



26 April 2019

To: F.G. MURPHY  
PSE KINSALE ENERGY LIMITED  
Mahon Industrial Estate  
Cork  
Ireland  
T12 PW92

**Kinsale Head Plan of Development**

- 1. Application for approval of an addendum to Plan of Development in accordance with Section 13 and 13A of the Petroleum and Other Minerals Development Act 1960, as amended (“POMDA”) to decommission certain facilities; and**
- 2. Application for consent under Section 5(2) of the Continental Shelf Act 1968, as amended, to alter and remove certain facilities from a designated area.**

Dear Mr Murphy,

I refer to the abovementioned application dated 28 June 2018 seeking the Minister of State at the Department of Rural and Community Development and Department of Communications, Climate Action and Environment’s (the “Minister”) consent to undertake the scope of work detailed therein (the “Relevant Works”) to decommission certain facilities in the Kinsale Head and Ballycotton Gas Fields (the “Kinsale Gas Area”). Capitalised terms used in this letter are based on the submission to the Minister for the application appended to this letter.

I wish to inform you that the Minister having considered the following matters in respect of the Relevant Works:

- the submission appended to this letter including the TABs attached to it;
- 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;
- the content of the AA Screening Report accompanying the application, the separate submission to the Minister on the AA Screening Report and the Annex IV species assessment and the separate AA determination of the Minister dated 18 April 2019;



- d. the reports prepared by technical consultants, RPS Consultants and Selgovia;
- e. and 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 Decommissioning Plan including those made by other consent authorities, statutory consultees and members of the public.

determined on 23 April 2019 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. 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 EIAR and the draft EMP, and subject to compliance with the conditions set out below, the Relevant Works will not result in significant adverse effects on the environment;
- e. that 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 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 the assessment for Annex IV Species is of an acceptable standard such that he can be satisfied that there would be no significant adverse effects on Annex IV species;
- g. 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;



- h. that adequate protection measures are taken before well casings and well-heads are removed in accordance with Article XIX of the Parent Agreement;
- i. 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;
- j. 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;
- k. 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;
- l. 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,
- m. 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, I am directed by the Minister to convey his consent to:

- (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 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.

Please note that this consent is conditional upon:

1. A detailed Environmental Management Plan for the Relevant Works is to be prepared by the contractor(s) based on the draft EMP, and shall be provided to DCCAE for approval by the Minister in advance of any works on site;
2. 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;
3. 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;

4. A detailed Resource and Waste Management Plan for Relevant Works is to be prepared by the selected contractor(s) based on the draft RWMP and shall be provided to DCCAE for approval by the Minister in advance of any works on site;
5. 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 (the "Rules and Procedures Manual");
6. The Relevant Works should be completed no later than 4 years after cessation of operations;
7. 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;
8. The Decommissioning Close-Out report proposed by KEL should also explicitly include a 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;
9. Verification reports should be prepared by an independent party acceptable to the Minister;
10. That the Operator (KEL) facilitate any authorised officer appointed by the Minister in accordance with Section 1.10 of the Rules and Procedures Manual;
11. 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;
12. All operations shall be conducted in accordance with the Department's Rules and Procedures Manual. 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;



13. Before the Relevant Works commence, the applicant should provide a draft Marine Notice(s) to the Minister for Transport Tourism and Sport highlighting the nature of the work involved and the approximate length of time the works will last;
14. 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.

In accordance with Sections 13A(8) and 13A(8A) of the POMDA, the public must be informed of this decision and it will be published on the Department's website, DEPHLGs portal, a national newspaper and in Iris Oifigiúil. A letter informing Prescribed Bodies of the decision will also be sent.

Yours faithfully,

*Bill Morrissey*

Bill Morrissey

Principal Officer

Petroleum Affairs Division – Policy and Regulation

Department of Communications, Climate Action and Environment

**Attachment – submission to Minister Kinsale Decommissioning**