

Our Ref: 01.01.01.01-5679U
UKOP Doc Ref:1344393



Offshore Petroleum Regulator
for Environment & Decommissioning

SHELL U.K. LIMITED
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Registered No.: 00140141

Date: 28th May 2024

Department for Energy Security &
Net Zero

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Crimon Place
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Dear Sir / Madam

**THE OFFSHORE OIL AND GAS EXPLORATION, PRODUCTION, UNLOADING
AND STORAGE (ENVIRONMENTAL IMPACT ASSESSMENT) REGULATIONS
2020
PENGUIN EAST C-TRIASSIC WELL, 211/13a-17**

I refer to your amended application dated 10th May 2024, reference DR/2375/2 (Version 2).

It has been determined that the proposed changes to the project is not likely to result in a significant effect on the environment, and therefore an environmental impact assessment is not required.

A screening direction is therefore issued for the changes to the project. An amended schedule of conditions, comments, and main reasons for the decision on the amended application, are attached. A copy of this screening direction will be forwarded to the application consultees, the Oil and Gas Authority and published on the gov.uk website.

If you have any queries in relation to this screening direction or the attachments, please do not hesitate to contact [REDACTED] on [REDACTED] or email the Environmental Management Team at opred@energysecurity.gov.uk.

Yours faithfully



**THE OFFSHORE OIL AND GAS EXPLORATION, PRODUCTION, UNLOADING
AND STORAGE (ENVIRONMENTAL IMPACT ASSESSMENT) REGULATIONS
2020**

**SCREENING DIRECTION CONFIRMING THAT AN ENVIRONMENTAL IMPACT
ASSESSMENT IS NOT REQUIRED**

PENGUIN EAST C-TRIASSIC WELL, 211/13a-17

DR/2375/2 (Version 2)

Whereas SHELL U.K. LIMITED has made an application dated 10th May 2024, under The Offshore Oil and Gas Exploration, Production, Unloading and Storage (Environmental Impact Assessment) Regulations 2020, and whereas the Secretary of State has considered the application and is satisfied that the project is not likely to have a significant effect on the environment; in exercise of the powers available under regulation 6, the Secretary of State hereby directs that the application for consent in respect of the project need not be accompanied by an Environmental Impact Assessment, provided that the project is carried out as described in the application for the screening direction and in accordance with the conditions specified in the attached schedule.

In giving a screening direction under regulation 6 of the above Regulations, the Secretary of State accordingly gives agreement to the Oil and Gas Authority to the grant of consent for the project as detailed in the application, WONS/11840/2/IDA, WONS/11840/2/C, WONS/11840/2/GS.

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THE OFFSHORE OIL AND GAS EXPLORATION, PRODUCTION, UNLOADING AND STORAGE (ENVIRONMENTAL IMPACT ASSESSMENT) REGULATIONS 2020

SCHEDULE OF SCREENING DIRECTION CONDITIONS

The grant of this screening direction is conditional upon the screening direction holder complying with the following conditions.

1 Screening direction validity

The screening direction shall be valid from 15 July 2023 until 31 October 2024.

2 Commencement and completion of the project

The holder of the screening direction must notify the Department for Energy Security & Net Zero (hereinafter called the 'Department') of commencement and completion of the project within two days:

- a) of commencement of the project and
- b) of completion of the project.

Notification should be sent by email to the Environmental Management Team Mailbox: opred@energysecurity.gov.uk

3 Prevention of pollution

The holder of the screening direction must ensure that appropriate measures are taken to minimise discharges, emissions and waste, in particular through the appropriate use of technology; and to ensure that necessary measures are taken to prevent incidents affecting the environment or, where they occur, to limit their consequences in relation to the environment.

