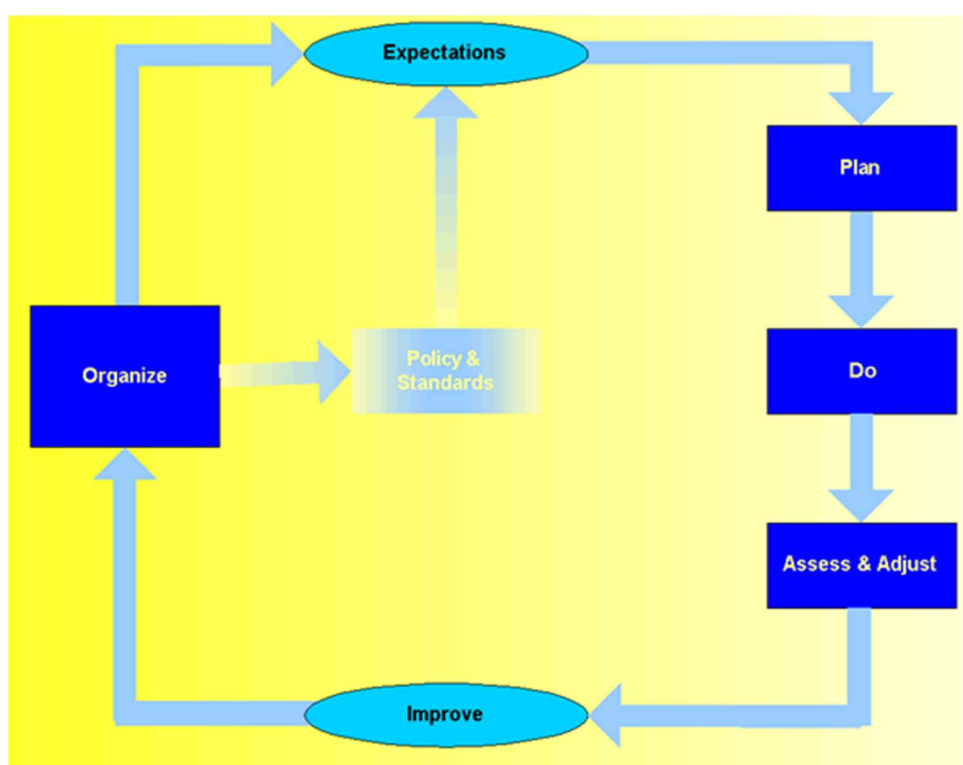
4. Do

Guidelines, bridging/interface documents and local operating procedures are established so that risks are properly managed and the Company’s expectations and standards are delivered. Competent contractors are selected and managed. Significant changes made to the organisation, plant/equipment, guidelines and procedures are also subject to this risk review as part of the change management process.

5. Assess and Adjust

Routine monitoring is undertaken to assess EHS performance. Procedures for reporting and investigating incidents and non-compliances are in place. Audits, inspections and reviews are undertaken to check the effective functioning and continued suitability of the management system. Performance against standards is reported and reviewed and areas for improvement identified. Lessons learned and results from the audit, inspection and review process are fed back into the system to enable continual improvement.

Figure 3.1: The EHS Management Framework



As required by OSPAR Recommendation 2003/5, EOGUKL’s Environmental Management System (EMS) has been independently verified by Lloyds Register in October 2014. The EMS is scheduled to be re-verified in October 2016.

4 Overview of 2014 UKCS Operated Activities

EOGUKL’s 2014 operated offshore activities comprised of:

- Drilling the “J” Prospect exploration well in UKCS Block 110/07b, using the Ensco 80 Jack-up drilling rig, between December 2013 and February 2014. The location of this well is shown in Figure 4.1. On completion, this well was plugged and abandoned;
- Ongoing commissioning activities associated with development of the Conwy Field in the East Irish Sea. The location of the Conwy Field Development is shown in Figure 4.2.

Further details on these activities are provided below with a summary of EOGUKL’s environmental performance provided in Section 5.

