

North Sea Transition Authority

UKCS Well Applications and Consents Guidance

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Status and purpose of this guidance

- 1. This guidance consolidates and replaces previously available guidance on UKCS well consents. It details when various applications, consents and notifications are required and provides information on the matters the North Sea Transition Authority (NSTA) normally takes into account when considering such applications.
- 2. The guidance is not a substitute for any regulation or law and is not legal advice and does not have a binding legal effect. It is intended that the guidance will be kept under review and be revised as appropriate in the light of experience and developing law and practice and any change to the NSTA's powers and responsibilities.

Roles and responsibilities

The NSTA

- 3. The NSTA grants licences¹ that confer exclusive rights to 'search and bore for and get petroleum'. The terms and conditions of the licence are set out in the licence itself or incorporated by reference to secondary legislation (including model clauses)². It is the responsibility of every licensee to be aware of all regulatory controls, including the model clauses, and to comply with them. The North Sea Transition Authority (NSTA) is the business name of the Oil and Gas Authority (OGA). The OGA remains the legal name of the company. References to the NSTA should be interpreted as the OGA.
- 4. Consent from the NSTA is required to carry out certain UKCS³ well activities. Applications for consents are made on the NSTA's Energy Portal⁴ using the NSTA's Well Operations Notification System (WONS). The applications and subsequent notifications allow NSTA to consider whether licence conditions and the OGA Strategy (hereafter "the Strategy") objectives described in paragraph 13 are being met.
- 5. The NSTA has no direct regulatory responsibility for well safety or environmental legislation which are the remits of the Health & Safety Executive, the Department for Business, Energy & Industrial Strategy's (BEIS) Offshore Petroleum Regulator for Environment & Decommissioning unit (OPRED) and the Offshore Major Accident Regulator ('OMAR').

The Licensee and the Exploration or Field Operator

- 6. Licences can be held by a single company or by several companies working together, but the Licence only has a single Licensee however many companies it may comprise. All companies holding a Licence have joint and several liability for the obligations and liabilities that arise under it and share the rights conferred by the Licence. For ease of use, this guidance refers to the companies jointly holding the Licence as "licensees".
- 7. Where there is more than one company holding a licence, they nominate (for approval by the NSTA), an Exploration⁵ or Field Operator⁶ to manage the operations that take place within that Licence or sub area of that Licence. In practice, this Operator usually makes applications for well consents on behalf of the licensees, but it is the licensees who are given the consent. The Exploration or Field Operator is not necessarily also the Well Operator or Installation Operator described in the following section.
- Many oil or gas fields lie beneath two or more licences and a single Field Operator is approved to organise and 8. supervise operations in that field including well operations. Where this is the case, the Field Operator will make applications for well consents on behalf of the licensees whose licence the well passes through.

Well Operator and Installation Operator

The concept, responsibilities and obligations of a Well Operator or Installation Operator are set out in The Offshore 9. Petroleum Licensing (Offshore Safety Directive) Regulations 20157. Only entities that have been appointed pursuant to these regulations are permitted to conduct petroleum operations or well operations. The Well Operator is responsible for well operations and for any operation in relation to a well which may result in an accidental release of fluids from that well which could give rise to the risk of a major accident. Additional guidance on these roles is given on the OMAR website⁸. It is the licensees, not the OMAR Well Operator, who must have WONS consent for well activities under their licence and the Exploration or Field Operator that usually applies for that consent on the licensees' behalf. If the OMAR Well Operator is not the licensees' Exploration or Field Operator, then the licensees must ensure that the Well Operator is aware of all conditions relating to well consents.

⁶ North Sea Transition Authority: Field operatorship - Production - Exploration & production (nstauthority.co.uk)

¹ Licences generally granted under the Petroleum Act 1998, Petroleum (Production) Act 1934.

² For example, The Petroleum Licensing (Production) (Seaward Areas) Regulations 2008

³ Similar consents are required for onshore wells in England, the Consolidated Onshore Guidance should be referred to when making consent applications ⁴ NSTA's Energy Portal

⁵ North Sea Transition Authority: Exploration operatorship - Exploration - Exploration & production (nstauthority.co.uk)

⁷ https://www.legislation.gov.uk/uksi/2015/385/made

⁸ Offshore Safety Directive Regulator (OSDR) (hse.gov.uk)

Summary of Requirements

- 10. Licensees require a consent before:
 - a well foundation or other equipment is installed in advance of drilling operations,
 - a well is spudded, side-tracked or drilling recommences,
 - any part of a well comes within 125m of a licence boundary,
 - a well test, or extended well test, is commenced,
 - a well is abandoned,
 - a well is suspended,
 - completion work (including hydraulic fracturing) is carried out on a well⁹,
 - physical changes are made to a well (re-completion).

Licensees should contact the NSTA if they intend to carry out any work on a well not covered by these descriptions.

- **11.** If an application is made and a consent is given, the licensees will receive the consent electronically:
 - well activities should be carried out as described in the application and comply with any Licence and specific conditions in the consent,
 - specific conditions may include, among others, requirements relating to timing, activity and reporting,
 - notification of the resulting well configuration, status etc. must be submitted after the consented activity has been completed¹⁰,
 - there is a general licence obligation to execute all operations in or in connection with the licensed area in a proper and workmanlike manner in accordance with methods and practice customarily used in good oilfield practice.
- **12.** Where licensees fail to obtain the necessary consent or fail to comply with the conditions of a consent, the NSTA has several 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 Strategy are both sanctionable. The NSTA has published information on its sanctions powers on its website¹¹.

