



Oil & Gas  
Authority

# Guidance for applications for suspension of inactive wells

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# Introduction

Under the terms (including the applicable model clauses) of a United Kingdom seaward production licence, licensees require the Oil and Gas Authority's ('OGA') consent to suspend or abandon a well, and the licence sets out the licensees' obligations to suspend or abandon a well.

In considering how to manage the UKCS portfolio of wells, the OGA must seek to maximise the value of economically recoverable reserves ('MER UK')<sup>1</sup> whilst having regard to, amongst other things, minimising public expenditure. In practice that means seeking to balance the need to fully and safely abandon wells and to minimise the cost of abandoning suspended wells, without negatively impacting MER UK.

## Scope and purpose of the guidance

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This document ('Guidance') sets out the approach the OGA will generally take in considering applications from licensees for consent to initial suspension, and any extension of a suspension, of inactive wells (that is, a constructed well or wellbore that is neither operational nor fully abandoned) in support of cost-effective abandonment.

This Guidance is not a substitute for any regulation or law and is not legal advice. It does not have any binding legal effect. Where the OGA departs from the approach set out in this Guidance, the OGA will endeavour to explain this in writing to the person seeking a decision from the OGA.

This Guidance will be kept under review and be revised as appropriate in the light of further experience and developing law and practice, and any change to the OGA's powers and responsibilities. If the OGA changes this Guidance in a material way, it will publish a revised document.

<sup>1</sup> The OGA is required, in accordance with section 9B of the Petroleum Act 1998 (as amended), to have regard to the Maximising Economic Recovery Strategy for the UK, a copy of which can be found here: <https://www.ogauthority.co.uk/regulatory-framework/mer-uk-strategy/>.

# Definitions and WONS<sup>2</sup> Classifications and Categorisation

For ease and where the context allows, references in this Guidance to ‘suspension’ or ‘suspend’ means either an initial suspension of an inactive well or an extension of a currently consented suspension.

The following explains the operational categorisation that may be assigned to a well in WONS:

1. A constructed well or wellbore that is neither operational nor fully abandoned is assigned one of four, temporary physical (mechanical) status classifications in WONS:
  - a. Completed (Shut-in): A completed wellbore that is shut in either at the tree valves or subsurface safety valve. Normally this status will be only be applied if the wellbore is intended to be shut in for 90 days or more; (operational category “completed” in WONS)
  - b. Plugged: A wellbore that has been plugged with a plug rather than an abandonment barrier (operational category “suspended” in WONS);
  - c. AB1: The reservoir has been permanently isolated. The wellbore below the barrier is no longer accessible (operational category “suspended” in WONS);
  - d. AB2: All intermediate zones with flow potential have been permanently isolated. The wellbore below the barrier is no longer accessible (operational category “suspended” in WONS)
2. A development well is categorised as “inactive” when the field permanently ceases production (COP).
3. A subsea development well, with no further use, and not connected to an installation is categorised as “inactive”.
4. An exploration or appraisal well, without an active rig working on it and after any well test is completed is categorised as “inactive”.
5. A well that has had an abandonment notice served by OGA is categorised as “inactive”.
6. A fully abandoned well (AB3) means the well origin at the surface has been removed and the well origin will never be used again.

<sup>2</sup> The OGA's Well Operations and Notifications System, hosted on and accessed through the Energy Portal.

# Applications for Well Suspension Consent

At various stages in the lifecycle of a well, the licensee is required to apply for consent for a particular activity and/or notify the OGA when that activity has been completed. This process is managed through WONS. The actual process to be followed for this is documented in WONS guidance available on the OGA website.<sup>3</sup>

Applications to suspend an inactive well are therefore made and processed, and the relevant notifications submitted, through WONS. An application for consent to suspend a well must be made to the OGA via WONS by a licensee, as required by the licence model clauses.

Where a licensee fails to obtain the necessary consent, the OGA has a number of regulatory powers available to it. For example, under the Energy Act 2016, a failure to comply with a term or a condition of a licence, or a failure to comply with a duty to act in accordance with the MER UK Strategy are both sanctionable. This Guidance does not provide any further detail on the OGA's sanctions process nor the circumstances under which the OGA will use its powers.<sup>4</sup>

<sup>3</sup> The WONS guidance can be found here: <https://www.ogauthority.co.uk/site-tools/energy-portal-guidance/#wons-2#>

<sup>4</sup> <https://www.ogauthority.co.uk/regulatory-framework/powers-sanctions-guidance/>

# Considerations

When considering such applications, the OGA will generally, amongst other things, assess whether the request complies with all applicable licence obligations and with good oil-field practice. Any well to be suspended must be covered by a well examination scheme<sup>5</sup> and be examined on an annual basis.

The OGA will then take into consideration, on a case by case basis, other relevant factors such as:

1. Whether further potential use for the well has been demonstrated;
2. The presence of any installed infrastructure (e.g. where a subsea well is under a platform) and whether the 500-metre exclusion zone limits simultaneous operations;
3. Whether the abandonment of the well is being planned as part of a wider decommissioning campaign.

<sup>5</sup> Well examination scheme as required by Safety Case Regulations 1995 which requires the entire lifecycle of the well to be covered by a well examination scheme. The examination is to demonstrate that the pressure boundary of the well is controlled throughout the well's lifecycle and that the pressure containment equipment (including the wellhead and tree) that forms part of the well is suitable for the purpose.

# Consent period

Having taken such matters into consideration, if the OGA considers it may be appropriate to consent to an initial suspension, it will generally consent to an initial suspension period of **two years**, but may consent to a shorter (or more exceptionally, a longer) period if it considers that this is appropriate in the particular circumstances.

On a case by case basis, depending on the circumstances at that time, the OGA may consider consenting to a request to extend a currently consented suspension subject to, among other things, submission of a satisfactory detailed well abandonment strategy and plan. In such instances, the period of any such suspension will be determined by the OGA, and will generally not exceed 5 years.