Figure 4.1: Map Showing Location of the 110/07 “J” Prospect Exploration Well

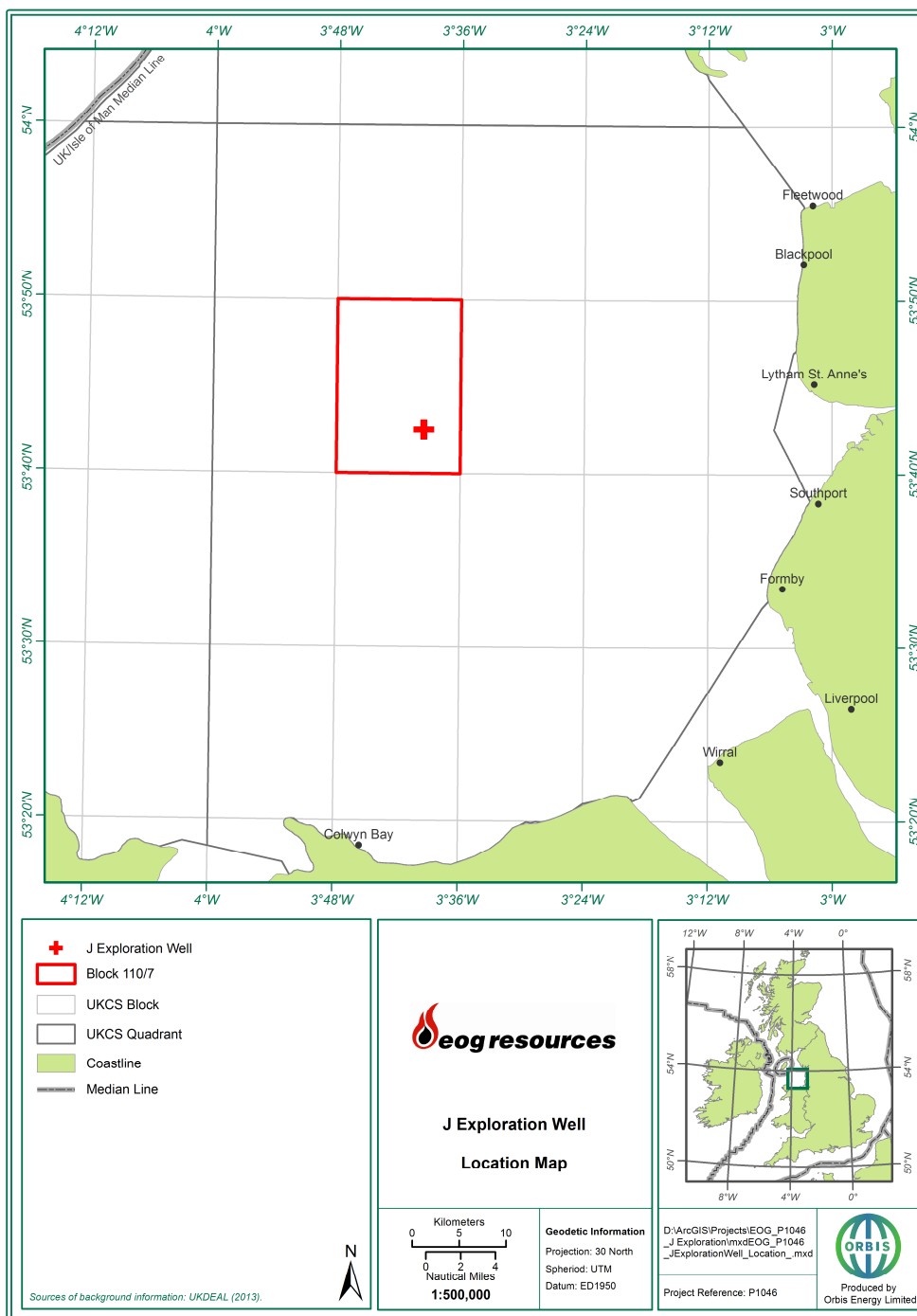
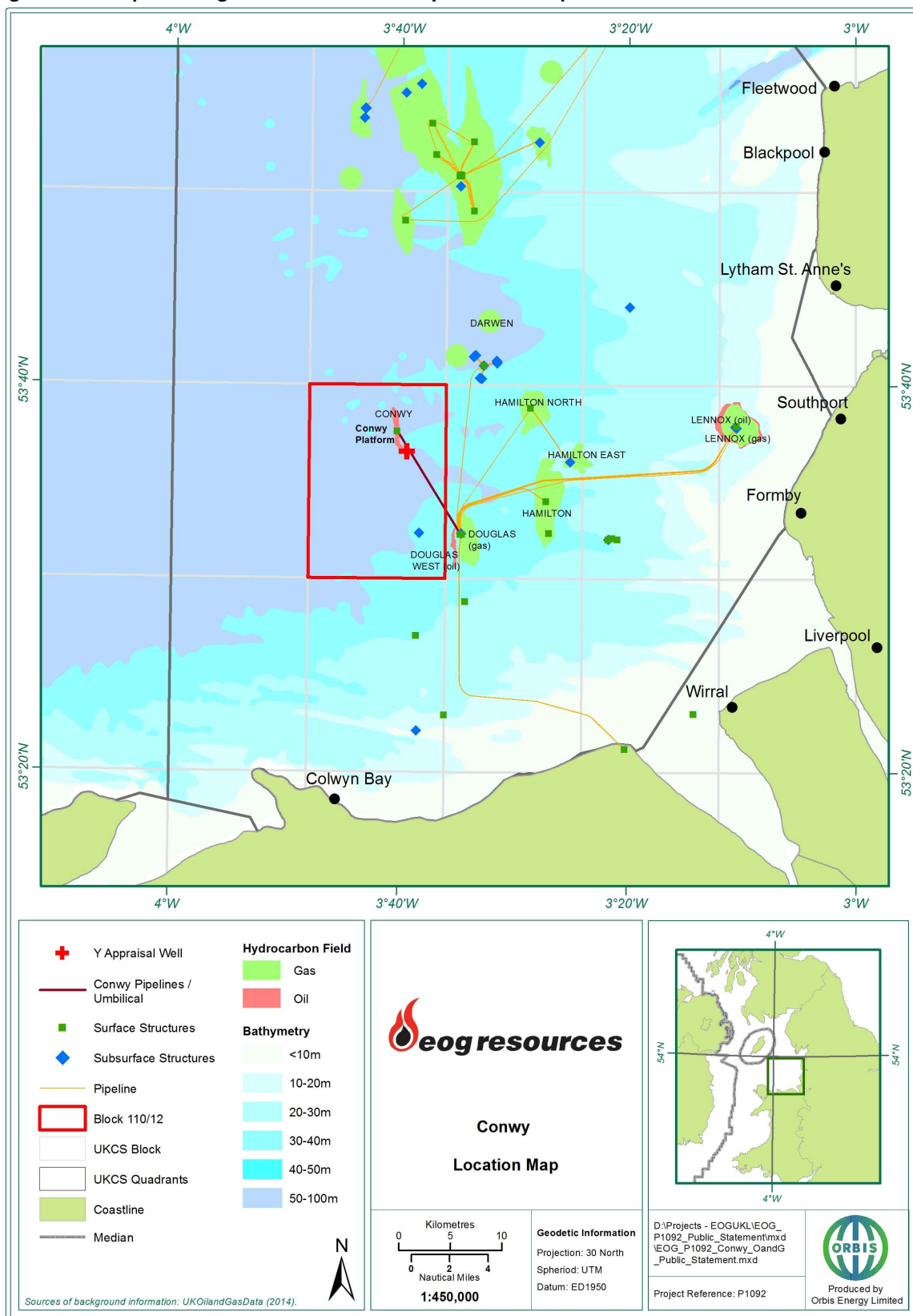


