

Your ref:
Our Ref: ZG/IG/EP/PA/04

10th August 2017



Cheshire West and Chester Council
4 Civic Way
Ellesmere Port
Cheshire
CH65 0BE

Dear ,

ELLESMERE PORT WELLSITE
EP-1 WELL TEST
PLANNING APPLICATION

Further to your email of 24th July 2017, we have now had the opportunity to review the existing planning consent for the Ellesmere Port Wellsite.

We note that Planning permission was granted in 2010 by Cheshire West and Chester Council (CW&CC), for the drilling of two (2) boreholes for the purpose of coal bed methane appraisal and production, which for clarity, included the installation of the boreholes, production and power generating facilities and extraction of coal bed methane followed by the restoration of the site. As set out in Section 9.3.6 of the Planning Statement *Nexen October 2009*, the appraisal boreholes would be drilled to an estimated minimum depth of 900m.

For further clarity, the Planning Statement made no reference to the maximum depth of the boreholes. Section 9.3.11 stated that the expected maximum duration of the appraisal drilling would be around thirty (30) days, but could be more or less depending on progress with the drilling and final total depth of the boreholes.

Under the extant planning consent, our client constructed the Ellesmere Port wellsite in 2011 and in 2014 mobilised a drilling rig to the wellsite and subsequently drilled one of two (2) permitted exploratory boreholes (EP-1), a single vertical well to a depth of 1,945m below ground level, with the objective of appraising the geological sequence of the Ellesmere Port prospect, including the coal beds. Following the drilling operation, the EP-1 well was suspended pending a detailed evaluation of the geological information acquired during drilling.

In response to your query, I can confirm that our client did drill the EP-1 well under the extant planning consent, to a depth exceeding 900m, therefore, consistent with the minimum depth of 900m stated within the planning statement and officers report. It is also worth noting that, prior to drilling the EP-1 well in 2014, our client met with representatives of CW&CC and advised those present of its

intention to drill the well beyond 900m. This was to fulfill obligations under the PEDL. The intention was to target the Dinantian limestone, which is a good regional marker within the upper limit of the Lower Carboniferous geological series. Furthermore, it is also worth noting that the EP-1 well was the subject of an application to the Environment Agency, under the Environmental Permitting (England and Wales) Regulations, within which our client clearly set out the objectives of the well, in the context of depth. The application was subject to public consultation prior to the Environment Agency determining the application.

In your query, specific reference is made the Petroleum Exploration and Development Licence (PEDL), under which our client is permitted *'to search, bore for and get petroleum'* within the Licence boundary, which was issued on behalf of the Secretary of State by the Department of Energy and Climate Change (DECC), now the Oil and Gas Authority (OGA), following the 13th Landward Licensing Round. As I understand it, your query relates to the depth of the well, as set out in Schedule 3 of the PEDL.

To clarify any confusion, Schedule 3 of the PEDL relates to a minimum work programme that the Operator applying for the PEDL proposes to undertake, should it be awarded the PEDL. Applications for PEDLs are reviewed by OGA against criteria, which, amongst other things, include technical competence, financial provisions and proposed work commitment. The purpose of undertaking competitive Licensing Rounds is to award the licence to the Operator that promises to maximise the economic recovery of the UK's oil and gas resources. In drilling the EP-1 well to a depth deeper than that set out in Schedule 3 of the PEDL, our client has exceeded its minimum obligation and, consistent with the objectives of the competitive Licensing Rounds, is seeking to maximise economic recovery by comprehensively exploring the oil and gas resource potential underlying the PEDL. For further information and clarity on the PEDL, please contact OGA.

In the context of other Regulators, Planning Practice Guidance sets out the key regulators and their role in hydrocarbon development. The OGA issues Petroleum Licences, gives consent to drill under the Licence once other permissions and approvals are in place. The role of the mineral planning authorities is to grant permission for the location of any wells and wellpads, and impose conditions to ensure that the impact on the use of the land is acceptable.

Both OGA and Environment Agency consented to the drilling of the EP-1 well.

I trust this answers your question, however, should you require any additional clarification please do not hesitate to contact me.

Yours sincerely
for **Island Gas Limited**

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