

United Kingdom Government notice concerning European Parliament and Council Directive 94/22/EEC on the conditions for granting and using authorisations for the prospecting, exploration and production of hydrocarbons

(Text with EEA relevance)

(2019/C 37/04)

Announcement of United Kingdom 31st Supplementary Offshore Oil and Gas Licensing Round

OIL AND GAS AUTHORITY

The Petroleum Act 1998

Offshore Licensing Round

1. The Oil and Gas Authority (the OGA) invites interested persons to apply for Seaward Production Licences in respect of certain acreage on the United Kingdom Continental Shelf.
2. Full details of the offer, including lists and maps of the acreage on offer and guidance about licences, the terms which those licences will include, and how to apply, are available on the OGA website (see below).
3. All applications will be determined where applicable in accordance with the terms of the Hydrocarbons Licensing Directive Regulations 1995 (S.I. 1995 No 1434), the Petroleum Licensing (Applications) Regulations 2015 (SI 2015 No 766) and the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015 (SI 2015 No 385). The Secretary of State's functions in this regard were transferred to the Oil and Gas Authority on 1 October 2016 by virtue of The Energy (Transfer of Functions, Consequential Amendments and Revocation) Regulations 2016 (http://www.legislation.gov.uk/ukxi/2016/912/pdfs/ukxi_20160912_en.pdf), which provided that anything done (or having effect as if done) by or in relation to the Secretary of State in connection with such transferred functions now has effect, so far as is necessary for continuing its effect after the 1 October 2016, as if done by or in relation to the Oil and Gas Authority. Determinations will be made against a background of the continuing need for expeditious, thorough, efficient and safe exploration to identify the United Kingdom's oil and gas resources with due regard to environmental considerations.

'Innovate' Framework

4. Licence applications will be considered in light of an innovative approach being taken for Initial Term Work Programmes ('Work Programmes') for licences. These Work Programmes will incorporate a flexible combination of up to three Phases (A, B and C) in the Initial Term. This will help to ensure Work Programmes for the block(s) that are being applied for are appropriate to the geotechnical and other challenges that must be addressed in an area, whilst optimising the factors listed in Paragraph 3. The flexibility afforded by the combination of up to three phases also enables applicants to design a Work Programme which is appropriate for their own particular plans and requirements.
5. Phase A of the Work Programme comprises a period in which Geotechnical Studies and Geophysical Data Reprocessing will be undertaken; Phase B of the Work Programme will be a period in which New Seismic data will be Shot; Phase C of the Work Programme will be for exploratory and/or appraisal drilling. Applicants may decide the Phase combination, whether all three Phases, straight to Phase B followed by Phase C, straight to Phase C, or Phase A direct to Phase C.
6. Phase A and Phase B are not mandatory and may not be appropriate in particular circumstances, but every application must propose a Phase C, except where the applicant doesn't think any exploration is needed and proposes to go straight to development (i.e. 'straight to Second Term'). Where that is the case, Applications should be made in accordance with the guidance available on the OGA website.
7. Licences awarded in this round can have an Initial Term of up to a maximum of 9 years duration. The licence duration and phasing will require justification in the context of the proposed work programme, and will be the subject of discussion at the time of Application.
8. Applications where the starting Phase is Phase A or B will be judged on the basis of the following criteria:
 - (a) The financial viability of the applicant;
 - (b) The technical capability of the applicant which will be assessed in part as demonstrated by the quality of analysis related to the block;

- (c) The way in which the applicant proposes to carry out the activities that would be permitted under the licence, including the quality of the Work Programme submitted for evaluating the full potential of the area applied for;
 - (d) Safety and environmental capability. Under the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015, all prospective offshore licensees, i.e. including all partners within an applicant group, must provide information relating to their safety and environmental capability in support of the licence application. Further guidance in relation to all the safety and environmental requirements can be found at <http://www.hse.gov.uk/osdr/assets/docs/appendix-c.pdf>; and
 - (e) Where the applicant holds or has held a licence granted under or treated as having been granted under the Petroleum Act 1998, any lack of efficiency and responsibility displayed by the applicant in operations under that licence.
9. Licences with a Phase B will specify a time period so the licence will expire at the end of this phase if the Licensee has not satisfied the OGA of its technical and financial capability to complete the Work Programme. For licences with a Phase A but no Phase B, the licence will also specify a period so the licence will expire at the end of this phase if the Licensee has not satisfied the OGA of its technical and financial capability to complete the Work Programme.
10. Applications where the starting Phase is Phase C will be judged on the basis of the following criteria:
- (a) The financial viability of the applicant and its financial capacity to carry out the activities that would be permitted under the licence during the Initial Term including the Work Programme submitted for evaluating the full potential of the area within the block;
 - (b) The technical capability of the proposed operator to supervise operations and in particular drilling operations
 - (c) The way in which the applicant proposes to carry out the activities that would be permitted under the licence, including the quality of the Work Programme submitted for evaluating the full potential of the area applied for;
 - (d) Safety and environmental capability. Under the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015, all prospective offshore licensees, i.e. including all partners within an applicant group, must provide information relating to their safety and environmental capability in support of the licence application. Further guidance in relation to all the safety and environmental requirements can be found at <http://www.hse.gov.uk/osdr/assets/docs/appendix-c.pdf>; and
 - (e) Where the applicant holds or has held a licence granted under or treated as having been granted under the Petroleum Act 1998, any lack of efficiency and responsibility displayed by the applicant in operations under that licence.

Guidance

11. Further guidance can be viewed on the OGA website: <https://www.ogauthority.co.uk/licensing-consents/licensing-rounds/>

Licence Offers

12. Unless an Appropriate Assessment in relation to a particular Block is required (see Para. 15 below), any offer by the Oil and Gas Authority of a licence pursuant to this invitation, will be made within eighteen months of the date of this Notice.
13. The Oil and Gas Authority accepts no liability for any costs incurred by the applicant in considering or making its application.

Environmental Assessments

14. The Secretary of State has conducted a Strategic Environmental Assessment (SEA) pursuant to Directive 2001/42/EC on the Assessment of the Effects of Certain Plans and Programmes on the Environment of all of the areas to be offered in this Round. The findings of that SEA can be found at the www.gov.uk offshore energy SEA website:

<https://www.gov.uk/offshore-energy-strategic-environmental-assessment-sea-an-overview-of-the-sea-process>

15. Licences pursuant to this invitation will only be offered if, in accordance with the Habitats Directive (Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora):

- (a) the activities to be carried out under the licence are not likely to have a significant effect on the management of a Special Area of Conservation(SAC) or Special Protection Area (SPA); or if
- (b) an Appropriate Assessment has ascertained that the activities will have no adverse effects on the integrity of such SACs or SPAs; or
- (c) in a case where the activities are assessed as likely to cause such adverse effects, subject to
 - (i) there being imperative reasons of overriding public interest for awarding the licence,
 - (ii) the taking of appropriate compensatory measures; and
 - (iii) there being no alternative solutions.

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The Oil and Gas Authority website: <https://www.ogauthority.co.uk/licensing-consents/licensing-rounds/>
