

Ms. Hennessy

Mr. Nugent

Rúnaí Aire

Decision Sought:

That the Minister:

- **Grant approval for PSE Kinsale Energy Ltd. to undertake a Rig Site Clearance Survey using geophysical techniques in the Kinsale Gas Area and Seven Heads Gasfields.**

Background:

1. The **Kinsale Gas Area Gasfield** is located in the Celtic Sea approximately 50km off the Cork coastline. It was initially developed by Marathon Petroleum Company (Ireland) Ltd under a Petroleum Lease dated 7th May, 1970 between the Minister for Industry and Commerce, the Minister for Finance and Marathon Petroleum Company (Ireland) Ltd. Commercial production commenced in 1978. The Kinsale Gas Area was enlarged in subsequent years to include the satellite “**Ballycotten Gasfield**” and the “**Southwest Kinsale Gasfield**” which are both included by way of amendment to the Petroleum Lease. In 2009, Marathon transferred its entire interest in the Lease to PETRONAS, Malaysia’s national oil company. The gasfield has been operated by PSE Kinsale Energy Ltd (KEL), a wholly-owned subsidiary of PETRONAS.
2. The **Seven Heads gasfield** is also located off Co Cork and is adjacent to the Kinsale Gasfield. The field has been developed as a subsea tie-back to the facilities on the Kinsale Head Alpha platform. Production commenced in 2002 under a Petroleum Lease dated 13th November, 2002, although the level of production declined significantly after the first year of operation. The current interests in the Seven Heads Petroleum Lease are as follows:

Lessee	Equity interest
PSE Seven Heads Ltd. ¹	86.5%
Island (Seven Head) Ltd	12.5%
Sunningdale Oils (Ireland) Ltd	1%

¹ PSE Seven Heads Limited is also a wholly owned subsidiary of PETRONAS, the Malaysian Oil and Gas Company.

3. Under Section 8.8 of the Department's *Rules and Procedures Manual for Offshore Petroleum Production Operations*, the Operator of the Gasfields (KEL) must submit Cessation of Operations applications prior to the proposed date for the cessation of operations. Two separate applications were submitted to the Department by the Operator on 26th June, 2019 and each was subsequently approved by the Minister of State on 28th November, 2019.
4. Due to depletion of reserves, gas production in the Kinsale Area and Seven Heads gasfields ceased on 5th July, 2020. Decommissioning of the facilities has commenced and is subject to the receipt of all necessary regulatory and environmental approvals.

Policy Background

5. The Programme for Government - *Our Shared Future* - contains a commitment to end the issuing of new licences for the exploration and extraction of gas on the same basis as the decision taken in 2019 by the previous Government in relation to oil exploration and extraction. That position was set out in a *Policy Statement on Petroleum Exploration and Production Activities as part of Ireland's Transition to a Low-Carbon Economy*, which was published on 17th December, 2019. The statement makes clear that all authorisations in place before 23rd September, 2019 can continue to progress through the standard lifecycle stages. All applications for activities under any existing lease or licences are considered in this policy context.

Rig Site Survey Application

6. An application for consent to undertake an offshore rig-site clearance survey was received from PSE Kinsale Energy Ltd. (KEL) on 5th March, 2020. The survey is required, as part of the decommissioning process, to inform well abandonment conditions of the 13 subsea wells within the Kinsale area and Seven Heads gasfields. The Operator proposes to decommission these wells either using a semi-submersible mobile offshore drilling unit and/or a light well intervention vessel. These works were included in Decommissioning Consent Application 1 which received Ministerial approval on 23 April 2019. In order to facilitate well abandonment, a better understanding of the offshore anchoring conditions is required in those areas where the drilling unit will be deployed as well as the identification of any obstructions in these areas. Hence this application for a rig-site survey. The location of the subsea wells is outlined in Figure 1.

