

Mr Morrissey

Mr Collins

Rúnaí Aire Stáit

Decision Sought

The Minister of State approves:

- *The ‘Kinsale Head Decommissioning Plan – Kinsale Head Petroleum Lease (OPL1)’ an addendum proposed by PSE Kinsale Energy Limited (“KEL”) to the Kinsale Head Plan of Development, which covers the decommissioning of certain facilities known as the “Kinsale Gas Area”, pursuant to Petroleum Lease No.1 dated 7 May 1970 (the “Lease”), which was granted under Section 13 of the Petroleum and Other Minerals Development Act, 1960, as amended (“POMDA”); and*
- *That KEL may alter and remove facilities pursuant to Section 5(2) of the Continental Shelf Act 1968 (as amended) from the area designated pursuant to Section 2 of S.I. No. 92/1993 - Continental Shelf (Designated Areas) Order, 1993.*

Background

1. The Kinsale Gas Area is located in the Celtic Sea approximately 50km off the south coast of Ireland. An indenture of agreement hereinafter referred to as the Parent Agreement was entered into on 13th January, 1959 (“**Parent Agreement**”) between the then Minister for Industry and Commerce and Ambassador Oil Corporation/Ambassador Irish Oil Ltd (the Minister for Communications, Climate Action and Environment (the “**Minister**”) and KEL being the successors thereto) wherein, the Minister, inter alia, undertook to grant Ambassador Oil an Exploration Licence.
2. The Kinsale Gas Area was initially developed as the Kinsale Gas Field and was developed by Marathon Petroleum Company (Ireland) Ltd (“**Marathon**”) under indenture of Petroleum Lease dated 7th Day of May 1970 between the Minister for Industry and Commerce, the Minister for Finance and Marathon Petroleum Company (Ireland) Ltd hereinafter referred to as the Petroleum Lease. Commercial production commenced in 1978.
3. The Kinsale Gas Area was enlarged in subsequent years to include the satellite “**Ballycotton Gas Field**” and the “**Southwest Kinsale Gas Field**”, which are both included by way of amendment to the Petroleum Lease. An addendum to the Lease dated 29th November 2006 provided for the use of Southwest Kinsale Gas Field as a gas storage facility. This operation ceased in April 2017 as it was no longer commercially viable when the Southwest Kinsale Gas Field returned to gas production.

4. In 2009, Marathon transferred its entire legal and 100% beneficial interest in the Lease to PETRONAS, Malaysia's national oil company. The Kinsale Gas Area is now operated by KEL, a wholly-owned subsidiary of PETRONAS.
5. The cessation of production of the Kinsale Gas Area is expected to occur in the period 2020 - 2021 when continued production would be no longer economic. The Kinsale Gas Area is currently producing approximately 10 million standard cubic feet per day ("**MMscfd**") of gas (approximately 4% of Ireland's current annual gas requirement). At its peak production in the 1990's, the Kinsale Gas Area produced over 300 MMscfd of gas. Upon cessation of gas production, it is intended that decommissioning of the facilities will commence subject to receipt of all necessary approvals.

Application

6. On 28 June 2018, KEL (the "**Applicant**") applied to the Minister to decommission certain facilities within the Kinsale Gas Area (**TAB 1**). The details of the application are set out in 'Decommissioning Plan – Kinsale Head Petroleum Lease (OPL 1) – Consent Application No. 1' (the "**Decommissioning Plan**") (**TAB 2**) accompanying the application. The scope of work ("**Relevant Works**") involved in the Decommissioning Plan is outlined below:
 - a. the removal of the platform topsides (including any special wastes which require further onshore treatment), and the recycling/disposal of topside modules;
 - b. the plugging and abandonment of platform and subsea wells, and the removal to shore for recycling/disposal of any surface component of these wells, including wellhead structures and platform conductors;
 - c. the removal of subsea manifolds, valves & tees, and well head protection structures to shore for recycling. In addition short pipeline spools/umbilical jumpers will be removed to facilitate the removal of the structures. All associated pipeline protection will also be removed;
 - d. the recovery of any large items of debris and post-decommissioning survey to confirm success of the decommissioning operations; and
 - e. submission of a Decommissioning Close-Out report setting out confirmation of the Relevant Works being completed with detail and surveys to confirm same.
7. On 28 June 2018, a separate application¹ was made by PSE Seven Heads Limited¹ ("**SHL**") to the Minister to decommission certain facilities within the adjoining Seven Heads gas field (the "**Seven Heads Gas Field**"). That application will be the subject of a separate submission and decision.

¹ A subsidiary of KEL.