4 Inspections

Should the Department consider it necessary or expedient for an inspector appointed by the Secretary of State to investigate whether the conditions of the screening direction are being complied with, the holder of the screening direction shall afford the inspector with such facilities and assistance as the inspector considers necessary to exercise the powers conferred by the regulations. The holder of the screening direction shall additionally ensure that copies (electronic or paper) of the screening direction and any other relevant documents are available for inspection by the inspector at:

- a) the premises of the holder of the screening direction; and
- b) the facilities undertaking the project covered by the screening direction.



5 Check monitoring

Should the Department consider it necessary or expedient to undertake an independent monitoring programme to assess the impact of the project covered by the screening direction, the screening direction holder shall afford the Department with such facilities and assistance as the Department considers necessary to undertake the work.

6 Atmospheric emissions returns

Following completion of the project covered by the screening direction, the holder of the screening direction shall report all relevant atmospheric emissions, such as combustion emissions, extended well test emissions or flaring and venting emissions relating to a well test, using the appropriate Environmental Emissions Monitoring System (EEMS) reporting forms. In the case of atmospheric emissions relating to drilling projects undertaken from a fixed installation, they should be included in the annual EEMS reporting forms for the fixed installation.

7 Unauthorised deposits

Following completion of the project covered by the screening direction, the holder of the screening direction shall recover any materials accidentally or temporarily deposited on the seabed, such as debris, temporary containers, structures or deposits, or scientific instruments, and shall return the materials to land. If it is not possible to recover any of these deposits, full details of the materials remaining on the seabed must be reported to the Department in accordance with the requirements of Petroleum Operations Notice No.2 (PON2).

8 Screening direction variation

In the event that the holder of the screening direction proposes changes to any of the particulars detailed in the application for a screening direction, the holder must notify the Department immediately and submit an application for a post screening direction amendment. The post screening direction must be in place prior to the amended proposals taking effect.

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COMMENTS ON THE APPLICATION FOR SCREENING DIRECTION

Section 1

The attention of screening direction holders is drawn to the following provisions regarding The Offshore Oil and Gas Exploration, Production, Unloading and Storage (Environmental Impact Assessment) Regulations 2020.

1) You are deemed to have satisfied yourself that there are no barriers, legal or otherwise, to the carrying out of the project covered by the screening direction. The issue of a screening direction does not absolve the screening direction holder from obtaining such authorisations, consents etc that may be required under any other legislation.

2) The Department would draw your attention to the following comments:

The Department has no comments.

3) All communications relating to the screening direction should be addressed to:

opred@energysecurity.gov.uk

or

Offshore Petroleum Regulator for Environment & Decommissioning
Department for Energy Security & Net Zero
AB1 Building
Crimon Place
Aberdeen
AB10 1BJ

Tel [REDACTED]



SCHEDULE OF SCREENING DIRECTION DECISION REASONS

The Secretary of State has decided that, based on the information provided, the project is not likely to have a significant effect on the environment. The main reasons for this decision are:

1) Decision reasons

The following provides a summary of the assessments undertaken by OPRED to determine whether an Environmental Impact Assessment is required for this project, summarises the information considered, the potential impacts and sets out the main reasons for the decision made. In considering whether an Environmental Impact Assessment is required or not, the following have been taken into account: a) the information provided by the developer; b) the matters listed in Schedule 5 of The Offshore Oil and Gas Exploration, Production, Unloading and Storage (Environmental Impact Regulations 2020) (the Regulations); c) the results of any preliminary verifications or assessments of the effects on the environment of the project; and d) any conditions that the Secretary of State may attach to the agreement to the grant of consent.

Characteristics of the Project

Having regard, in particular, to the matters identified at paragraphs 1(a) to (g) of Schedule 5 to the Regulations, the characteristics of the project include the following:-

Summary of the change to the project (DR/2375/2)

This post direction amendment (DR/2375/2) relates to the locating of the Ocean Endeavour at the well location and the increase in section length of the 8.5" section.

Summary of the change to the project (DR/2375/1)

This post direction amendment (DR/2375/1) relates to the extending of the end date for the operations due to a pause in operations over the winter period.