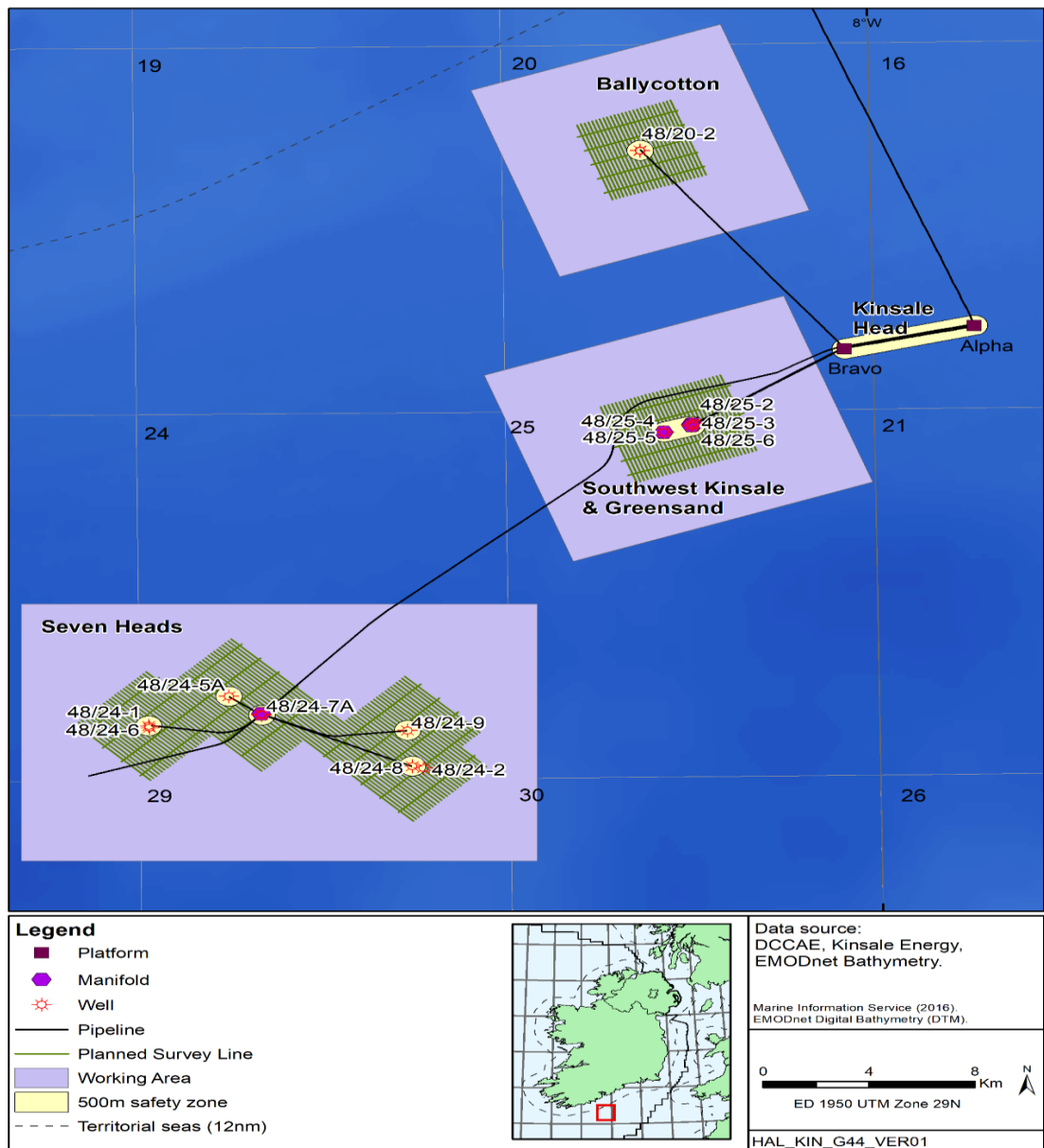


Figure 1 – Location of Offshore Subsea Wells

The following documents (**TAB A1-A4**) were received as part of the application:

- Application to conduct an offshore site survey (A1);
- Appropriate Assessment Screening Report (A2);
- Environmental Impact Assessment Screening/Environmental Risk Report(A3); and
- Pre-survey Fisheries Assessment (A4).