8. Further applications for a second phase will be submitted by both KEL and SHL covering the decommissioning of the remaining facilities (i.e. the pipelines, umbilicals (which transfer hydraulic and electric power within the Kinsale Gas Area or from the platform to the subsea) and platform substructures (jackets).
9. The entire decommissioning scope of work for both the Kinsale Gas Area and the Seven Heads Gas Field and both phases is referred to in this submission as the Kinsale Area Decommissioning Plan (“**KADP**”). The KADP comprises the entire decommissioning of the Seven Heads Gas Field and for the Kinsale Gas Area includes the Relevant Works, as defined above, and the following (“**Remaining Works**”):
 - a. The decommissioning of all pipelines, control cables and their protection materials involving rock placement of freespans and/or remaining exposed sections of pipe and all remaining in situ protection materials;
 - b. The filling of the export pipeline onshore section with grout (if a viable re-use option is not identified before decommissioning);
 - c. The decommissioning of the Inch Terminal and the return of the site to the original contours and agricultural use, in accordance with the planning consent.
10. On 21 June 2018, the Minister determined, pursuant to Section 13B(2) of the Petroleum and Other Minerals Development Act 1960, as amended (the “**POMDA**”), that an Environmental Impact Assessment (“**EIA**”) was required for the KADP.
11. The application was accompanied by an ‘Environmental Impact Assessment Report’ (“**EIAR**”) (**TAB 3**) including a Non-Technical Summary (**TAB 4**) in accordance with section 13A and 13B of the POMDA and a ‘Report for the Purposes of Appropriate Assessment Screening and Article 12 Assessment Screening’ (“**AA Screening Report**”). The EIAR and the AA Screening Report both cover the environmental impacts of the entire decommissioning of the facilities for both the Kinsale Gas Area and the Seven Heads Gas Field and both phases, i.e., they cover the entire KADP.
12. Under Section 8.8 of the Department’s Rules and Procedures Manual for Offshore Petroleum Production Operations (the “**Rules and Procedures Manual**”), the Operator must separately submit a Cessation of Operations application prior to the proposed date for the cessation of operations.
13. On 18 April 2019 the Minister determined:
 - a. that an Appropriate Assessment for the ‘Kinsale Head Decommissioning Plan – Kinsale Head Petroleum Lease (OPL1) – Consent Application No. 1’ is not required as it can be excluded on the basis of objective scientific information, following screening under the European Communities (Birds and Natural Habitats) Regulations, SI No. 477 of 2011 (as amended), that the Decommissioning Plan, individually or in-combination with other plans or projects, will have a significant effect on a European site, and;

- b. that the assessment for Annex IV Species have been found to be of an acceptable standard to be satisfied that there would be no significant adverse effects on Annex IV species, should approval be granted for the Decommissioning Plan.

Ministerial Considerations in assessing the application

- 14. Minister to be satisfied that the application is in line with OSPAR Convention² Decision 98/3, which states *“the dumping, and the leaving wholly or partly in place, of disused offshore installations within the maritime area is prohibited”*.
- 15. Minister to be satisfied with the Decommissioning Plan submitted in accordance with the Lease granted under Section 13 of the POMDA.
- 16. Minister to be satisfied that the applicant may alter and remove certain facilities from the area designated pursuant to Section 2 of S.I. No. 92/1993 - Continental Shelf (Designated Areas) Order, 1993, pursuant to Section 5(2) of the Continental Shelf Act 1968.
- 17. Parent Agreement
 - a. Minister to be satisfied that in accordance with good oil field practice the Lessee shall securely plug all bore-holes and wells made by the Lessee before the abandonment thereof and also to avoid harmful methods of working, abandonment and plugging of wells, and prevent oil pollution in accordance with Article XV of the Parent Agreement.
 - b. Minister to be satisfied that adequate protection measures are taken before well casings and well-heads are removed in accordance with Article XIX of the Parent Agreement.
 - c. Minister to be satisfied that the Lessee will restore the surface of the land in accordance with good oil field practice in accordance with Article XIX of the Parent Agreement.
- 18. Petroleum Lease
 - a. Minister to be satisfied that the application and plans include all information and documents necessary to constitute a full explanation of the programme and its technical details to enable an informed judgement on the programme, in accordance with Clause III(6) (c).
 - b. Minister to be satisfied that the plugging of any well can be carried out in an efficient and workmanlike manner in accordance with Clause III (6) (h).
 - c. Minister to be satisfied that the Lessee shall execute all operations in or in connection with the Leasehold Area in a proper and work-manlike manner in accordance with methods and practice customarily used in good oilfield practice in accordance with Clause III (7)(a).
- 19. Environmental Impact Assessment

² OSPAR Convention - The Convention for the Protection of the Marine Environment of the North-East Atlantic

- a. Minister to consider the EIAR under European Union Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment, as amended by Directive 2014/52/EU (which has yet to be transposed but has been administratively applied by the Minister since 16 May 2017), and in accordance with the requirements of section 13A and 13B of the POMDA.
- b. In addition to the EIAR, Minister to have regard to relevant matters including the following:
 - 1. the particulars submitted with the plan seeking his or her approval for working of petroleum and any other material including maps and plans, in accordance with Section 13B(5)(a) of the POMDA;
 - 2. any additional material submitted in response to a request for further information, if any, in accordance with Section 13B(5)(b) of the POMDA; and
 - 3. any submissions or observations validly made in relation to the effects on the environment of the proposed development including those made by other consent authorities, statutory consultees or members of the public, in accordance with Section 13B(5)(c) of the POMDA.
- c. Minister to attach such conditions to the decision as the Minister considers necessary to avoid, reduce and, if possible, offset the major adverse effects (if any) of the proposed working, in accordance with Section 13B(6) of the POMDA.
- d. Minister may have regard to, and adopt in whole or in part, any reports prepared by his or her officers or by consultants, experts or other advisors, in accordance with Section 13B(7) of the POMDA.