⁹ The licence conditions (model clauses) require a programme of completion works to be approved by NSTA. However, the NSTA will generally address this requirement by means of the consent process

¹⁰ https://www.nstauthority.co.uk/media/1100/operator_work_instructions_v3.pdf

¹¹ https://www.nstauthority.co.uk/regulatory-framework/disputes-and-sanctions/

Matters considered by the NSTA

- **13.** When considering whether to consent to a WONS application, the NSTA may consider amongst other things:
 - whether the proposal aligns with relevant Licence obligations and conditions (which may be specific to a Licence, or more general, or relate to the avoidance of harmful methods of working),
 - the Field Development Plan and the development and production consent (for development wells),
 - the obligations set out in the Strategy¹² and in particular the Central Obligation which requires that relevant persons, in the exercise of their relevant activities,
 - a. take the steps necessary to secure that the maximum value of economically recoverable petroleum is recovered from the strata beneath relevant UK waters; and, in doing so,
 - b. take appropriate steps to assist the Secretary of State in meeting the net zero target, including by reducing as far as reasonable in the circumstances greenhouse gas emissions from sources such as flaring and venting and power generation, and supporting carbon capture and storage projects.

The Strategy includes supporting obligations relating to cost efficiency, technology, NSTA Plans, and decommissioning,

- The NSTA's Stewardship Expectations and any agreement with the NSTA on the stewardship of a licence or field,
- the financial capability of the licensees.

This list is not exhaustive. Different considerations apply to different activities and circumstances.

- 14. Where the licensees are aware that their application may not be aligned with any of the above, they should seek discussions with the relevant NSTA team to explain the reasons for any misalignment. The WONS application should not be the means for initiating such discussions since this may lead to delay, a Further Information Request (FIR) or, possibly, rejection of the application.
- **15.** More detail on the process for the various applications and the considerations likely to apply to each is provided in the sections below.

Financial Guidance

- **16.** The financial capability of each of the licensees is an important consideration for the NSTA when making decisions for activities during the lifecycle of a licence, including many consents covered by this guidance. To help inform these decisions, the NSTA will normally undertake a financial assessment of the licensees as part of the WONS consenting process.
- **17.** The NSTA has published Financial Guidance¹³ setting out both when the NSTA will consider the financial capability of a licensee and the factors usually taken into consideration when doing so. These factors may vary according to the circumstances and will be assessed on a case-by-case basis. The Financial Guidance also sets out the steps that licensees seeking a decision from the NSTA should take to facilitate those considerations and should be referred to when applying for consents for well activities.

Requirements of other Regulators

18. The Health & Safety Executive, OPRED, OMAR and others have their own legislative requirements for well activities. This guidance document does not seek to list or explain these additional requirements.

12 https://www.nstauthority.co.uk/media/6980/annex-2-the-oga-strategy.pdf

¹³ https://www.nstauthority.co.uk/news-publications/publications/2018/financial-guidance/

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Guidance on specific well activities

Introduction

- **19.** WONS is used for various applications and transactions related to well activities. Applications for consent to carry out well activities are usually made by the Exploration or Field Operator on behalf of the licensees through WONS which is accessed through the Energy Portal. Detailed information and working instructions for using WONS is available on the NSTA website.
- **20.** Consent for an activity, if granted, is for a specific period and the activity should be planned to be completed before the consent expires. Well activities must be carried out as described, and in accordance with any timeframe set out in the application and any conditions attached to the consent. Where it is anticipated that the consent may need to be varied in response to information gained during the activity, this should be explained in the application and the variation may be included in the scope of the consent. Variations that have not been foreseen should be discussed with the NSTA as soon as the need becomes apparent, depending on the significance of the change a new or revised application and consent may be required.
- **21.** Only licensees can be granted consent so in cases where another company is carrying out the activity as the OMAR Well Operator (such as when a well management company is being used), it is still the licensees, usually through the Exploration or the Field Operator, that apply for and, if granted, receive the consent.
- 22. Applications should be submitted **at least 28** calendar days before the anticipated start of the activity. This is to allow time for the NSTA to review the application and raise and consider responses to any queries. In exceptional circumstances where 28 days' notice has not been possible, the NSTA team will endeavor to fast track the application but this should not be assumed. If information is missing or inaccurate information is submitted, the applicant may be asked to submit a revised application or, in some cases, a new application. Where information beyond that supplied in the WONS application is needed, a Further Information Request (FIR) will be raised and the 28 day period is reset when the response is received. The NSTA will aim to raise any FIR early in the process, a timely response to a FIR is advised and it is in the licensees' interest to ensure the initial application is complete and accurate.
- **23.** WONS allows certain applications for a well to be "bundled" into a single application (Table 1). These will be displayed by WONS when an application is reviewed. Operators should ensure that they complete each element of a bundled application in the light of the guidance provided below.
- 24. Note that a consent to abandon a well is no longer "bundled" into an initial drilling consent and needs to be applied for as described in Table 1 and the Abandonment section.

Table 1, Separate or "Bundled" applications

	Exploration & Appraisal	Development	Inactive* exploration	Inactive* development
Drill or sidetrack within 125m of licence boundary	Request for consent required as part of application to drill or sidetrack **	Request for consent required as part of application to drill or sidetrack unless within a unitised field. **		
Structure installed by a separate operation prior to spudding (such as a Suction based well foundation)***	Separate application if installed in advanced of drilling operations	Separate application if installed in advanced of drilling operations		
Drill				
Spud ****	Separately or as part of a "bundled application"	Separately or as part of a "bundled application"		
Mech s/t ****				
Geol s/t				
Complete				
Recomplete				
Short test *****	Separate	Separate		
Extended well test *****				
Suspend, extension to suspend	Separate application required once spudded	Separate application required once spudded	New Application required periodically	New Application required periodically
Abandon	Separate *****	Separate	Separate	Separate

