

Our Ref: 01.01.01.01-6370U
UKOP Doc Ref:1368910



Offshore Petroleum Regulator
for Environment & Decommissioning

SHELL U.K. LIMITED
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LONDON
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Registered No.: 00140141

Date: 5th November 2024

Department for Energy Security &
Net Zero

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Crimon Place
Aberdeen
AB10 1BJ

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opred@energysecurity.gov.uk

Dear Sir / Madam

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

41/5a-c (Pensacola), Valaris 123 DRILLING APPRAISAL WELL

I refer to your amended application dated 4th November 2024, reference DR/2507/1 (Version 1).

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**

41/5a-c (Pensacola), Valaris 123 DRILLING APPRAISAL WELL

DR/2507/1 (Version 1)

Whereas SHELL U.K. LIMITED has made an application dated 4th November 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/16798/0/IDA/1 .

Effective Date: 5th November 2024

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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 1 November 2024 until 31 March 2025.

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:

n/a

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]
Fax



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 assessment 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 has 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 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 Project (DR/2507/0)

- Drilling of Pensacola appraisal well (41/05a-c), which will be drilled in the Southern North Sea using Valaris 123 jack-up rig. Operations due to last 122 days.
- Drilling the following sections:
 - 36" section riserless using seawater and viscous sweeps
 - 26", 17.5", 12 " and the 8 " section with will use a mix of Potassium Chloride (KCl), Sodium Chloride (NaCl) and Glydril
- Cementing of the well
- Well bore clean-out operation
- contingency re-spud



- potential side-track
- an extended well test (EWT)
- Upon completion of well it will be plugged and abandoned.

OGA (NSTA) consent application ref: WONS/16798/0/IDA/1

Description of the Project

This project involves drilling an appraisal well in the Pensacola field from the Valaris 123 jack-up rig. No anchors will be used and a 500m safety zone will be established and a dedicated ERRV in operation.

It is estimated that the project will take up to 122 days between October 2024 and end of March 2024 to account for operational delays. The well will be drilled with Water Based Mud (WBM) and no Oil Based mud (OBM) is planned to be used for the drilling of the well. The drilling fluids are planned to be reused in upcoming drilling projects whilst all the cuttings will be discharged to sea apart from the hydrocarbon bearing portion of the 8 " section which will be skipped and shipped to shore for disposal for treatment and disposal.

No significant 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 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 project is in an offshore oil and gas licenced area, approximately 58 km east from the English coastline and 201 km west of the UK/Netherlands median line, in an area where water depth is between 62 m and 88 m across the Pensacola site and in the Southern North Sea. The seabed consists of silty clay in the south and sand in the north of the site. Bolders Bank clay sediments were observed to the north and significant densities were located along the SSE-NNW tie-line to the existing 41/5a-c well.

The proposed well location is not within a protected area or within 40km of one.



The epifauna observed in the survey area were scarce most regularly observed taxa included sea pens (*Pennatula Phosphorea*), soft coral (*Alcyonium digitatum*) and starfish (*Hippasteria phrygiana*).

The project works and timing will take place at a time when a number of fish species may be found to use the area as spawning, juvenile or nursery locations. Sightings of cetaceans are most common in the months of February, May to September and November with Harbour porpoise being the most abundant cetacean. Seals may frequent the area but harbour seals tend to concentrate around The Wash, with grey seals located more closely around the Humber Estuary. Seabirds are found in High to low densities across the time of drilling. The project area is used for fishing, but a 500m safety zone will be established around the drilling rig and it is not expected to impact fishing industry. There are no other oil and gas installations in the vicinity of the proposed well location. The closest renewable energy project is located ca 100 km from the platform and is not expected to be impacted. There are no wrecks that are scheduled monuments within 40 km of the platform.

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 on the environment from the activities associated with the project were assessed, including impacts arising from atmospheric emissions, seabed disturbance, physical presence, planned discharges and accidental spills. Other than the matters considered further below, there is not likely to be any significant impact of the project on population and human health.

The operation will occur from Valaris 123, MODU, which will be surrounded by a new 500 m safety zone for which vessels are not allowed to enter and have a dedicated ERRV on location hence it would not be expected that shipping in the area would be significantly impacted by the drilling operations at the platform.

Cuttings from the top-hole section will be discharged to seafloor and settle in close proximity of the well whilst the cuttings from the other sections will be discharged to sea from the rig apart from cuttings from the reservoir section which will be skipped and shipped to shore for treatment and disposal. It is estimated that approximately 599 m³ (1,395 tonnes) will be discharged to sea. Cuttings modelling was undertaken which showed that there is a risk to more than 5% sensitive species within 0.008 km² when drilling discharges end. Deposition thickness greater than 0.5 mm will take place further afield, covering a predicted area of 0.129 km².

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.

Noise generated from the project activities will not be significant, and it is concluded that the change to the project is not expected to have a likely significant effect on the site in relation to the cetaceans in the area and the supporting habitats and prey.

The proposed operation will utilise an ERRV, supply vessels, and helicopter flights to/from the drilling rig for personnel. As a worst-case the proposed vessel and helicopter operations will amount to approximately 0.058% of the total 2022 UKCS upstream oil and gas CO₂e emissions. The emissions may result in a short-term deterioration of the local air quality, but due to the relatively short duration of the work, and that the exposed conditions in the area will rapidly disperse the emissions, it is not anticipated that there will be a significant impact as a result of the change to the project. 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 project deliverables) and hence minimising fuel use and avoiding the unnecessary operation of power generation / combustion equipment.

There is a requirement for an EWT to be undertaken. This would amount to a worst case of 18.68 tonnes of oil and 1,907.59 tonnes of dry gas, equating to a total of 1,926.28 tonnes. After completion of the well test, kill weight WBM will be circulated into the wellbore allowing the retrieval of the Drillstem Testing String. Reservoir isolation cement plugs will be placed to abandon the well. The total CO₂e emissions associated with the well clean-up equates to approximately 0.18% of the total UKCS emissions from flaring based on 2018 levels.

In the event that an unlikely and unplanned accidental spill scenario from a well blow-out was realised the volume of condensate that would be released from Pensacola appraisal well has been estimated at 46 m³/day. Which would not be expected to lead to a major environmental incident. Adequate measures will be in place to prevent a hydrocarbon release and an approved Oil Pollution 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.

All activities are to be managed according to Shell's Business Management System requirements to eliminate or minimise potential impacts on the environment. OPRED agrees with Shells conclusion that the proposed drilling operations do not present a significant risk to the surrounding environment, including ecological receptors, protected sites and species and other users of the sea.

Decision

Taking the above considerations into account, the Secretary of State has concluded that the project is not likely to have a significant effect 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:

N/A