Assessment of application

Process and consultation

- 20. In assessing the application the Department engaged the support of RPS Consultants for independent environmental expertise in relation to the statutory assessment of the EIAR and also took advice on technical matters from Selgovia Limited ("**Selgovia**"), who provide petroleum engineering services to the Department.
- 21. The application together with the Decommissioning Plan, EIAR and AA Screening Report were posted on the Department's website on 28 June 2018 and parties were invited to make comments on the submission before 31 July 2018. The application was also posted in the EIAR portal of the Department of Housing, Planning and Local Government.
- 22. The Applicant posted notice on 28 June 2018 in the Irish Examiner, a daily newspaper of the State that they had applied to the Minister for approval for an addendum to the Kinsale Head Plan of Development and to alter and remove certain facilities from the Continental Shelf and

that the applications were accompanied by an EIAR and an AA Screening Report. The notices gave information on where the documents could be inspected and how to make submissions or observations to the Minister.

23. The Applicant also gave notice of the application in writing to a list of prescribed bodies³ as set out in SI 141/1990 (POMDA) (Section 13A) Regulations, 1990 and a further list of bodies notified by the Minister to the Applicant in accordance with Article 6 of the EIA Directive (2014/52/EU) in writing on 30 May 2018.
24. Submissions were received from ten parties (**TAB 5**), with those related to the EIA summarised in paragraph 36 and those related to the decommissioning itself summarised in paragraph 42-45 of this submission. Those responses related to the AA screening have been summarised in a separate submission to the Minister.
25. Having reviewed the application and submissions and observations submitted to the Minister, RPS prepared the *Kinsale Area Decommissioning Project Environmental Impact Assessment Technical Review* (**TAB 6**).
26. Taking the recommendation from RPS' review, further information was sought by the Minister from the Applicant by serving a notice on 24 September 2018 (**TAB 7**) requiring the applicant to submit further information. In seeking this further information from the Applicant, it was determined by the Minister that the further information to be furnished was 'significant additional data' in relation to the effect on the environment, and therefore another round of consultation with the public and prescribed bodies was carried out, in the same manner as set out in paragraph 21 - 23 above.
27. The Applicant provided further information (**TAB 8**) on 14 November 2018, together with a draft Resource and Waste Management Plan ("**RWMP**") (**TAB 9**) and a draft Environmental Management Plan ("**EMP**") (**TAB 10**).
28. Further submissions were received from two parties, which are included in TAB 5.
29. RPS subsequently prepared the 'Kinsale Area Decommissioning Project Environmental Impact Assessment Technical Review Addendum' (**TAB 11**) the conclusions of which apply to both the Kinsale Head gas fields and the Seven Heads gas field.

Consultation with the Minister for Transport, Tourism and Sport

30. On 29 November 2018, the Department consulted (**TAB 12**) with the Minister for Transport Tourism and Sport ("**TTAS**") on KEL's application to alter and remove certain facilities from a

³ Cork County Council, the Commissioners of Public Works, An Taisce, the Minister for Agriculture, Food and the Marine, the Minister for Housing, Planning and Local Government, the Minister for Culture, Heritage and the Gaeltacht (National Parks & Wildlife Service), the Minister for Transport, Tourism and Sport, the Health and Safety Authority, the Sea-Fisheries Protection Authority, Bord Iascaigh Mhara, the Marine Institute, the Environmental Pillar, the Irish Whale and Dolphin Group, the Heritage Council, and the Environmental Protection Agency.

designated area under Section 5(2) of the Continental Shelf Act 1968, as amended. The Minister for TTAS sought further information which KEL provided on 18 January 2019 (**TAB 13**).

31. The Minister for TTAS has advised on 23 January 2019 (**TAB 14**) that they “*can see no adverse impact to navigation or fishing from the decommissioning activities as outlined in the attached response*”. They requested that “*just before the decommissioning works commence a Marine Notice will be required to be written by the Department of Communications, Climate, Action and Environment highlighting the nature of the work involved and the approximate length of time the works will last*”.
32. It is proposed that the Minister’s consent to the application includes a requirement on the applicant to provide this information to the Minister for TTAS at the appropriate time in line with the request.