* See Definitions section

- ** WONS does not currently provide for such applications and consent must be applied for by including a request and description in the WONS "supporting comments" section of the well drilling or sidetrack application. This should provide the trajectory and confirm that both sets of licensees are content. For development wells in unitised fields only, where a well is to cross a licence boundary within the unitised area no additional consent is required. Drilling into unlicensed acreage is not permitted.
- *** If a structure is to be installed in a separate operation prior to drilling operations, such as a suction based well foundation, a separate consent is required. WONS does not currently provide this application and the licensees should e-mail the NSTA at WONS@nstauthority. co.uk and complete the WONS Provisional Initial Drilling Application providing the expected installation date as supporting information, see Consent to drill section below. The consent, if given, will include a condition that a temporary structure should be retrieved from the seabed in the event that the well is not spudded. This consent is in addition to the OPRED Consent to Locate.
- **** The initial drilling consent will normally provide for a spud, a single re-spud and a single mechanical sidetrack. Any further re-spuds or mechanical sidetracks should be raised quickly with the NSTA team and need separate applications.
- ***** Prior to the 2020 WONS improvements these operations could be bundled.
- ****** E&A well abandonment consents are no longer bundled with drilling consents. Currently, WONS only allows an application for abandonment to be made after the well is spudded. Operators should now provide detail of their abandonment plan as part of the Pre-Drill Assessment, see SE2 - Delivering Exploration and Appraisal Work Programmes and liaise with the NSTA team in advance of the initial drilling consent. An abandonment application with full supporting information must then be made post spud. WONS will be modified so that abandonment applications can be made at the time of the initial drilling application.

- **25.** Licensees should not assume that consent will be given and should time their application and activities accordingly. For example, an application to continue the suspension of a well should not be made so late that, if consent is not given, the licensees could not comply with their obligation to abandon the well.
- **26.** The NSTA may, on a proportionate basis, apply different levels of scrutiny to different applications depending on the circumstances. For example, an application to drill the first exploration well on a licence may attract more scrutiny than the tenth development well on a field. Similarly, if the NSTA is satisfied with the past performance of the licensees and their Exploration or Field Operator, it is likely to subject applications to less detailed scrutiny than where it has previously expressed concerns.
- **27.** Where the planned activity is a 'project' for the purposes of the Offshore Oil and Gas Exploration, Production, Unloading and Storage (Environmental Impact Assessment) Regulations 2020¹⁴ ('2020 EIA Regulations') the NSTA cannot grant consent until the Secretary of State has agreed to the grant of consent. These activities include, amongst others, the drilling of a well and an Extended Well Test. It is therefore advantageous to submit applications that are subject to these regulations as early as the well planning process allows. OPRED are responsible for the operation of these regulations.

Post activity reporting

- **28.** The NSTA must be notified of drilling and other activities consented through WONS once these activities have taken place (and in the case of drilling, once they have commenced or recommenced). Notification is also required when a well is expected to be shut-in for more than three months or reopened following shut-in (see Shut in section below).
- **29.** For this purpose, each consented activity has a 'notification' available in WONS which the licensees should complete and submit within the period specified (for example, within three working days following commencement of drilling for a spud notification).
- **30.** These notifications (together with information taken from WONS consent applications) allow the NSTA to populate its database with metadata for wellbores. The various metadata attributes, once fully populated, create a "System of Record" for a wellbore that is essential to many of the NSTA's regulatory processes and is also used by licensees and wider industry in many of their own systems. The notifications allow licensees to report actual information about a wellbore (for instance the actual total depth of a well as opposed to the planned depth provided in an initial drilling application) as well as other information the NSTA requires and supporting documents.
- **31.** In addition to notifications linked to consented activities, the NSTA also requires the submission of a Wellbore Update Notification ('WUN') within 90 days of the Regulatory Completion Date¹⁵ of the wellbore. The WUN includes summary information about the well results, the actual strata drilled through, any hydrocarbons encountered, and data and physical samples acquired during well operations.
- **32.** The reporting of wellbore metadata through the WONS system is underpinned by notices issued under section 34 of the Energy Act 2016. Under the Oil and Gas Authority (Offshore Petroleum) (Disclosure of Protected Material after Specified Period) Regulations 2018 the NSTA may disclose certain data (known formally as "summary information") about a wellbore as soon as it is obtained.
- **33.** For full details of reporting requirements for wellbores (and how reported information is disclosed), see the NSTA's published guidance: Reporting and disclosure of Information and Samples Guidance¹⁶.

¹⁴ The Offshore Oil and Gas Exploration, Production, Unloading and Storage (Environmental Impact Assessment) Regulations 2020 (legislation.gov.uk)

¹⁵ Defined in North Sea Transition Authority: Reporting and Disclosure of Information - National Data Repository (NDR) - Data centre (nstauthority.co.uk)

¹⁶ The NSTA's policy on information acquisition in wells is set out in pon_9_ver9.pdf and oga-guidance-on-reporting-disclosure-18-february-2019.pdf (nstauthority.co.uk)

Consent to drill, mechanically side-track or recommence drilling an exploration, appraisal or development well

- **34.** When considering whether to consent to an application to drill, mechanically sidetrack or recommence drilling a well, the NSTA will have regard to the matters set out in paragraph 13 and is likely to consider among other things:
 - whether the proposed wellbore aligns with licence obligations or any development and production consent and its associated Field Development Plan (including the target, data gathering and well purpose),
 - the applicable obligations set out in the Strategy, and the NSTA's Stewardship Expectations, such as those relating to cost efficiency, technology, NSTA Plans, net zero, impact on carbon storage, decommissioning, and any agreement on the stewardship of a licence or field,
 - the financial capability of the licensees.
- **35.** Where the licensees are aware that their application may not be aligned with any of the above, they should seek discussions with the relevant NSTA team to explain the reasons for any misalignment. The WONS application should not be the means for initiating such discussions since this may lead to delay, FIRs or, possibly, rejection of the application.
- **36.** If any part of the well is planned to come within 125 m of the licence boundary then, other than for wells within such distance of the internal licence boundary of a unitised field, the application must also seek consent under the Distance of wells from boundaries of licenced area licence model clause (see table 1). Licensees should apply for this consent in the "supporting comments" of their application¹⁷. If this application is not made, then the consent, if issued, will not address this model clause requirement.
- **37.** It is the licensees' responsibility not to drill into unlicensed acreage.
- **38.** Where sections on a number of wells are drilled sequentially (batch drilled), consent is required before spudding each well. If the final target is not known when the application is submitted, the application can be made using an intermediate casing point as an interim target and a variation application to the WONS consent can be made prior to drilling past that interim target. The NSTA will carry out a further review and may issue a new consent. Any activity which is inconsistent with the original consent must not be undertaken until the new consent is received.
- **39.** The requirements for well testing are set out in the Well Testing section below. The consent to drill a well will normally also permit a single re-spud and a single mechanical sidetrack of the well (see Table 1). Licensees should therefore include these activities in their WONS application and also in their request to OPRED (see paragraph 27) to ensure they are considered under the 2020 EIA Regulations. The need for further re-spuds or mechanical sidetracks should be raised promptly with NSTA team and require separate consents. Planned suspension of the wellbore should be discussed with the NSTA in advance and, if required, applied for as soon as the well is spudded.
- **40.** A consent to abandon cannot be "bundled" with the initial drilling consent and can only be applied for once the well has spudded. To avoid a delay to operations and to ensure that there is a coordinated approach to drilling and abandonment, licensees should set out their proposals for abandonment as part of the Pre-drill Assessment (see Abandonment section below).

