

Our Ref: 01.01.01.01-6133U
UKOP Doc Ref:1373818



Offshore Petroleum Regulator
for Environment & Decommissioning

SHELL U.K. LIMITED
SHELL CENTRE
LONDON
SE1 7NA

Registered No.: 00140141

Date: 4th December 2024

Department for Energy Security &
Net Zero

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Crimon Place
Aberdeen
AB10 1BJ

Tel [REDACTED]

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www.gov.uk/desnz
opred@energysecurity.gov.uk

Dear Sir / Madam

**THE OFFSHORE OIL AND GAS EXPLORATION, PRODUCTION, UNLOADING
AND STORAGE (ENVIRONMENTAL IMPACT ASSESSMENT) REGULATIONS
2020
PENGUIN EAST and WEST PRODUCTION CHANGE**

A screening direction for the project detailed in your application, reference PR/2463/0 (Version 3), dated 2nd December 2024 has been issued under regulation 6 of the above Regulations. The screening direction notice, and any relevant conditions and comments 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 and WEST PRODUCTION CHANGE

PR/2463/0 (Version 3)

Whereas SHELL U.K. LIMITED has made an application dated 2nd December 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, PCON/4532/5 and PCON/4533/5.

Effective Date: 4th December 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

This screening direction shall be valid from 5 December 2024.

2 Change to production level(s)

The holder of the screening direction shall ensure that the change in the level(s) of production do not exceed the amended level(s) detailed in the application for the screening direction, and in the application for consent relating to the approval for the getting of petroleum issued under the relevant production licence Model Clause.

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, using the appropriate Environmental Emissions Monitoring System (EEMS) reporting forms.

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]



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 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 project

Increase in oil and gas production from the Penguins East and West fields as a consequence of optimisation of subsea infrastructure, and delays to production start up which means more wells and higher production is available from initial start up.

Description of the project

The Penguins Redevelopment Project involves tying the existing wells back to the new Penguins FPSO along with eight new production wells (with an option for additional wells in the future). Additional subsea infrastructure will comprise two pipeline bundles containing pipe-in-pipe production flowlines, gas lift flowlines and control systems. The FPSO is positioned close to the centre of the field. Oil will be exported via tanker offload. Gas will be exported via an export pipeline comprising reused and new pipeline sections connected to the Far North Liquids and Associated



Gas System (FLAGS) system via the existing Brent Charlie export route. Produced water will be treated and discharged overboard.

This project consists of an increase in oil production of less than 500 tonnes per day and gas production of less than 500,000 cubic meters per day at the Penguins East and West fields due to optimisation of subsea infrastructure, and delays to production start up which means more wells and higher production is available from initial start up. This meets the definition of "project" under the Offshore EIA regulations (2020). The production consents (PCON/4532/5 and PCON/4533/5) are sought to 31 December 2038.

Location of the project

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 165 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 82 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 area during the late summer months of August and September when expected density is 10-20 individuals per square km, seabird sensitivity is low to high throughout the year. 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 on the environment from the activities associated with the project were assessed, including impacts arising from atmospheric emissions, 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 proposed increase in oil and gas at the Penguins East and West fields is the result of subsea optimisation and delayed start up, the increases are within the design capacity of the FPSO and no modifications are required to facilitate the change.

No significant increase in flaring or venting is anticipated from the increase in production and the increases in production are not expected to result in significant changes to atmospheric emissions from production. The requested increase to production is not expected to result in an increase in the total quantity of oil and gas to be extracted over the lifetime of the Penguins fields.

The requested production increases are expected to have a minimal impact on the water production rate and is well within the produced water processing design capacity. The increase in production is not expected to result in a significant increase in the use and or discharge of chemicals. The increase in production is not expected to significantly increase oil in water discharges,

The probability of an accidental event leading to a release from the FPSO or a loss of the inventory will not increase as a result of the revised production.

There are no expected transboundary impacts as a result of the project and no cumulative impacts have been identified given the other known existing and approved projects in the wider area.

The proposals are in line with the policies of the Scottish National Marine Plan.

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:

Not applicable