The offshore survey will be conducted using industry standard equipment. Although the specific equipment to be used in the survey has not been finalised, the Operator has indicated that it will more than likely include a mix of:

- ❖ sub-bottom profilers (towed and hull-mounted),
- ❖ side scan sonar,
- ❖ single beam and multibeam echo sounders,
- ❖ magnetometer,
- ❖ USBL (ultra-short baseline acoustic positioning; hull-mounted with transponder on towed device).

All sensors will be located on the support vessel to be procured by the Operator.

7. On 29th July, 2020 the Minister determined:
- a. that an Appropriate Assessment for the ‘Rig-Site Clearance Survey – SW Kinsale, Ballycotton and Seven Heads Gas Fields’ 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 rig-site clearance survey, 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 has 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 rig-site clearance survey.

Ministerial considerations in assessing the application

8. Environmental Impact Assessment

- a. The Minister to consider the EIA 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 Petroleum and Other Minerals Development Act 1960 as amended (“POMDA”).
- b. In addition to the EIA report, the Minister to have regard to relevant matters including the following:
 - i. the particulars submitted with the survey 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;

- II. 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
 - i. any submissions or observations validly made in relation to the effects on the environment of the proposed survey including those made by other consent authorities, statutory consultees or members of the public, in accordance with Section 13B(5)(c) of the POMDA.
- III. The Minister to attach such conditions to the decision as he or she 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.
- IV. The 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.

Process and consultation

9. In assessing the application, the Department engaged RPS Consultants for independent environmental expertise in relation to the statutory assessment of the EIA and also received advice on technical matters from the Petroleum Affairs Division Technical Section.
10. The EIA Screening Report together with the rig-site survey application form, AA Screening Report and Pre-survey Fisheries Assessment were posted on the Department's website on 16 March, 2020 and parties were invited to make comments on the submission before 14th April 2020. On 6th April, the public consultation period was extended to 24th April 2020 to facilitate public participation in light of the restrictions imposed due to the COVID-19 situation.
11. The following bodies were notified of the proposed survey activities by the Operator in accordance with the Department's ***Rules and Procedures Manual for Offshore Petroleum Exploration and Appraisal Operations***:
 - Development Applications Unit, National Parks and Wildlife Service;
 - Irish Maritime Administration, Department of Transport, Tourism and Sport;
 - Ship Source Pollution Prevention Unit Irish Maritime Administration, Department of Transport, Tourism and Sport;
 - Irish Coast Guard (& National Maritime Operations Centre), Department of Transport, Tourism and Sport;
 - Sea Fisheries Protection Authority;
 - Sea Fisheries Policy Division, Department of Agriculture, Food and the Marine;
 - Department of Defence;
 - Mission Support Facility, Irish Air Corps;
 - Naval Headquarters;
 - Marine Institute; and
 - Director of e-Navigation and Maritime Services, Commissioner of Irish Lights.

12. Submissions were received on the screening for Environmental Impact Assessment from the Ship Source Pollution Prevention Unit Irish Maritime Administration, Department of Transport, Tourism and Sport and the Naval Service.
13. Submissions were also received from An Taisce and a private individual.
14. A summary of these responses is set out below:

Observation / Submission	Response
The Naval Service have no observations regarding these surveys, however it has requested that details of the survey vessels which will conduct the surveys are made known when to hand.	N/a