Installation of a well foundation or other equipment in advance of drilling operations

41. If equipment is to be installed in an operation separate from and prior to drilling operations, such as the installation of a suction based well foundation, a separate consent is required for such preparatory work. Licensees should contact the NSTA at WONS@NSTAuthority.co.uk to initiate an application¹⁸ and complete a WONS Provisional Initial Drilling Application and provide the expected installation date as supporting information. The consent, if given, may include a condition that the equipment should be retrieved from the seabed in the unlikely event that the well is not spudded within a specified period. This consent is in addition to any OPRED agreement for such works, such as a "Consent to Locate".

Timing, data and reporting

- **42.** Applications for consent should be submitted in WONS at least 28 calendar days before the intended spud date. All data fields in the WONS online application form must be completed for an application to be considered. Where additional information, such as reports, would be helpful to the NSTA's review, these must be attached to the application in WONS. Where an application does not align with the licence, the development and production consent (FDP), stewardship expectations etc., then the evidence and outcomes of prior discussions with the NSTA must be attached.
- **43.** Licensees should demonstrate funding for the proposed activity by uploading financial information, in accordance with NSTA's Financial Guidance, to WONS with the application. Where there are multiple licensees, financial information may alternatively be provided by email to licensee.finance@NSTAuthority.co.uk.
- **44.** The licensees must have received NSTA consent before a well is spudded and the licensees should check their consent to make sure they understand which activities they have consent to undertake.
- **45.** A spud notification must be submitted through WONS within three working days of the well having been spudded. Once accepted, an official wellbore number will be allocated to the well. See **PON 12** for information on well numbering.
- **46.** If a well is mechanically sidetracked (whether under the initial drilling consent or under a subsequent mechanical sidetrack consent), then a sidetrack notification should be submitted through WONS within three working days of the sidetrack. Once accepted, an official wellbore number for the sidetrack will be allocated to the well. The original or "parent" wellbore should be adequately suspended¹⁹ but for a mechanical sidetrack only, a separate suspension application is not required.
- **47.** A WUN must be submitted within 90 calendar days of the regulatory completion date²⁰ of the wellbore. The WUN includes summary information about the well results, the actual strata drilled through, any hydrocarbons encountered, and data and physical samples acquired during well operations.
- **48.** The drilling of the well must be complete before the expiry date of the consent. If the licensees become aware that this may not be the case, then they should contact WONS@NSTAuthority.co.uk as soon as reasonably possible to discuss whether an amendment to the original application or a new application for consent is required.

¹⁸ In due course this application will be fully integrated into WONS

- ¹⁹ Note that wells that are "plugged", "AB1" or "AB2" or "inactive well shut-in" are classed as suspended wells not abandoned wells. See Definitions section below.
- ²⁰ Defined in oga-guidance-on-reporting-disclosure-18-february-2019.pdf (nstauthority.co.uk)

Consent to geologically sidetrack an existing well

- **49.** The NSTA's consideration of an application to geologically sidetrack an existing well is very similar to that for the drilling of a well, see Consent to Drill section above.
- **50.** Where it is possible that a geological sidetrack will be needed, it is strongly recommended that a sidetrack application is made at the same time as the initial drilling application. This approach ensures a consent is in place in case the original target does not meet expectations and a decision is made to drill to a new target. It is recognised that the target of a potential geological sidetrack may change and an amendment to the geological sidetrack applications may be submitted at the same time.
- **51.** Where the licensees are aware that their application may not be aligned with any of the above, they should seek discussions with the relevant NSTA team to explain the reasons for any misalignment. The WONS application should not be the means for initiating such discussions since this may lead to delay, FIRs or, possibly, rejection of the application.
- 52. As with a drilling consent, if any part of the well is planned to come within 125 m of the licence boundary then, other than for wells within such distance of the internal licence boundary of a unitised field, the application must also seek consent under the Distance of wells from boundaries of licenced area licence model clause (see table 1). Licensees should apply for this consent in the "supporting comments" of their application²¹. If this application is not made, then the consent, if issued, will not address this model clause requirement.
- 53. It is the licensees' responsibility not to sidetrack into unlicensed acreage.
- **54.** For a geological sidetrack an application for the suspension²² of the original or "parent" wellbore must accompany the sidetrack application, see the Suspension section below. The licensees should check their consent letter to make sure they understand which activities they have consent to undertake.

Timing, data and reporting

- **55.** The licensees must have received consent before a wellbore is geologically sidetracked. It is strongly recommended that a contingent application for consent should be submitted through WONS at the same time as application to drill at least 28 calendar days before the intended spud date.
- **56.** A sidetrack notification must be submitted through WONS within three working days of the sidetrack having been spudded. Once accepted, an official wellbore number will be allocated to the well. (See **PON 12** for information on well numbering)
- **57.** A WUN must be submitted within 90 days of the Regulatory Completion Date²³ of the wellbore. The WUN includes summary information about the well results, the actual strata drilled through, any hydrocarbons encountered, and data and physical samples acquired during well operations.
- **58.** Licensees should demonstrate funding for the proposed activity by uploading financial information in accordance with NSTA's Financial Guidance to WONS with the application. If there are multiple licensees, financial information may alternatively be provided by email to licensee.finance@NSTAuthority.co.uk.
- **59.** The drilling of the geological sidetrack must be completed before the expiry date of the consent. If this may not be the case, then the licensees should contact WONS@NSTAuthority.co.uk to agree whether an amendment to the original application or a new application (and consent) is required.