Figure 4.2: Map Showing the Location of Conwy Field Development



5 Summary of 2014 Environmental Performance

Given the nature of EOGUKL's operated activities during 2014 (as outlined in Section 4), the potential for significant environmental impacts arose or could have arisen from:

- Atmospheric emissions from power generation and, where applicable, flaring or venting;
- Chemical use and discharge regulated under The Offshore Chemical Regulations 2002;
- Discharge of oil regulated under The Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005;
- Waste;
- Oil or chemical release incidents.

The performance data outlined in Table 5.1 below corresponds to the data that has been reported to DECC for 2014 under the Environmental Emissions Monitoring Scheme (EEMS) for the "J" Exploration Well.

The data reported in Table 5.2 outlines the chemicals used and discharged during 2014 for the Conway subsea infrastructure. The operations involved the following:

- Commissioning of the topsides on the Conwy platform;
- Conditioning the J-tubes with biocide at the Conwy platform and Douglas Complex;
- Opening of the riser on the 3 inch condensate line to allow a discharge of inhibited seawater;
- Opening of the riser on the 8 inch production and injection pipelines to allow the discharge of inhibited seawater.

As the Conwy subsea infrastructure (pipelines) has yet to be fully commissioned the Chemical Permit (PON 15C) for this installation work remains valid and therefore the chemical data listed in Table 5.2 has not yet been reported under EEMS.

Oil or chemical release incidents are reported to DECC in accordance with the Petroleum Operations Notice 1 (PON1) system. EOGUKL confirms that no oil or chemical release incidents occurred during their operated activities in 2014.

Table 5.1: The 110/07b “J” Exploration Drilling Environmental Performance Data

Environmental Indicator	Units	110/07b “J” Exploration Well
Well Data		
Well No.	-	110/07b-9
Start date	-	23/12/2013
End date	-	28/02/2014
Rig Fuel Consumption (diesel) ¹	Tonnes	116.00
Flaring	Tonnes	0
Environmental Incidents		
Chemical release	No. incidents	0
Hydrocarbon releases	No. incidents	0
Atmospheric Emissions²		
CO ₂	Tonnes	371.2
CO	Tonnes	1.82
NOx	Tonnes	6.89
N ₂ O	Tonnes	0.03
SO ₂	Tonnes	0.46
CH ₄	Tonnes	0.02
VOC	Tonnes	0.23
Chemical Consumption³		
Gold (use / discharge)	Tonnes	(7.62 / 4.35)
D (use / discharge)	Tonnes	(1.35 / 1.35)
E (use / discharge)	Tonnes	(1496.04 / 1376.12)
SUB (use / discharge)	Tonnes	(3.00 / 3.00)
Waste Generated⁴		
Special (Group I)	Tonnes	0.0
General (Group II)	Tonnes	22.110
Other (Group III)	Tonnes	0.0
Back Loaded Drill Cuttings	Tonnes	1,719.390
Drill Cutting Discharge to Sea	Tonnes	307.00
Discharges of oil regulated under OPPC Regulations		
Total Quantity of Oil Discharged	Tonnes	0

Notes:

- 1) Total amount of diesel consumed by the Ensko 80 whilst on location for the 110/07b “J” Exploration Well.
- 2) Atmospheric emissions resulting from fuel (diesel) burnt for power generation on the rig and calculated using Oil and Gas UK emission factors.
- 3) Chemical use and discharge has been grouped by HQ Category / OCNS Group. Those chemicals with substitution (SUB) warnings have been recorded separately and the amounts are not duplicated in the ranking categories.
- 4) Waste generated by the Ensko 80 whilst on location for the 110/07b “J” Exploration Well.

Table 5.2: Conwy Subsea Infrastructure Environmental Performance Data

Environmental Indicator	Unit	Conwy Production Flowlines (PON15C/396/17)
Chemical Consumption¹		
Gold (Est use / Est discharge)	Kilogrammes	(10 / 0.7)
E (Est use / Est discharge)	Kilogrammes	(5000 / 0.443)

6 Progress against 2014 EMS Objectives and Targets

Based on the operated activities undertaken during 2014, EOGUKL set a number of EMS objectives and targets. The progress against these objectives and targets is reported in Table 6.1.

Table 6.1: Progress Against EOGUKL’s 2014 EMS Objectives and Performance

Issue	Objective	Targets	Comments/Status
Leadership and EMS Documentation	Improve internal leadership and communications	EHS MS management review	Held in January 2015
		Update EHS Policy	Reviewed in 2014, no changes
		Update EHS MS Documentation	Deferred to 2015 (Conwy start-up delayed)
		Communication of EHSMS to personnel	-
		5 management visits – senior managers to operational sites	Frequent (at least monthly) managements to Conwy and Douglas worksites
		Review organisation and training and competency requirements	Deferred to 2015 (Conwy start-up delayed)
		Conduct Conwy pre-start-up environmental awareness briefing	Deferred to 2015 (Conwy start-up delayed)
Legislative and Regulatory Compliance	Permits and consents - Ensure full compliance	Conwy Field Development – maintain consents register up to date	Closed
		Finalise and maintain Conwy Production Consents Register	Deferred to 2015
Contractor Selection and Management	Management and monitoring of contractor performance (No major contracts to award in 2014)	Monitor through Audit Plan	Closed
Risk Assessment	Ensure risk assessments are completed for all major activities.	Ensure start up risks are reviewed and control measures implemented	Started in 4Q14 and completion deferred to 2015 (Conwy start-up delayed)
		Identify risk assessments required for potential new licenses and country entry	Closed. No new licenses proposed for consideration in 2014
Monitoring and Incident Reporting	Monitor EHS performance	Improve reporting of EHS statistics. Regular internal review	Event reporting improved to cover wider scope and statistical reporting/review formalised.
	Incident reporting	Ensure all EHS related incidents and accidents are followed through to closure	No accidents or incidents on EOG operated assets in 2014
	Review	Quarterly performance review	Monthly management team meetings held
Emergency Response	Emergency plans in place and up to date	Update emergency response plan as necessary	Minor amendments made throughout 2014
		Exercise to be held prior to start up	Table-top on 28 Jul '14. Full oil spill exercise on 29 Oct '14. Combined oil spill exercise with eni deferred to Mar '15 (Conwy start-up delayed)
	Incident reporting	Emergency response training for all personnel (workshops and exercises prior to major operational activity)	STOP training held for construction workforce on Douglas platform
	Response training	Sufficient number of personnel trained to DECC Level 1, 2 and 3	Training up to date
Audits	Ensure all facilities and operations are appropriately audited	Implement 2014 Audit Plan	Closed

7 Proposed 2015 UKCS Operated Activities

In 2015 EOGUKL’s UKCS operated activities are focused on the commissioning of the Conwy field development in order to achieve first oil. The commissioning work is forecast to be completed in Q3 of 2015.

Table 7.1: The EOGUKL 2015 Environmental Objectives and Targets

Issue	Objective	Targets
EHS Management System	Improve internal leadership and communications	Update EHS Policy
		8 management site visits
		Review organisation, training and competency requirements for production
		Conduct Conwy pre-start-up environmental awareness briefing
	Permits and consents – Ensure full compliance	Finalise and maintain Conwy Production Consents Register
Ensure risk assessments are completed for major activities	Ensure start up risks are reviewed and control measures implemented	
Monitor EHS performance	Monthly reporting of EHS statistics and incidents	
Review	Quarterly EHS and operations performance review	
Emergency Response	Pre and post Conwy start-up emergency response exercises	1 pre and 1 post Conwy start-up emergency response exercise (involving Douglas operator)
		8 Conwy platform EHS drills (focus on major accident hazards)
	Emergency response training	Emergency response training for all personnel (workshops and exercises prior to major operational activity)
Response training	Sufficient number of personnel trained to DECC Level 1, 2 and 3	
Audits	Ensure all facilities and operations are appropriately audited	Conwy Pre start-up EHS compliance audit
		Conwy Platform EHS audit
		EHS Management System audit
Environmental Performance	Vented gas at Conwy	0.316 tonnes of gas vented per annum. Based on maximum of 6 venting episodes per annum, at 1000 scf (28.3 m3) per episode
	Oil and chemical spills	No oil or chemical spills
	Offshore chemical use	Set baseline for chemical usage based on Q4 production and chemical use
Safety performance	Accidents and incidents	No Lost Time Injury
		All incidents reported, investigated and findings reported to workforce within 1 month

Appendix A: EHS Policy



EOG Resources United Kingdom Limited Environmental, Health and Safety Policy

EOG Resources United Kingdom Limited (EOGUKL) conducts its business with a commitment to safeguard the environment and human health. Good environmental, health and safety performance is critical to the success of our business and is the responsibility of every person working for and on behalf of EOGUKL.

In furtherance of this policy, EOGUKL:

- Makes environmental, health and safety an integral part of our business planning, development and decision-making.
- Conducts its business in a manner designed to comply with all applicable environmental, health and safety laws, regulations and other requirements, applying responsible standards where such laws or regulations do not exist.
- Provides leadership, professional personnel, training, support and other resources necessary for the implementation of environmental, health and safety programmes that are designed to ensure each individual's knowledge of their responsibilities.
- Continues to drive down the impact of its business on the environment by reducing wastes, emissions and discharges, preventing pollution and using energy efficiently.
- Communicates openly and honestly with its customers, employees, contractors, partners, appropriate regulatory authorities, the community and public interest groups regarding significant environmental, health or safety matters.
- Works with the regulatory authorities, industry groups and others to develop sound, equitable and realistic laws and regulations to protect the environment, personnel and the general public and to raise the standards of our industry.
- Strives to continuously improve and enhance our environmental, health and safety performance, through appropriate means and programmes, toward its goal - **no accidents, no harm to people, and no damage to the environment.**

Adam Farrow
Country Manager

May 2015

This policy is in addition to the requirements of the EOG Resources, Inc. Conduct of Business Affairs policy relating to environmental, health, and safety matters and the EOG Resources, Inc. Environmental, Health and Safety Policy.