<p>Ship Source Pollution Prevention Unit: licensees and their employees and contractors are reminded that they should be aware of ship-source pollution prevention provisions which are in place to protect human health and the marine environment and apply to all shipping activity. These provisions are obligatory independently of particular licence terms and conditions. Under the MARPOL Convention and EU law, as applicable in national law, ships may not cause pollution either by discharge to water or emissions to air, when at sea or when at berth in port. Ships include Floating Production, Storage and Offloading vessels (FPSOs), also called a "unit" or a "system"; and Floating Storage Units, (FSUs). Ships berthed at terminals at sea are also obliged to conform to the law. Management of ship waste (mainly oil, hazardous and polluting substances, sewage, garbage and polluting emissions to air) and of all cargo residues must be ensured as required under international (IMO), EU and national law. Under existing provisions ships are obliged to discharge waste and cargo residues at port and ports are obliged to provide adequate facilities for their reception from ships.</p>	<p>Pollution management has been considered by the applicant and is addressed in the screening matrix for potential activity in the EIA screening report. The vessel used to conduct the surveys will meet MARPOL requirements and a garbage management plan is also in place.</p>
<p>An Taisce It is the considered view of An Taisce that a full Environmental Impact Assessment and Appropriate Assessment is required for this proposal.</p>	<p>N/A</p>
<p>Private Individual (name withheld) Please do not allow any more fossil fuels to be explored, exploited and expatriated from Irish waters, soils and seas.</p>	<p>N/A</p>

15. RPS subsequently prepared the “Kinsale Area Subsea Wells Rig-Site Geophysical Survey” Environmental Impact Assessment Technical Review’ (TAB B).

Environmental Impact Assessment

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

16. The RPS technical review considered that the project will have no likely significant effects on the environment. Therefore, an Environmental Impact Assessment of the project is not required. This conclusion has been made by reference to the Annex II and Annex III criteria as set out in the EIA Directive.

Environmental Conditions

17. RPS have recommended the following conditions for the rig-site clearance survey be attached to the Minister's consent:

(a) PSE KE must seek approval from the Department prior to the commencement of the survey should alternative vessels and/or equipment be proposed. In this event, confirmation will be required that the survey equipment and methodology on any replacement vessel are equivalent to that described in the applicant's application documents, and that the nature and extent of the proposed activities described in those documents have not materially changed.

(b) PSE KE shall have a suitably qualified visual observer on-board for the duration of activities to ensure that there are no significant effects on species of bird or marine mammal.

Technical Assessment

18. The Petroleum Affairs Division ("PAD") Technical Division have reviewed the application and have concluded (**TAB C**) as follows:

The application from Kinsale Energy for an offshore geophysical survey has been technically evaluated by PAD geoscientists. Sufficient information was supplied by the operator for the Department to conduct an evaluation.

Information expected to be obtained from the survey are:

- *Observer Logs*
- *Navigation (ED50 / WGS84)*
- *Bathymetry (Processed reduced XYZ Grid, Geotiff)*
- *Marine Mammal Observer (MMO) Daily Reports*
- *MMO Weekly Summary*
- *Side Scan Sonar (eXtended Triton Format (XTF) files, Geotiff)*
- *Sub-bottom Profiler (SEG Y Files)*

- *Magnetic data (txt)*
- *Survey Outputs - AutoCAD DWG Charts, subbottom profile mapping, Geodatabase/Shapefiles (Seabed Features, Sediments / Isopachs)*

PAD Technical has considered all the technical elements of the offshore survey application in order to establish the validity of the survey, and have concluded that the geophysical data obtained will highlight if there are obstructions and will inform the mooring assessment for anchoring conditions at Seven Heads, Southwest Kinsale and Ballycotton.

Based on a technical review of the survey programme, it is recommended that approval to conduct the offshore survey at the Ballycotton and Southwest Kinsale fields (Offshore Petroleum Lease No.1 (OPL-1)) and the Seven Heads field (Seven Heads Petroleum Lease) be granted.

Reasoned Recommendation

19. A comprehensive due diligence exercise has been carried out by the Department on the application including the receipt of external technical 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 has been conducted.
20. In relation to the EIA, RPS have concluded that, subject to the implementation of the conditions set out in the rig-site geophysical survey EIA, the proposed works associated with the rig-site clearance survey will not result in significant adverse effects on the environment. The Department is satisfied with and agrees with this conclusion and the conditions proposed.
21. It is recommended that the Minister grant consent, subject to the applicant's compliance with the conditions set out further below.