Environmental Impact Assessment

Measures to avoid, prevent and reduce adverse effects on the environment

33. The RPS Technical review considered that the significant direct and indirect effects of the Decommissioning Plan on the environment are, and will be mitigated, as follows:
 - a. The impacts of the physical presence in field and in transit of supply vessels, barge/or heavy lift vessels and drilling rig will be minimised and all activities will be undertaken in adherence to relevant legally required standards and controls;
 - b. The physical presence of legacy materials left in situ will be remediated, stabilised and surveyed post decommissioning to accurately record their location and status;
 - c. Potential significant negative effects from physical disturbance from the decommissioning including seabed disturbance will be mitigated by appropriate management measures as detailed in the draft EMP:
 - d. Potential effects arising from underwater noise will be mitigated through careful forward planning of activities to minimise unnecessary journeys to minimise vessel days and associated noise emissions;
 - e. Potential impacts to known cultural heritage features will be avoided during all ground and seabed disturbance activities. Measures to deal with unexpected discoveries are outlined in the EMP and additional measures to ensure no significant adverse effect on Cultural Heritage receptors are provided in the Environmental Conditions;
 - f. Potential discharges to sea will be minor and will be subject to regulatory and policy controls including MARPOL⁴ and PUDAC⁵;

⁴ The International Convention for the Prevention of Pollution from Ships

- g. Waste will be managed in accordance with relevant waste legislation and measures outlined in the RWMP;
- h. To minimise potential effects from accidental events associated with the offshore decommissioning works, all activities will be undertaken in accordance with regulatory and policy controls;
- i. Measures envisaged to avoid, prevent or reduce and offset significant adverse effects on the environment are outlined in full in the draft EMP and the monitoring programme in presented Appendix B of the draft EMP.

Monitoring measures

- 34. The Draft EMP contains a monitoring programme, which RPS has concluded is adequate. RPS have recommended that a detailed EMP for the Relevant Works is to be prepared by the contractor(s) based on the draft EMP which must be approved by the Minister in advance of any works on site.
- 35. The Minister for Culture, Heritage and the Gaeltacht has set out its requirements in terms of archaeological monitoring and these requirements will be included as a condition of consent. The Department has agreed with the Underwater Archaeology Unit of the Department of Culture, Heritage and the Gaeltacht the exact condition that should apply for this phase of decommissioning, which is set-out in condition C to the proposed consent further below.

Summary of results of consultation, information gathered and manner dealt with

- 36. A total of ten responses were received in the consultation with the public and prescribed bodies, with three of them relevant to the EIAR. A summary of these responses is set out below:

⁵ Permit for use and discharge of added chemicals

| Observation / Submission | Response |
|---|---|
| An Taisce | |
| Concern at the short duration of the consultation process | <p>The statutory basis for the consultation period is set out SI141/1990 - POMDA (Section 13A) Regulations, 1990 prescribed time is set in law as one month from:</p> <ol style="list-style-type: none"> 1. Date of issue of copy received by prescribed body 2. One month of publication in newspaper for public <p>The EIA Directive 2014/52 EU requires a minimum of 30 days consultation.</p> |
| There is poor level of baseline data on the environmental status of Irish marine area. This includes data on cetaceans as shown in Irelands 6 yearly Article 17 Habitats Directive reporting to the Europe Commission | <p>RPS assessed the adequacy of environmental baseline data included in the KADP-EIAR. Following this assessment further information was sought to inform the assessment of environmental impact.</p> <p>Following receipt of the further information RPS were satisfied as to its adequacy.</p> |
| The information accompanying this application does not address or identify any difficulties that were encountered in discovering the existence of the environmental information required to assess the impact of what is proposed. | <p>Further information as to the difficulties in compiling data/ information to support assessments was requested.</p> <p>Chapter 8 Section 8.2 of the Response to the RFI Report provides additional information and RPS are satisfied as to its adequacy.</p> |
| It is of concern that the environmental impacts, including impacts to species and habitats, of the final decommissioning methodology be properly assessed, and mitigation resolved in conjunction with the consent process, and not left to post consent agreement. | <p>Further information was sought from the Applicant to inform the environmental impact and appropriate assessment processes.</p> <p>A draft EMP and draft RWMP submitted. RPS recommends that the Minister approves the final plans before works commence as a condition of consent.</p> |
| <p>Department of Culture, Heritage and the Gaeltacht (DCHG) Development Applications Unit (DAU) on behalf of National Monuments Service (NMS)</p> | |

| | |
|--|---|
| <p>The EIAR should include a '<i>dedicated UAIA (Underwater Archaeological Impact Assessment) for the proposed works</i>'.</p> | <p>Applicant asked to update and revise the Cultural Heritage section of the KADP-EIAR.</p> <p>An updated Cultural Heritage Assessment Report was submitted. Upon review of this DCHG indicated they had no objection to the KADP provided certain conditions are met. These conditions are recommended as conditions to the Ministers consent.</p> |
| <p>Department of Culture, Heritage and the Gaeltacht (DCHG) Development Applications Unit (DAU) on behalf of National Parks and Wildlife Service (NPWS)</p> | |
| <p>Appropriate environmental management, monitoring and reporting thereon to the Consenting Authority should be carried out during the decommissioning and post-decommissioning process, inter alia to verify the efficacy and sustainability of environmental management actions associated with the proposed and agreed works.</p> | <p>Noted in the deliberations of RPS</p> |
| <p><i>Attention is also drawn to this Department's published "Guidance to Manage the Risk to Marine Mammals from Man-Made Sound Sources in Irish Waters" (2014) which may be of relevance to potential noise-producing activities during and/or post-decommissioning (e.g., drilling, underwater acoustic/seismic surveys) and proper risk management where protected marine species are concerned.'</i></p> | <p>Noted in the deliberations of RPS</p> |

