



North Sea
Transition
Authority

By email only

North Sea Transition Authority

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Dear Licensees

Open Letter: Meeting licence commitments to suspend a well

The NSTA expects all licensees to comply with their well decommissioning regulatory obligations in a timely manner and particularly within specified timescales.

The Well [Consents Guidance](#) (**'Guidance'**), first published in 2018, explains the approach that we take in considering applications for the suspension, or extension of suspension, of inactive wells. It sets out that we will generally consent to an initial suspension period of up to two years. Consent may be for a shorter period, or, in exceptional circumstances, it may be longer, but would not exceed five years.

Despite working with industry over the past five years there still appears to be a mixed picture in relation to compliance with the Guidance and I am concerned at the number of deferrals of well decommissioning activities that are being sought.

Background

Since publishing the Guidance, we have taken various steps to promote it and support industry compliance, including:

- In July 2019 we highlighted our focus on regulatory compliance, including the approach on suspended wells, and in May 2021 we published our updated Decommissioning Strategy which reiterates that ordinarily the NSTA will not grant a well suspension consent for more than two years, and that this must be factored into decommissioning plans.
- Writing to all owners of suspended Exploration and Appraisal (E&A) wells in August 2020 to advise that we were reviewing all UKCS suspended inactive wells to ensure

compliance with the Guidance, highlighting that a step change in delivery would be required to fulfil the licence obligations in relation to decommissioning.

- Explaining the Guidance and our focus on delivering against commitments and the obligation for licensees to decommission wells in accordance with regulatory requirements and standards, at various conferences and meetings including through the NSTA's Decommissioning Priorities (Tier 1) engagement sessions with operators, which were held in August 2022 and August 2023.
- Creating a [Suspended Well App](#)
- Embedding regulatory compliance into our day-to-day stewardship engagement with licensees.

From a review of the data in WONS (Well Operations Notification System) it is apparent that a considerable number of well decommissioning activities – most of which have been deferred previously and which licensees had committed to execute in 2023 – may not be undertaken before the end of this year, and I note that a number of further deferrals are already being sought.

Noting the obligations in the OGA Strategy for licensees to collaborate and co-operate (paragraph 21), the NSTA should be made aware early in the process if aggregating workscopes, sharing resources or other collaboration with other licensees and the supply chain are being investigated to deliver cost-efficient, timely decommissioning. We may, where appropriate, consider aiding to initiate discussions or frame potential opportunities.

The NSTA Approach

This letter is to further remind licensees that the NSTA expects that all licensees comply with their regulatory obligations in a timely manner and particularly within any specifically stated timescales. That means that normally we **do not expect licensees to request to extend suspension consents.**

While we recognise that in recent times there may have been external challenges, such as higher than anticipated inflation, the NSTA considers that such challenges generally do not dilute, alter or provide grounds to defer licensee decommissioning obligations. As such, the NSTA expects the obligations to be complied within the originally specified (or agreed) timescales.

We do recognise that circumstances may from time to time arise that might cause an application to defer such obligations to be made, however, the NSTA will only grant such a deferment of a decommissioning obligation in exceptional circumstances, up to, but not exceeding the five-year time limit.

Where the licensee considers that such exceptional circumstances arise to justify a deferment then an application should be made in good time to allow the NSTA time to consider the application, whilst still having sufficient time to abandon the well if the application is refused.

Failure to meet a licence requirement in relation to well decommissioning may result in the matter being passed to the NSTA's Disputes and Sanctions team in accordance with the NSTA [measured escalation](#) process.

If you have any queries in the meantime, please don't hesitate to contact me.

Yours faithfully,

A handwritten signature in black ink that reads "Pauline Innes". The signature is written in a cursive style with a large initial 'P'.

Pauline Innes

Director of Supply Chain & Decommissioning