Approval Sought

The Minister confirms that:

- a. having regard to this submission including the TABs attached to it;
- b. having considered the content of the EIA and having determined that it adequately identifies, describes, and assesses the direct and indirect effects of the rig-site clearance survey;
- 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 rig-site clearance survey;

- d. having considered the reports prepared by RPS Consultants and PAD Technical Division;
- e. having regard to the following matters:
 - i. the nature, scale, extent and location of the rig-site clearance survey;
 - ii. the particulars submitted with the application seeking approval for the rig-site clearance survey; and
 - iii. the submissions and observations made in relation to the effects on the environment of the rig-site clearance survey 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, having carried out an EIA in relation to the rig-site clearance survey, alone and in combination with other developments, he agrees with the conclusion of RPS Consultants that, subject to compliance with the conditions set out above, the rig-site clearance survey will not result in significant adverse effects on the environment;
- b. 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);
- c. to accept and adopt the content and conclusions of the report prepared by environmental consultants, RPS Consultants.

In giving such consent, it is recommended that the Minister require it to be contingent on adherence to the following conditions:

1. The applicant must seek approval from DCCAE prior to the commencement of the survey should alternative vessels and/or equipment be proposed. In this event, confirmation will be required that the survey equipment and methodology on any replacement vessel are equivalent to that described in the applicant's application documents, and that the nature and extent of the proposed activities described in those documents have not materially changed.
2. The applicant shall have a suitably qualified visual observer on-board for the duration of activities to ensure that there are no significant effects on species of bird or marine mammal.
3. All operations shall be conducted in compliance with the provisions of the Rules & Procedures for Manual Offshore Petroleum Exploration Operations (RPM).

4. The operator/contractor are required to avoid potential cumulative/in-combination effects arising from adjacent regional survey activity, i.e. a minimum of 100km will be maintained between current survey and any other surveys running concurrently. There is to be co-operation between survey activities in the area.
5. In accordance with Section 2.2.4 of the RPM, a Fisheries Liaison Officer (FLO) and Marine Mammal Observer (MMO) must be on board the vessel for the duration of the survey.
6. The operator/contractor is required to arrange for a radio navigational warning to be broadcast and ensure that daily position reports are sent to the Irish Coast Guard, MRCC Dublin along with a notification of number of persons on board. The Irish Coast Guard, MRCC Dublin, the Marine Survey Office of the Department of Transport, Tourism and Sport and the Department of Communications, Climate Action & Environment (DCCAE) must be notified on the start and completion of operations.
7. The Department is to be informed on the commencement and completion of the survey. Daily progress reports should be sent to DCCAE via secure website or by posting to a designated secure website or by emailing (addresses to be advised separately). The operator/contractor is required to make the daily progress reports available to DCCAE before noon each day for the duration of the survey. The final progress report should be sent to the DCCAE.
8. The Department is to be provided with tabulated data on impulsive noise events to be added to the Department of Housing, Planning and Local Government (DHPLG) Impulsive Sound Register. Data to include:
 - Source properties (Hz; SPL, dB re 1 μ Pa @1m; SEL, dB re 1 μ Pa²s @1m);
 - Cumulative hours of active source;
 - Daily/weekly acquisition details (to include line number and date of acquisition);
 - Daily acquisition maps (to include line numbers).
9. All operations must only take place within the proposed working areas as delineated by the 500m exclusion zone highlighted in Figure 1 below and described in the documents submitted by PSE Kinsale Energy Limited in March 2020.