²¹ In due course the WONS application will be modified to include a separate application for this purpose.

²² Note that wells that are "plugged", "AB1" or "AB2" or "inactive well shut-in" are classed as suspended wells not abandoned wells. The parent wellbore must be suspended to an "AB2" standard. See Definitions section below.

²³ Defined in oga-guidance-on-reporting-disclosure-18-february-2019.pdf (nstauthority.co.uk)

Consent to complete a well

- **60.** The licence conditions (model clauses) require a programme of completion works to be approved by NSTA. However, the NSTA will generally address this requirement by means of the consent process.
- **61.** When considering whether to consent to an application to complete a well, the NSTA will have regard to the matters set out in paragraph 13 and is likely to consider among other things:
 - whether the proposed completion aligns with licence obligations or any development and production consent relating to the well (including the isolation of adjoining petroleum bearing strata), monitoring, the use of technology and decommissioning,
 - the Strategy, NSTA's Stewardship Expectations, such as those relating to cost efficiency, technology and NSTA Plans and any agreement on the stewardship of a licence or field,
 - the financial capability of the licensees.
- **62.** Where the licensees are aware that their application may not be aligned with any of the above, they should seek discussions with the relevant NSTA team to explain the reasons for any misalignment. The WONS application should not be the means for initiating such discussions since this may lead to delay, FIRs or, possibly, rejection of the application.

Timing, data and reporting

- **63.** Applications for consent should be submitted through WONS at least 28 calendar days before the intended start of the completion activities. All data fields included in the WONS online application form must be completed for an application to be considered. If additional information would be helpful to the NSTA's review, this can be attached to the application in WONS.
- **64.** Licensees should demonstrate funding for the proposed activity by uploading financial information, in accordance with NSTA's Financial Guidance, to WONS with the application. Where there are multiple licensees, financial information may alternatively be provided by email to licensee.finance@NSTAuthority.co.uk
- **65.** A WUN must be submitted within 90 calendar days of the Regulatory Completion Date²⁴ of the wellbore.
- **66.** Consent must be in place before operations commence and a completion notification must be submitted through WONS within three working days of the completion activities being finished.

Consent to re-complete a well

- **67.** Re-Completion activities (i.e. those undertaken after the well has first been put into use) include any changes being made to the equipment (including tubulars or the introduction of gas lift valves) installed in the well, the perforation of new zones or zone isolation, hydraulic fracturing/stimulation and change of use e.g. from producer to injector requiring well work. Replacement of like for like equipment e.g. the same model of gas lift valves or reperforation of existing zones, is not considered to be a re-completion activity. For other minor activities, the Licensee may wish to discuss with the NSTA whether a consent is necessary.
- **68.** The NSTA's consideration, application process, timing, data and reporting for the re-completion of a well are the same as for the initial completion of a well. See Consent to Complete section above.
- **69.** To recomplete a suspended well, a re-entry notification must first be made.

Consent for short term and Extended Well Testing (EWT)

Criteria for well testing

- **70.** The NSTA has issued Extended Well Tests Guidance for Licensees²⁵ which should be considered together with this guidance when preparing a WONS application for EWTs.
- **71.** Well tests include the clean-up of a well whether or not the fluids will be flared or saved. Well test applications with a total flow duration of less than 96 hours or which produce a total of no more than 2,000 tonnes of oil/ oil equivalent²⁶ should accompany the drilling or sidetrack application to drill or complete and will usually be covered by those consents.
- **72.** Larger and/or longer well tests including the clean-up of a well will be classed as EWTs and require a separate application and consent.
- **73.** The NSTA will usually treat the testing of discrete well zones and side-tracks as separate well tests, although it may require an EWT consent to be applied for where it considers one is appropriate. Licensees contemplating a prolonged sequence of zonal testing should discuss their plans with the NSTA at as early a stage as possible.
- **74.** The NSTA may consider long clean-up flows from development wells to temporary facilities to be an EWT even if there is no explicit data gathering objective. Where such flow is contemplated the need for an EWT should be discussed with the NSTA.

NSTA consideration

- **75.** When considering whether to consent to a well test application, the NSTA will have regard to the matters set out in paragraph 13 and is likely to consider among other things:
 - whether the test meets the obligations set out in the Strategy for enabling the principal objective of maximising the economic recovery of UK petroleum. This will include whether the test design, rate and duration, and the expected resulting improvement in technical understanding of the field, is necessary and sufficient,
 - whether the test meets the Strategy obligation to assist the Secretary of State in meeting the UK's net zero target²⁷,
 - whether the test conforms to the Extended Well Tests Guidance for Licensees,
 - for oil volumes over 2,000 tonnes, the potential for saving the produced oil rather than flaring it,
 - whether the test will be conducted cost efficiently,
 - whether the licensees' objectives would be better achieved by a phased development,
 - the financial capability of the licensees.

The scrutiny of a short term test is likely to be less than for an EWT.

- **76.** Consideration of these points may require detailed discussion and explanation and, to avoid delay, for an EWT these discussions should take place before, and be documented in attachments to, the WONS application.
- 77. An EWT is not an alternative to production under a consented Field Development Plan. The issue of a consent for EWT production does not constitute a development and a development and production consent is required for a licence to enter its final (usually third) term. There is no obligation to proceed with a development following an EWT if the EWT demonstrates there is no MER UK opportunity.
- **78.** The NSTA may also authorise phased developments as described in the NSTA's "Requirements for the planning of and consent to UKCS Field Developments"²⁸ guidance. While phased developments and EWTs may have some objectives in common, there are important differences and licensees should discuss their approach with the NSTA at an early stage in their project planning.