Summary of the Project (DR/2375)

- Drilling of the lower sections (12.25" and 8.5") and of the C Triassic 211/13a-17 well.
- Completion of the well
- Well clean up and well test
- Contingent sidetrack of one or more sections.

(WONS/11840/2/IDA, WONS/11840/2/C, WONS/11840/2/GS)



Description of the Project

This application covers the drilling of the lower sections of the C-triassic well (the top hole sections were previously agreed under DR/1699/1. The drilling of the production well will be facilitated by the anchored semi-submersible drill rig Ocean Endeavour. The 12.25 " section and the 8.5 " pilot hole were drilled under the permits associated with DRA/995 in 2023. These permits are now being updated to capture the drilling of the 8.5 " section and the completion operations as part of the 2024 campaign, 2024 operations may take up to 79 days (including drilling of the 8.5 " section, completion of the well, well clean up and rig up/down). The lower 2 sections of the well will be drilled using low toxicity oil based mud LTOBM. The oil-based mud will be thermally treated, and cuttings discharged if within oil on cuttings specification. The well will be cleaned up prior to entering the production phase with flaring of hydrocarbons as part of the well clean up. The screening direction covers the period 29 May 2023 to 31 October 2024.

No cumulative impacts are expected to occur with any other existing or approved projects. The risk of a major accidents and environmental effects from major accidents, such as a well blowout has been assessed. The Developer has control measures in place to reduce the risk of a major accident occurring and the probability of such an event occurring is very low.

There is not likely to be any significant impact of the project on population and human health. It is not considered likely that the project will be affected by natural disasters. No nuisances are foreseen from the project.

Location of the Project

Having regard, in particular, to the matters identified at paragraphs 2(a) to (c) of Schedule 5 to the Regulations, the environmental sensitivity of geographical areas likely to be affected by the project has been considered as follows:- The Penguins field redevelopment location lies within a seaward licenced area, which has been licenced for the exploration and extraction of hydrocarbons. The project is located approximately 150 km east from the Shetland coastline in Scotland and adjacent to the UK/Norwegian median line, in an area where water depth is approximately 166 m. The predominant current in the location is dominated by the Norwegian Atlantic flow.

The project location is not within any protected areas, with the closest being approximately 93 km distant. Site-specific surveys identified the seabed as comprising of gravelly sand with varying proportions of shell accumulations, pebbles, cobbles, and boulders. The main sediment type is described as circalittoral coarse sediment. The benthic species identified were more prevalent near or on cobbled and stony areas. The most commonly observed benthic fauna included sea urchins, starfish, anemones, hermit crabs, squat lobsters, shrimps, sponges, and sea cucumbers.



The project works and timing will take place during a period when a number of fish species may be found to using the area as juvenile or nursery locations. Sightings of cetaceans are most common between the months of May and August. Seals are not expected to be seen at the remote location. Seabirds are most common in the areaduring the late summer months of August and September when expected density is 1-5 individuals per square km. The project area is primarily used for demersal fishing, but with a low historical effort. Shipping intensity at the project location is also very low.

The surrounding area comprises other oil and gas infrastructure within 20 km, but is not within a military activity zone, with no telecommunications cables, marine aggregate sites or renewable energy locations in proximity. There are no wrecks in the vicinity of the project location.

Given the location of the project, the areas identified at paragraphs 2(c)(i), (iii), (iv), (vi), (vii) and (viii) of Schedule 5 are not likely to be affected by the project.

Type and characteristics of the potential impact

In accordance with paragraph 3 of Schedule 5 to the Regulations, the likely significant effects of the project on the environment have been considered. Potential effects to the environment from the activities associated with the change to the project were assessed, with focus on the predominant impacts resulting from physical presence from the vessels, atmospheric emissions from vessel use, and flare activities, planned discharges to sea from chemical use, seabed disturbance from drilling discharges and MODU anchoring, noise impacts from Rig anchor release (RAR) system and accidental events such as an oil spill.