Environmental Conditions

37. RPS have recommended the following conditions for the Relevant Works be attached to the Minister's consent:

- a. A detailed EMP is to be prepared by the contractor(s) based on the draft EMP, which will be provided to DCCAIE for approval in advance of any works on site. Final approval of the EMP for the KADP lies with the DCCAIE.
- b. All sources of natural materials to be used in the works, e.g. topsoil, subsoil, rock armour/ cover are to be sourced from suitably licenced facilities.

- c. The EMP must include conditions relating to Cultural Heritage as outlined below:
- i. The services of a suitably qualified and suitably experienced maritime archaeologist are engaged to monitor all decommissioning works for wreck sites that less than 300m to proposed decommissioning infrastructure.
 - ii. The Applicant shall engage with the archaeologist by providing specifications in advance of the proposed decommissioning works, to allow the archaeologist to determine any mitigation strategies that may need to be put in place to protect identified shipwreck remains. In particular the wrecks, including the UC-42, that are in closest proximity to the decommissioning works (including any impacts from plant and machinery), shall have an exclusion zone imposed to ensure there is no impacts on the known location of the wreck. The Applicant shall be prepared to be advised by the consultant archaeologist in this regard.
 - iii. Provision shall be made to accommodate the monitoring archaeologist on board the decommissioning vessels to enable them to successfully carry out their work.
 - iv. The monitoring archaeologist shall have the power to have works suspended in a particular or for a particular element of the decommissioning programme, should known or previously unknown underwater cultural heritage be identified or impacted. The Underwater Archaeology Unit shall be contacted immediately in this event.
 - v. The archaeological monitoring shall be licensed by the Department of Culture, Heritage and the Gaeltacht and a detailed method statement containing the monitoring strategy shall accompany the licence application.
 - vi. As with previous requirements, the nature and extent of the foreshore decommissioning works are not clear. If there is to be impact along the nearshore and foreshore, then this should be subject to archaeological monitoring, and the methodology shall include details of this. The level and scale of archaeological monitoring for this element of the works can be determined once the scope of the works is clarified. The consultant archaeologist can address this in their method statement.
- d. A detailed RWMP is to be prepared by the contractor(s) based on the draft RWMP will be provided to DCCAIE for approval in advance of any works on site. Final approval of the RWMP for the KADP lies with the DCCAIE.

Technical Assessment

38. On 21 March 2019, Selgovia, provided its review (**TAB 15**) on the application to decommission the facilities. Selgovia concluded that *“Overall there are no technical concerns with KEL’s*

consent application that would prevent the Minister for CCAE from consenting to the Consent Application. KEL's proposed approach to decommissioning is conventional and consistent with that taken by Operators in the UK sector of the North Sea to date with similar aged infrastructure. Options on the final method adopted for decommissioning the Facilities as presented (removal of topsides only) by KEL are reasonable and in-line with the requirements of OSPAR 98/3. Consenting to a multi-option approach makes sense and will allow KEL to optimise the execution of the decommissioning works in terms of both time and cost".

39. Selgovia note in their report that the proposed Decommissioning Plan is in accordance with OSPAR Decision 98/3. The elements that are subject to this application are neither being dumped nor left in wholly or partly in place.
40. Selgovia recommended that in granting Ministerial consent the following issues should be addressed through conditions to the Letter of Consent:
- a. Approval of any decommissioning plans should be conditional upon a satisfactory justification for the proposed Cessation of Production.
 - b. Approval of the Consent Application should be conditional upon decommissioning starting by a defined date agreed with KEL and all consented activities should be completed within three years of the start date.
 - c. Decommissioning cost estimates and reporting should follow good oilfield practice. Clearly distinguishing between the Kinsale Seven Heads leases should be a condition of consent. DCCAIE should request an initial cost estimate for all proposed activities prior to the start of decommissioning works. DCCAIE should also make it a condition of any consent that a monthly report of costs be provided, either as part of the proposed monthly activity reporting or else as a standalone report if including costs is a sensitive matter.
 - d. The proposed Decommissioning Close Out report makes no reference to wells or costs. Appropriate references to both wells and costs should be made in all reports related to the field decommissioning and this should be a condition of consent.
 - e. It may be possible for KEL to decommission some or even all of the wells without actually declaring CoP. DCCAIE might wish to make consent to decommission the wells conditional upon some form of CoP to avoid such a situation arising.
 - f. DCCAIE may wish to consider conditioning a suitable inspection and defining/agreeing a method and timing (e.g. after 12 months) to confirm integrity of all abandoned wells.
 - g. The Decommissioning Close Out report proposed by KEL in section 7.3 should also explicitly include the following:
 - i. An Operations Report
 - ii. A Verification Report on Operations