²⁷ Net Zero Stewardship Expectation 11 (nstauthority.co.uk)

²⁵ https://www.nstauthority.co.uk/media/5476/oga_extended_well_test_guidance.pdf

²⁶ For the purposes of EWTs, 1 tonne of oil is considered to be 1 tonne of oil equivalent and 43,500 scf of gas is considered to be 1 tonne of oil equivalent (conversion factors are approximate)

²⁸ https://www.nstauthority.co.uk/media/6099/fdp_guidance_requirements-document-oct_update-2019v2.pdf

Other regulatory requirements for an EWT (this list is not exhaustive)

- **79.** Licensees should note that if oil and/or gas are to be saved during the EWT, a Field Determination may be required for the field²⁹. A Pipeline Works Authorisation may also be required for the subsea infrastructure used to carry out the EWT if produced petroleum is to be saved.
- **80.** An Environmental Impact Assessment (EIA) to assess the likely environmental impact of the proposed EWT is likely to be required by the BEIS Offshore Petroleum Regulator for Environment and Decommissioning (OPRED) to support the EWT application. Licensees are advised to discuss with OPRED any such requirements and process for their proposals at an early stage. As noted in paragraph 27 where the planned activity is a 'project' for the purposes of the 2020 EIA Regulations, the NSTA cannot grant consent until the Secretary of State has agreed to the grant of consent.

Timing, data and reporting

- **81.** Applications for consent should be submitted through WONS at least 28 calendar days before the intended commencement date. To avoid any unnecessary delay, or rejection of their application licensees should discuss the justification and objectives of an EWT with the NSTA long in advance of the consent application.
- **82.** All data fields included in the WONS online application form must be completed for an application to be considered. If additional information would be helpful to the NSTA's review, this can be attached to the application in WONS.
- **83.** Licensees should demonstrate funding for the proposed activity by uploading financial information, in accordance with NSTA's Financial Guidance, to WONS with the application. Where there are multiple licensees, financial information may alternatively be provided by email to licensee.finance@NSTAuthority.co.uk.
- **84.** The licensees must have received consent before an EWT commences. Once licensees have completed their analysis of the EWT data (and within 90 calendar days after shut-in), they should submit to the NSTA an EWT notification report fully describing the test results (including but not limited to the total quantities of oil and gas produced, saved or flared and the durations of the flow and build-up periods) and the conclusions reached as a result of the EWT.
- 85. There may be additional reporting requirements, such as weekly reports, and these will be detailed in the consent.
- **86.** The EWT must be completed before the expiry date of the consent. If there are likely to be delays, then the licensees should contact WONS@NSTAuthority.co.uk to discuss whether an amendment to the original application or a new application for consent is required.

Consent to suspend a well

- **87**. A well should be abandoned (decommissioned) to an appropriate standard and in a timely and cost-effective manner once it has served its original purpose and if no alternative use has been identified. It is expected that wells with serious integrity issues such as leaks are not left suspended.
- 88. However, there are instances where consent may be given for a well to be suspended.
- **89.** If the NSTA consents to a suspension, this will usually be for an initial period of up to two years but may be for a shorter (or more exceptionally, a longer) period if this is appropriate in the circumstances. Applications for extensions to suspension consents are described below.
- **90.** An application to permanently suspend the parent wellbore must always accompany an application to geologically sidetrack a well.

Timing of suspension applications and the relationship to well abandonment and well abandonment notices

- 91. To recomplete a suspended well, a re-entry notification must first be made.
- **92.** Under some licences, licensees are under an obligation to abandon all wells not less than a month before the expiry of (or determination of their rights under) the licence. As set out in other licences, or in certain circumstances, the NSTA may require that a well is abandoned at a different time by means of a notice issued pursuant to the licence ('**P&A notice**') or deed of variation.
- **93.** The licensees should ensure that any application for the suspension of a well, or an extension to an existing suspension consent, does not conflict with either the timing of their licence obligations or with a P&A notice for the well.
- **94.** For this reason, the NSTA will not allow its consideration of a well suspension application to be compromised by the licensees' desired schedule for the well activities. Where it becomes apparent that too little time has been provided for a full consideration, this may cause delay to activities and the NSTA may consider the use of its sanction powers.
- **95.** The duration of well suspension, the timing of abandonment and the relationship to licence expiry or determination may be relevant to the Strategy considerations such as cost efficiency and re-use. Consideration of these points may require detailed discussion and explanation and, to avoid delay, these discussions should take place before, and be documented in attachments to, the WONS application.

Suspension of original or "parent" wellbore prior to a geological sidetrack

- **96.** For a geological sidetrack, an application for a suspension³⁰ consent for the parent wellbore should be made. When considering whether to consent to a suspension of a parent wellbore, the NSTA will have regard to the matters set out in paragraph 13 and is likely to consider among other things:
 - for wells with a foreseeable potential for future use, such as further petroleum production or carbon storage, the specification of materials and the techniques to be used to prevent leakage or protect and preserve the adjacent strata.

Suspension of Exploration and Appraisal Wells

- **97.** Exploration and appraisal wells should normally be fully abandoned before the rig departs after drilling and testing is complete. When considering whether to consent to a suspension of an exploration or appraisal well, the NSTA will have regard to the matters set out in paragraph 13 and is likely to consider among other things:
 - whether there is a valid reason for the suspension, for example, whether it is needed for a future EWT or development,
 - whether a period of suspension is justified to enable the well to be abandoned as part of a campaign to reduce costs,
 - whether there is an integrity issue necessitating suspension,
 - the cost effectiveness of the suspension viewed over the life of the well,
 - the proposed duration of the suspension and the certainty of future plans,
 - whether there is a further potential use for the well, such as for CCS, and whether this has been fully investigated by the licensees,
 - the financial capability of the licensees.
- **98.** If there is potential for an exploration or appraisal well to be suspended after drilling then, to avoid additional cost, licensees should make their plans for suspension clear and gain any suspension consent, even this if this is contingent on events, as soon as possible after the well is spudded.