Maria O'Brien

Assistant Principal Officer

Petroleum Affairs Division - Policy and Regulation

2nd September, 2020

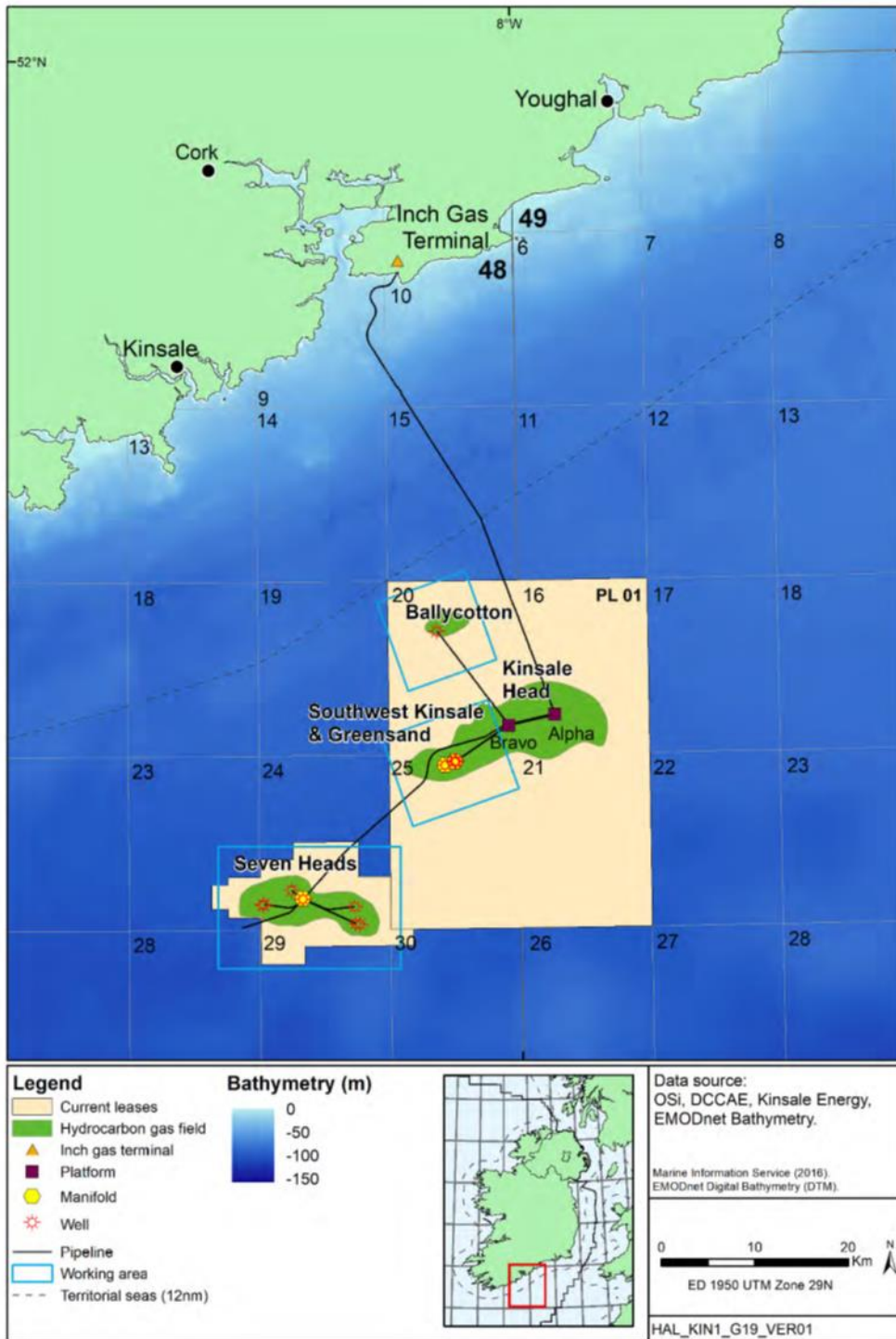


Figure 1: The location map for the proposed Kinsale area offshore survey.

Documents forming part of submission

TAB A	<ul style="list-style-type: none">• Application form (TAB A1);• Appropriate Assessment (AA) Screening Report (TAB A2);• Environmental Impact Assessment (EIA) Screening Report (TAB A3);• Pre-survey Fisheries Assessment (TAB A4).
TAB B	RPS <i>“Kinsale Area Subsea Wells Rig-Site Geophysical Survey”</i>

	Environmental Impact Assessment Technical Review.
TAB C	PAD Technical Recommendation.