41. The Petroleum Affairs Division (“PAD”) Technical Division have reviewed the application and Selgovia’s assessment and have concluded (**TAB 16**) as follows:

“PAD Technical is satisfied that Selgovia has carried out a comprehensive assessment of the Decommissioning Plan and that the conclusions and recommendations of Selgovia are acceptable. Selgovia recommends that all consented activities should be completed within three years of the start date, however without defining the start date it potentially leaves the completion of operations open ended. PAD Technical would therefore recommend that the start date be defined as the cessation of production operations. It is PAD Technical’s view that from a practical sense a four year period would be a reasonable timeline to complete the consented activities in order to cover unforeseen delays associated with factors such as specialised vessel availability and poor weather conditions. PAD Technical is therefore satisfied that there is no reason to withhold approval of the Decommissioning Plan from a technical perspective, subject to the following conditions:

- i. Any consent granted should address the matters raised in Selgovia’s Memorandum of 21 March 2019.*
- ii. All consented activities should be completed within four years of the cessation of production operations.*
- iii. All operations shall be conducted in accordance with the Department’s Rules and Procedures. In particular, upon completion of well abandonment and subsea structure removal operations, each location shall be inspected by ROV in order to ensure that no debris remains in place. SHL shall submit the results of these inspections to the Minister in the form of Seabed Clearance Certificates before drilling unit/vessels leave the location.*
- iv. An additional survey shall be carried out no earlier than 6 months and no later than 24 months after the completion of well abandonment operations in order to confirm the integrity of the abandoned wells and the results of the survey shall be provided to the Minister. ”*

Non-Environmental Issues arising from Public Consultation

42. In respect of the Decommissioning Plan, the consultation responses can be grouped into two different categories; those seeking that the facilities are kept for re-use should there be a commercial gas discovery in the Celtic Sea in the future and those seeking to have the facilities decommissioned in a manner that would facilitate the storage of carbon dioxide in the reservoir in the future. In addition, KEL wrote three separate letters to the Minister on 18 October 2018, setting out their views on the observations received.
43. The parties seeking re-use of the facilities for a potential future find of oil and gas refer to facilities beyond those that form part of this application. The facilities in the Kinsale Gas Area which form part of this application, i.e. the Relevant Works, are limited to the topsides of the platforms, the wells and some subsea production structures. In their application, KEL noted that none of the facilities included in this application are suitable for re-use. The Department’s

technical advisors (Selgovia) agrees with this conclusion. They also note that the decommissioning of these facilities does not prejudice the decision on the remaining infrastructure that will form part of the second application. The Department has carried out an analysis of the responses received (**TAB 17**).

44. The parties with an interest in carbon capture and storage proposed that the wells are plugged and abandoned in a way that will make the reservoir suitable for storing carbon dioxide in the future. There is no legal basis within the Minister's powers to put such a condition on the Lessee. Furthermore, the manner in which a well is plugged and abandoned is a matter for the Commission for Regulation of Utilities ("**CRU**") under the Electricity Regulation Act 1999, as amended. The Department has carried out an analysis of the responses received (**TAB 17**).
45. The CRU is the competent authority in respect of effective safety regulatory oversight of operator and owner compliance in reducing the risk and potential consequences (including major environmental incidents) of major accidents offshore as well as assessment of the ongoing capacity of the Operator to meet the requirements of the Electricity Regulation Act 1999 (as amended) (the "**ERA**") for the carrying out of designated petroleum activities. The CRU responded to the public consultation and noted that:
 - a. KEL require a safety permit from the CRU in order to commence decommissioning activities. The CRU awaits submission of the Decommissioning and Well Work Safety Cases and associated permit applications.

The applicant is legally obliged to have the required safety permits in place and there is therefore no requirement to have them as a condition to any consent granted.

Other Relevant Matters

46. KEL will submit a second application for the Remaining Works to decommission the Kinsale Gas Area facilities (the pipelines, umbilicals and platform substructures (jackets)). PAD's technical advisors have confirmed that the approval of this application will not prejudice the Minister's consideration of the second application which will be assessed and determined separately.
47. Under Article XIX of the Parent Agreement, the Minister may require the Licensee to restore the surface of the land to a reasonable condition in accordance with good oil field practice, which is defined as "oil field practices as used by a prudent operator when working under conditions where modern conservation regulations prevail". It is the Department's view that the proposed Decommissioning Plan for the Relevant Works together with the proposed conditions to be included in the Ministerial consent for the Relevant Works (as set out in this submission) constitute good oil field practices. However, until the application for the Remaining Works is received and the subsequent permitted decommissioning activities for the Remaining Works have been agreed and carried out, then the Minister cannot be satisfied that good oil field practice has been followed with respect to the KADP. It is therefore proposed to condition the consent to the Relevant Works to this effect.