Suspension of Operational Development Wells

- **99.** When considering applications for the suspension of development wells with a continued use, the NSTA will have regard to the matters set out in paragraph 13 and is likely to consider among other things:
 - operational justification, such as sequential well construction or where there is an integrity issue and the well needs to be made safe until remedial action can be undertaken,
 - whether the well is to be suspended in preparation for a sidetrack,
 - the proposed duration of the suspension and the likelihood of deterioration during the suspension which could lead to increased decommissioning costs,
 - whether there is a further potential use for the well, such as for CCS, and whether this has been fully investigated by the licensees,
 - the financial capability of the licensees.

Suspension of Inactive wells

- **100.** Inactive wells are defined in the Definition section. To comply with Licence obligations and allow the NSTA to steward inactive wells effectively, all inactive wells if not abandoned must be covered by a valid suspension consent. The NSTA may consider the use of its sanction powers against licensees of any inactive wells without a valid suspension consent.
- **101.** For some inactive wells, suspension rather than abandonment may be appropriate if a delay would assist the aggregation of work scopes to deliver more cost-efficient decommissioning. Suspension may also be appropriate for wells that are candidates for an alternative use, such as to enable Carbon Storage.
- **102.** When considering whether to consent to a suspension of an inactive well, the NSTA will have regard to the matters set out in Paragraph 13 and is likely to consider among other things:
 - whether a potential alternative use for the well has been demonstrated or is under active consideration,
 - whether the abandonment of the well is planned to be part of a wider, defined, future abandonment campaign, or could benefit from innovations in technology or is the subject of an NSTA Plan,
 - the presence of any installed infrastructure (e.g. where a subsea well is under a platform) and the 500-metre exclusion zone limits simultaneous operations (to both rigs and LWIVs) which may necessitate a delay to abandonment,
 - for wells with a foreseeable potential for future use, such as further petroleum exploitation or carbon storage, the material specification and techniques to be used to isolate sections of the well to prevent leakage and protect and preserve the adjacent strata,
 - the cost effectiveness of the suspension viewed over the life of the field, including abandonment costs,
 - the potential for the well to deteriorate during the suspension period leading to increased decommissioning complexity and cost,
 - the financial capability of the licensees.

Batch drilling/completing and short term suspension for operational reasons

- **103.** When a number of wells are being sequentially (batch) drilled and completed, a suspension consent is required for each well. A suspension notification should then be submitted via the WONS system within three working days of the well being suspended every time the well is suspended, and a re-entry notification submitted each time the well is re-entered, unless the suspension period will be less than one day and the rig will not leave the vicinity of the well. See the Abandonment section below for similar requirements for well abandonment.
- **104.** Short term suspension of less than two days for operational reasons, for example equipment problems, need not be notified and does not need a consent provided the rig does not move from the well and remains on station. A suspension application must be made if the suspension overruns.

Extension of all well suspension consents

- **105.** At the end of the initial suspension consent period wells should normally be completed (operating or shut-in) or permanently abandoned. If it is proposed that a well remains suspended for a period longer than the initial consent period, this must be raised with the appropriate NSTA team well in advance of expiry. Licensees must not make an application so late that, should the application be rejected, insufficient time remains to abandon the well before the existing suspension consent expires (causing a breach of the licence).
- **106.** When considering whether to consent to extend a suspension of any well, the NSTA will have regard to the matters set out in paragraph 13 and, in addition to the matters considered for an initial suspension application, is also likely to consider among other things:
 - whether there is a satisfactory, detailed, well abandonment strategy setting out the schedule, techniques, and campaign arrangements, detailing the other wells that are part of the campaign,
 - the financial capability of the licensees.
- **107.** Consideration of these points may require detailed discussion and explanation and, to avoid delay, these discussions should take place before, and be documented in attachments to, the WONS application.
- **108.** The duration of any extension will be determined by the NSTA and will generally not exceed 5 years and may contain stage-gates to ensure the licensees' strategy is on track. The NSTA will use its Stewardship Process³¹ to review progress against the licensees' strategy.

Timing, data and reporting

- **109.** Applications for consent should be submitted through WONS at least 28 calendar days before the intended suspension or extension date. As with all WONS applications, where there is a misalignment with the factors that the NSTA considers, the licensees should explain and resolve this with the NSTA prior to the WONS application. The NSTA will not allow its consideration of a well suspension or extension application to be compromised by the licensees' desired schedule for the well. Where it becomes apparent that too little time has been provided for a full consideration, this may cause delay to activities and the NSTA may consider the use of its sanction powers.
- **110.** Licensees should demonstrate funding for the proposed activity by uploading financial information, in accordance with NSTA's Financial Guidance, to WONS with the application. Where there are multiple licensees, financial information may alternatively be provided to licensee.finance@NSTAuthority.co.uk .
- **111.** Licensees should attach the latest well examination report containing details of the integrity status of the well and the independent well examiners review of the status.
- **112.** The licensees must have received consent before a well is suspended (or suspension is continued). A suspension notification must be submitted through WONS within three working days of the well having been suspended.
- 113. A WUN must be submitted within 90 days of a suspension activity.

Consent to abandon a well

- **114.** When considering whether to consent to abandon a well, the NSTA will have regard to the matters set out in paragraph 13 and is likely to consider among other things:
 - whether there is potential for abandoning the well as part of a wider well abandonment campaign, or a benefit from applying innovative technology and whether these have been fully investigated by the licensees with a view to improving cost and efficiency, or whether the well is subject to an NSTA plan relating to these,
 - whether there is a further potential use for the well, such as for CCS, and whether this has been fully investigated by the licensees,
 - for wells in strata with a foreseeable potential for future use, such as further petroleum production or carbon storage, the specification of materials and the techniques to be used to prevent leakage or protect and preserve the adjacent strata.
- **115.** Where the application may not align to the considerations above, for efficiency and to avoid unnecessary delay, the licensees should seek to discuss and explain their proposals with the NSTA before the application is made.