The support vessels have the potential to cause interference to other users of the sea, namely fishermen and vessel traffic, however the support vessels will be located in a safety zone for the well. Its presence within the safety zone means only authorised vessels would be allowed within the 500 m radius of the well, therefore excluding users of the sea. Given the low importance of the fishing area and the low vessel traffic, and that the drilling project is a temporary activity - the impact is deemed not significant. An emergency response and rescue vessel will be on site continually to monitor for vessel traffic and provide alerts to other users of the sea.

The main receptor impacted by seabed disturbance will be the benthic communities. Physical disturbance can cause mortality or displacement of benthic species in the impacted zone. Based on cuttings discharge modelling, deposition of cuttings with a thickness > 6.5 mm is not expected beyond 215 m from the drilling location with a maximum area of permanent seabed disturbance of 0.031km² and an area of temporary impact of 0.058km². Rapid recovery of faunal communities within the disturbed area may be expected through a combination of larval settlement and immigration of animals from the adjacent seabed once the cuttings deposition ceases. Therefore, based on the above, impacts on benthic communities from the cuttings deposition will be temporary, localised and not significant.



Offshore registered chemicals will be used and discharged during the drilling of the well. The use and discharge of the chemicals have been risk assessed and modelled in accordance with other regulatory requirements. The use and discharge modelling shows a low risk to the environment from the chemicals. Use and discharge of chemicals is not expected to have a significant impact on the environment. The discharge of treated LTOBM cuttings will result in some impacts to marine organisms resulting primarily from smothering and grain size change.

The impacts of drilling discharges on water quality and benthic fauna is predicted to be minimal as effects will be localised and short-lived. Moreover, given that recovery of the seabed and the associated benthic communities is likely to begin once drilling has been completed, the environmental impact of the discharged cuttings, within the impacted area, can be considered insignificant.

Emissions to air will occur from two main sources, (1) combustion plant used on the MODU and support vessels and (2) the proposed flaring from well clean up activity. The quantity of carbon dioxide equivalent from the MODU and support vessel use amounts to 0.055% of the 2018 total emissions from offshore oil and gas activity. Flaring from the project for a worst-case 96 hr flow period, results in a carbon dioxide equivalent of 0.17% of UK offshore oil and gas flaring emissions based on 2018 data. The MODU, support vessel and flaring emissions will not have a detrimental effect to local air quality over the long-term, nor will it inhibit the ability to reach wider climate change goals. The environmental effects from emissions to air are not expected to have a significant impact on the environment. The impact of the vessel emissions will be mitigated by optimising vessel efficiency (i.e. minimising the number of vessels used and vessel trips required to achieve the construction deliverables) and hence minimising fuel use and avoiding the unnecessary operation of power generation / combustion equipment. The RAR system emits a non impulsive sound and is unlikely to result in any significant effects on marine mammals.

In the event that an unlikely and unplanned accidental spill scenario from a Well blow-out was realised the total volume of oil that would be released from the well has been estimated at 669,185 m³ of condensate. The modelling suggests that beaching of oil would occur and that a major environmental incident would be likely. All drilling activities will be carried out in accordance with the Offshore Safety Directive as per Shell's Well Examination Scheme and Guidance Document. An approved Oil Spill Emergency Plan to manage hydrocarbon releases will be in place prior to activities being undertaken. There are no planned expected transboundary impacts because of the project.

The drilling operations are consistent with the National Marine Plan for Scotland's objectives and policies.

Decision

Taking the above considerations into account, the Secretary of State has concluded that the project is not likely to have a significant impact on the environment and that



an environmental impact assessment is not required.

2) Mitigation of significant effects

The following are features of the project or measures envisaged that the developer has proposed to avoid or prevent what might otherwise have been significant adverse effects on the environment: