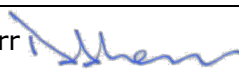
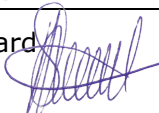




AGR Well Management Annual Environmental Report 2019

AUTHORISATION			
	Name	Position	Date
Prepared by	Dave Kerr 	HSEQ Manager	24/06/2020
Reviewed and Approved by	Andrew Stannard 	COO	26/06/2020

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1 Introduction

This document presents the AGR Well Management Ltd (AGR) annual public statement for offshore operations during 2019. The annual statement is provided in line with the objectives of OSPAR Recommendation 2003/5 to Promote the Use and Implementation of Environmental Management Systems by the Offshore Industry, as implemented by the UK Department of Business, Energy and Industrial Strategy (BEIS). In accordance with BEIS guidance on Environmental Management Systems (EMS), well operators on the UK continental shelf (UKCS) must maintain a certified EMS, including the requirement to produce an annual public statement covering all offshore operations undertaken in the previous calendar year.

2 Scope and Model of Operations

AGR is an independent well management services company, which provides all aspects of well operations, including well design and planning, execution and close-out. The scope of operations includes exploration, appraisal and development drilling design and implementation, rig procurement and well abandonment.

With the introduction of the Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations, licence operators for offshore oil and gas activities must formally appoint a competent well operator to undertake exploration and appraisal well operations, including drilling, well suspension and abandonment operations. As well operator, in addition to general project management duties, AGR is responsible for managing the environmental requirements of well operations, including the preparation and submission of all environmental permit applications.

In 2019 AGR acted as the well operator for well 3/3b-13z (Orlando) located in the northern North Sea. The operations were executed under the auspices of the AGR HSEQ Management System. This document discusses the environmental performance during these operations.

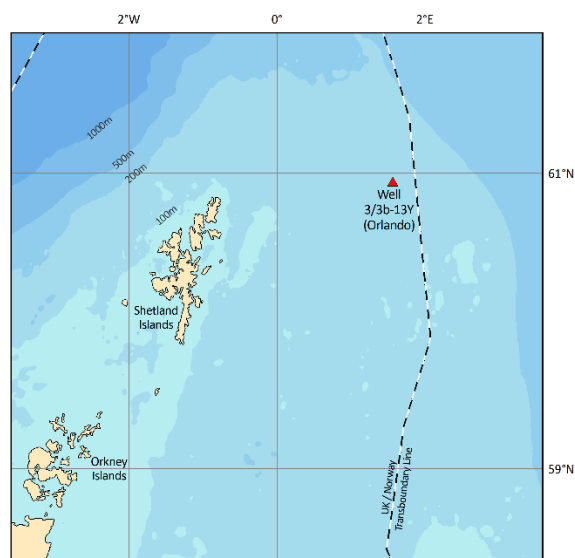


Figure 1 – Orlando Well Location

3 EMS Overview

AGR is aware of the potential environmental implications of its business operations and is fully invested in safeguarding the environment as an underlying principle of our operations. This is demonstrated by the commitments outlined in the HSEQ policy underpinning our HSEQ Management System and all our activities. Following the principles of ISO14001, the HSEQ policy commits AGR to enhance our environmental performance, meet all identified compliance obligations and to protect the environment.



Figure 2 - HSEQ Policy

The HSEQ policy is part of the AGR integrated HSEQ Management System, which includes Environmental Management System (EMS) requirements. The Management System has been certified to the ISO14001 2015 International Standard in accordance with the requirements of OSPAR Recommendation 2003/5 and associated BEIS guidelines. The Management System is subject to regular external review and certification against the requirements of ISO14001. It was last fully certified on 31st December 2019. As part of the EMS, AGR has identified the significant environmental aspects of offshore operations and developed processes necessary to manage these aspects. The environmental elements of the Management System are applied to all well activities, including those covered in this annual statement.

4 Environmental Objectives

AGR takes all reasonable steps to identify environmental responsibilities and associated risks. To help measure performance, the following key performance indicator (KPI) relevant to the nature of the operation was agreed for 2019 operations:

- Zero reportable spills

Operations were monitored to ensure compliance with AGR procedures, compliance with consent conditions and to help minimise environmental impacts.

4.1 Environmental Performance – Orlando Well

The Orlando well, located in Block 3/3b in the northern North Sea, was drilled between March and June 2018. Operations involved re-entry of an existing suspended appraisal well (Well 3/3b-13Z) in order to drill and complete a new sidetrack (Well 3/3b-13Y) as part of a wider field development. Drilling operations were undertaken from the *Ocean Guardian* moored semi-submersible drilling rig, owned and operated by Diamond Offshore Drilling Inc. (Diamond).

Once completed, the well was tied-back and hydrocarbon production routed to the Ninian Central platform for processing and export.

4.1.1 Non-compliances

There were no environmental non-compliances in 2019.

4.1.2 Oil and Chemical Spills to Sea

The Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005 (OPPC Regulations) stipulate that any oil or chemical spill within 500 m of a drilling rig or fixed platform must be reported. In the event of such a spill, an electronic Petroleum Operations Notice 1 (PON1) form must be submitted to BEIS and other relevant authorities informing them of the incident.

One incident occurred over the course of the Orlando operations in 2019 that required reporting via the ePON1 form. On March 19th a low-level alarm was activated at the storage reservoir for the Orlando well hydraulic power unit (HPU). The HPU is located on the platform and it was immediately shut down. The incident investigation determined that a total of 2130 litres of hydraulic oil was lost to the sea. All regulatory agencies (HM Coastguard, BEIS, JNCC and Marine Scotland) were notified of the release.

A remote-operated vehicle (ROV) inspection confirmed the source of the leak as a loose hydraulic hose fitting (supplying actuation fluid to a xmas tree mounted chemical injection valve). The fitting was tightened, secured and tested by diver intervention from the Helix Seawell vessel overnight 1st to 2nd August 2019. BEIS were informed and confirmation was received that the PON 1 (8289) was closed on the AGR portal.