48. In accordance with Sections 13A(8) and 13A(8A) of the POMDA, after taking a decision on an application, the Minister shall:
- a. publish a notice of the decision in the Iris Oifigiúil and in at least one daily newspaper published in the State;
 - b. make the notice and information of the reasons for decision available for inspection on the Department's website and the DEPHLGs portal; and
 - c. the notice shall inform the public that a person may query the validity of a decision by way of an application for judicial review, and details where practical information on the review mechanism can be found.
49. The decision which has already been made separately by the Minister that no Appropriate Assessment is required will also be published alongside this decision.

Reasoned Recommendation

50. A comprehensive due diligence exercise has been carried out by the Department on the application including the receipt of external technical and legal advice and the carrying out of a public consultation, as described above. The matters raised in the public consultation have been carefully considered and an analysis of the responses have been conducted.
51. In relation to the EIA, RPS have concluded that, subject to the implementation of the mitigation measures proposed, as set out in the KADP EIAR and the draft EMP, and subject to compliance with the conditions set out above, the proposed Relevant Works associated with the Decommissioning Plan will not result in significant adverse effects on the environment. The Department is satisfied with and agrees with this conclusion and the conditions proposed.
52. It is recommended that the Minister grant consent, subject to the Lessee's compliance with the conditions set out further below.

Approval Sought

The Minister of State confirms that:

- a. having regard to this submission including the TABs attached to it;
- b. having considered the content of the EIAR and the further information provided and having determined that it adequately identifies, describes and assesses the direct and indirect effects of the Relevant Works;
- c. having considered the content of the AA Screening Report, the separate submission to the Minister on the AA Screening Report and the Annex IV species assessment and the separate determination that no AA is required and that the assessment for Annex IV Species have been found to be of an acceptable standard such that he can be satisfied that there would be no significant adverse effects on Annex IV species, should approval be granted for the Decommissioning Plan;

- d. having considered the reports prepared by technical consultants, RPS Consultants and Selgovia;
- e. having regard to the following matters:
 - i. the nature, scale, extent and location of the Relevant Works;
 - ii. the particulars submitted with the application seeking approval for the Relevant Works;
 - iii. the additional material submitted in response to the request for further information; and
 - iv. the submissions and observations made in relation to the effects on the environment of the KADP including those made by other consent authorities, statutory consultees and members of the public, as described above;

The Minister to determine that he is satisfied:

- a. that the application is in line with OSPAR Convention Decision 98/3 which states *“the dumping, and the leaving wholly or partly in place, of disused offshore installations within the maritime area is prohibited”*;
- b. with the Decommissioning Plan submitted in accordance with the Lease granted under Section 13 of the POMDA;
- c. for the applicant to alter and remove certain facilities pursuant to Section 5(2) of the Continental Shelf Act 1968 from the area designated pursuant to Section 2 of S.I. No. 92/1993 - Continental Shelf (Designated Areas) Order, 1993;
- d. that, having carried out an EIA in relation to the Relevant Works, alone and in combination with other developments, he agrees with the conclusion of RPS Consultants that, subject to the implementation of the mitigation measures proposed, as set out in the KADP EIAR and the draft EMP, and subject to compliance with the conditions set out above, the Relevant Works will not result in significant adverse effects on the environment;
- e. that there will be no significant effects, individually or in combination with other plans or projects on any European sites protected under the Habitats Directive or the Birds Directive, having regard inter alia to the European Union (Environmental Impact Assessment and Habitats) Regulations 2011 (SI No. 473 of 2011) and the European Communities (Birds and Natural Habitats) Regulations 2011 (as amended) (SI 477/2011);
- f. that in accordance with good oil field practice the Lessee shall securely plug all boreholes and wells made by the Lessee before the abandonment thereof and also to avoid harmful methods of working, abandonment and plugging of wells, and prevent oil pollution; in accordance with Article XV of the Parent Agreement;

- g. that adequate protection measures are taken before well casings and well-heads are removed in accordance with Article XIX of the Parent Agreement;
- h. that the Lessee will restore the surface of the land in accordance with good oil field practice in accordance with Article XIX of the Parent Agreement;
- i. that the application and plans include all information and documents necessary to constitute a full explanation of the programme and its technical details to enable an informed judgement on the programme, in accordance with Clause III (6) (c) of the Lease;
- j. that the plugging of any well can be carried out in an efficient and workmanlike manner in accordance with Clause III (6) (h) of the Lease;
- k. that the Lessee shall execute all operations in or in connection with the Leasehold Area in a proper and work-manlike manner in accordance with methods and practice customarily used in good oilfield practice in accordance with Clause (7) (a) of the Lease; and,
- l. to accept and adopt the content and conclusions of the reports prepared by technical consultants, RPS Consultants and Selgovia.

Being satisfied regarding the matters outlined above, and having consulted with and received the consent of the Minister for Transport, Tourism and Sport in respect of safety of navigation, approve:

- (i) The 'Kinsale Head Decommissioning Plan – Kinsale Head Petroleum Lease (OPL1)' an addendum proposed by KEL to the Kinsale Head Plan of Development, pursuant to the Lease granted under Section 13 of the POMDA as amended which covers the decommissioning of certain facilities in the Kinsale Gas Area; and
- (ii) That KEL may alter and remove facilities from the area designated pursuant to Section 2 of S.I. No. 92/1993 - Continental Shelf (Designated Areas) Order, 1993, pursuant to Section 5(2) of the Continental Shelf Act 1968, as amended.