Abandonment of particular classes of wells

Exploration or appraisal well abandonment

- **116.** E&A abandonment consents are no longer "bundled" with the initial drilling consents and, currently, WONS only allows an application for abandonment to be made after the well is spudded³².
- 117. To avoid a delay to operations and to ensure that there is a coordinated approach to drilling and abandonment, licensees should set out their proposals for abandonment as part of the Pre-drill Assessment³³. As part of that Assessment, any potential re-use opportunities for the formation or well should be identified and the proposals for the abandonment of the well will be considered by the NSTA specialists and discussed with Operator to ensure that the abandonment design will be effective in those circumstances.
- **118.** The purpose of this process is to ensure that, before the application for abandonment has been made (currently after the well has spudded), the requirements and overall design of the abandonment are understood. An abandonment application with full supporting information must then be made once the well has spudded.

³² WONS will be modified to enable an abandonment consent to be issued prior to the well spudding although the same early assessment and engagement process will be maintained

Abandonment of wells in parallel

- **119.** If a group of wells of any description are to be abandoned in parallel (e.g. first install all AB1 plugs, then all AB2, then all AB3) then, in addition to the abandonment consent, a suspension consent for each well will be required to suspend operations. A suspension notification should be submitted via WONS within three working days of the wellbore being suspended every time the wellbore is suspended, and a re-entry notification submitted each time the well is re-entered, unless the suspension period will be less than two days, and the rig will not leave the well.
- **120.** If it is intended to carry out the isolation of a well with a rig and then return with another rig or vessel to complete the well origin removal, then a suspension application should be submitted initially, followed by an application abandon at least 28 calendar days before the final abandonment work takes place. The well will remain recorded as AB2 until the well origin and all conductor above the well origin is removed.
- **121.** There are limited instances where licensees may apply for derogation from OPRED to leave part of an installation structure in place which may mean that the well origin and all conductor above the well origin are not removed. In these cases, application to suspend the well should be made in the normal manner adding information about the intent to apply for derogation from OPRED. Once the suspension has taken place, the well will remain recorded as AB2 until the licensees have sent a copy of their formal derogation to NSTA at which time the well origin will be recorded in WONS as derogated (AB2 derogated).

Timing, data and reporting

- **122.** Applications for consent should be submitted through WONS at least 28 calendar days before the intended start of the abandonment. Activity must not commence until a consent has been received. For exploration and appraisal wells, licensees should include their abandonment plans as part of the Pre-well Assessment as described in the Drill and Sidetrack sections above.
- **123.** An abandonment notification must be submitted through WONS within seven calendar days of the well having been fully abandoned along with evidence of the AB3 status.

Shut-in and re-open notifications

- **124.** The licensees must submit a shut-in notification when a completed, active well is planned to be shut-in for more than three months or when it becomes apparent to the licensees that a well will be shut in for more than three months. The notification is to be made within three working days of these events.
- **125.** The licensees must submit a re-open notification when a well where a shut-in notification has been submitted, is re-opened for production/injection. The notification is to be made within three working days.

Definitions and Interpretation

For the purposes of this guidance:

- (1) The terms "well" and "wellbore" are generally interchangeable in this document and use has been chosen to make the section easier to read.
- (2) Well origin: the location on the land or seabed where the well penetrates the earth.
- (3) **Completed- Shut-in:** An active wellbore in which all completion activities have taken place and the wellbore is shut-in at the tree valves or subsurface safety valve but can be operated by the control system. Normally this status will only be applied if the wellbore is intended to be shut-in for more than 90 days then re-opened.
- (4) **Suspended:** A wellbore that is either Plugged, AB1 or AB2, or an inactive well that is shut in.
- (5) Plugged: A wellbore that has been temporarily plugged with a plug rather than a permanent isolation barrier. This includes inactive wells where the control system has been disconnected so the well is effectively plugged with the subsurface safety valve and tree valves. Note that licence clauses refer to "plugging" and "plugged and abandoned" "plugged and sealed", "plugging or sealing", these should be interpreted in context of the licence and clause in question.
- (6) AB1: A wellbore where the reservoir has been permanently isolated. The wellbore below the barrier is no longer accessible.
- (7) AB2: All required permanent isolation barriers have been installed and verified (including environmental barriers). No "in-well" work is required to fully decommission the well. The well origin and conductor above the well origin may still require to be removed.
- (8) AB2 (derogated): All "in-well" isolation work is complete. Derogation to leave the well origin or well equipment, e.g. conductor, above the well origin has been granted by OPRED.
- (9) AB3: The well origin and all conductor above the well origin have been removed.
- (10) **Spud:** A well is spudded when the drill first penetrates the ground or seabed or, in the case of a sidetrack, when new formation is drilled.
- (11) Mechanical Sidetrack: a sidetracked well where the target location stays the same. This can be due to an obstruction or failure to maintain a wellpath.
- (12) Geological Sidetrack: a sidetracked well where the target location is different from the previous wellbore.
- (13) Decommission: Abandon.
- (14) Inactive well: This is:
 - a) A development well when the field permanently ceases production (COP),
 - b) A development well that has never been brought into use,
 - c) A subsea development well, with no further identified use, and not connected to an installation,
 - d) An exploration or appraisal well, without an active rig working on it and after any well test is completed,
 - e) A well that has had a P&A notice served by NSTA.
- (15) Completion Activities: Completion activities are those activities carried out after a well has been drilled for the purposes of bringing the well into use. This includes installing the completion string and associated equipment, installing sand control equipment, perforating, hydraulic fracturing, well stimulation and installing the tree so that the well is ready to start production/injection.
- (16) Re-completion Activities: Re-Completion activities (i.e. undertaken after the well has first been put into use) include any changes being made to the equipment (including tubulars or the introduction of gas lift valves) installed in the well, the perforation of new zones or zone isolation, hydraulic fracturing, well stimulation and change of use e.g. from producer to injector that requires well work. Replacement of like for like equipment e.g. the same model of gas lift valves or reperforation of existing zones, is not considered to be a re-completion activity.



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