In giving such consent it is recommended that the Minister require that:

- a. A detailed Environmental Management Plan for the Relevant Works is to be prepared by the contractor(s) based on the draft EMP, which will be provided to DCCAE for approval by the Minister in advance of any works on site;
- b. That all sources of natural materials to be used in the works, e.g. topsoil, subsoil, rock armour/ cover are to be sourced from suitably licenced facilities and evidence of same is provided to the Minister;
- c. The services of a suitably qualified and suitably experienced maritime archaeologist shall be engaged to monitor all subsea Relevant Works for identified wreck sites that are less than 300m to proposed decommissioning infrastructure. The archaeologist shall be licensed by the Department of Culture, Heritage and the Gaeltacht. The Applicant shall engage with the archaeologist by providing specifications in advance of the proposed

Relevant, to allow the archaeologist to determine any mitigation strategies that may need to be put in place to protect identified shipwreck remains. The applicant shall follow the advice of the consultant archaeologist in this regard. Provision shall be made to accommodate the monitoring archaeologist on board the decommissioning vessels to enable them to successfully carry out their work;

- d. A detailed Resource and Waste Management Plan for Relevant Works is to be prepared by the selected contractor(s) based on the draft RWMP will be provided to DCCAE and approval by the Minister in advance of any works on site;
- e. The Relevant Works shall not take place until the Minister has approved a Cessation of Operations application, in accordance with Section 8.8 of the Department's Rules and Procedures Manual for Offshore Petroleum Production Operations;
- f. The Relevant Works should be completed no later than 4 years after cessation of operations;
- g. An initial decommissioning cost estimate should be provided to the Minister prior to commencement of Relevant Works. Subsequent to this a monthly reports should be provided to the Minister including costs, which should be clearly separated from those from the petroleum lease for the Seven Heads Gas Field;
- h. The Decommissioning Close-Out report proposed by KEL should also explicitly include an decommissioning operations report with a verification report on decommissioning operations. The Decommissioning Close-Out report should include appropriate information acceptable to the Minister in relation to both wells and costs;
- i. Verification reports should be prepared by an independent party acceptable to the Minister;
- j. That the Operator (KEL) facilitate any authorised officer appointed by the Minister in accordance with Section 1.10 of the Rules and Procedures Manual;
- k. An additional survey shall be carried out no earlier than 6 months and no later than 24 months after the completion of well abandonment operations in order to confirm the integrity of the abandoned wells and the results of the survey shall be provided to the Minister;
- l. All operations shall be conducted in accordance with the Department's Rules and Procedures. In particular, upon completion of well abandonment and subsea structure removal operations, each location shall be inspected by ROV in order to ensure that no debris remains in place. KEL shall submit the results of these inspections to the Minister in the form of Seabed Clearance Certificates before drilling unit/vessels leave the location;

- m. Before the Relevant Works commence, the applicant should provide a draft Marine Notice(s) to the Minister for TTAS highlighting the nature of the work involved and the approximate length of time the works will last;
- n. That all Relevant Works set out in the Decommissioning Plan are carried out in accordance with this consent and that a subsequent request for consent is submitted by KEL to the Minister for the Remaining Works in the area leased under the petroleum lease for the Kinsale Gas Area and that the works required under such subsequent consent be carried out in accordance with oil field practices as used by a prudent operator when working under conditions where modern conservation regulations prevail and any subsequent conditions that may reasonably be included by the Minister in the subsequent Minister's consent.

Noel Regan
Petroleum Affairs Division Policy and Regulation
18 April 2019

| TAB | Document |
|------------|--|
| Tab 1 | KEL Consent Application |
| Tab 2 | Kinsale Head Decommissioning Plan |
| Tab 3 | Applicant EIAR (provided in hard copy to Minister) |
| Tab 4 | Applicant EIAR Non-Technical Summary ⁶ |
| Tab 5 | Submissions and observations received |
| Tab 6 | RPS KADP EIAR Technical Review |
| TAB 7 | DCCAIE Further Information Request |
| Tab 8 | Applicant Response to Further information request |
| Tab 9 | Applicant Draft Resource and Waste Management Plan |
| Tab 10 | Applicant Draft Environmental Management Plan |
| Tab 11 | RPS KADP EIAR Technical Review Addendum |
| Tab 12 | DCCAIE Consultation with Minister of Transport |
| Tab 13 | KEL Further information regarding navigation of Safety |
| Tab 14 | Minister for TTAS response on navigation of safety |
| Tab 15 | Selgovia Technical Assessment |
| Tab 16 | PAD Technical Recommendation |
| TAB 17 | Public Consultation Report |

⁶ The full EIAR will be provided to the Minister in hard copy due to the file size.