



Oil & Gas Authority

21 Bloomsbury St

Ada Zaffina

By email to: request-513050-a880e4e7@whatdotheyknow.com

Our ref: FOI-2018-0046

6 November 2018

Dear Ms Zaffina,

Thank you for your email of **26 August 2018** in which you requested:

REQUEST A

"Dear Oil and Gas Authority,

I would like to request the following:

- 1. Copies of communications (including WONS communications and notifications) between OGA and Horse Hill Developments Limited or UK Oil & Gas Plc for periods: 1st March to 15 April and 1st June to 15 July 2018.*
- 2. Data on borehole pressure (top hole and downhole) for periods: 1st March to 15 April and 1st June to 15 July 2018, and especially during all operations of water injection, re-injection, acid swabbing, acid matrix injection and stimulation.*
- 3. Dates of all operations of water injection, re-injection, acid swabbing, acid matrix injection and stimulation since 1st March 2018.*
- 4. Data on borehole pressure (top hole and downhole) during oil production for periods: 1st March to 15 April and 1st June to 15 July 2018.*
- 5. Dates of inspections, site visits and/or meetings with HHDL or UKOG since 1st March 2018, as well as corresponding notes, reports and/or minutes.*

Yours faithfully,"

and in your second email of the same date:

REQUEST B:

"I am referring to the following report in the Times on 30 June:

<https://emea01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.thetimes.co.uk%2Farticle%2Fearth-moves-in-surrey-for-the-first-time-in-40-years-2vnxrgsb6&data=02%7C01%7Cfoirequests%40ogauthority.co.uk%7C324fd735ded24eb6524308d60aef9eab%7Ce681c59d868e488780face36f1f21b0f%7C0%7C0%7C636708421611669793&data=Tgp8Pi26ABIf0LHL2kRdny6tMAmpByZVQI1yDCKY2y0%3D&reserved=0>

Where the OGA is quoted as follows:

"The OGA said it was aware that UKOG made an announcement about flow testing but understood it had not taken place at the time of the earthquake."



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Various other reports quoted OGA as saying that flow testing had not started before the earthquakes on 27th and 29th June.

Can the OGA clarify the basis on which these statements were made ?

Can the OGA clarify whether any activity on the borehole had started before or on 27th June (such as well cleaning, stimulation, etc)?"

1. We have considered your request under the Freedom of Information Act 2000 ('**FOIA**') and, where relevant, the Environmental Information Regulations 2004 ('**EIRs**').

REQUEST A

2. **In relation to Request 1**, please find attached nine [9] communications over the last 12 months between the OGA and Horse Hill Developments Ltd. ('**HHDL**'), which relate to their application to re-complete and conduct a flow test (also referred to as an Extended Well Test ('**EWI**')) of the Horse Hill 1 well.
3. You will note some of the information disclosed has been redacted from these documents. While the OGA strives to disclose as much information as we are able, some of the information in the provided information is exempt from disclosure under one or more of the exemptions/exceptions in FOIA and/or the EIR.
4. Having considered the information which falls within the scope of your request, which includes the exact costs, financial arrangements and technical definitions and details of the operations at the Horse Hill 1 well, we have withheld the identified information under:
 - i) Sections 40(2) and (3) FOIA (*Personal information*)
 - ii) Section 43(2) FOIA (*commercially confidential*)and, where applicable, the following EIR regulations also apply:
 - i) Regulation 13(1) EIR (*Personal data*)
 - ii) Regulation 12(5)(e) EIR (*commercially confidential*)
5. An explanation of the reliance on each of these exemptions/exceptions is set out below.

(i) Section 40(2) and 40(3) FOIA and Regulation 13(1) EIR (personal data)

6. Contained within some of the documents are names and contact details of a number of individuals. This information is being withheld under *sections 40(2) and 40(3A) FOIA* and *Regulation 13(1) EIRs*. *Section 40(2)* provides that personal data is exempt from if one of the conditions in *Section 40(3A)* is satisfied. One of the conditions in *Section 40(3A)* is a breach of any of the data protection principles in the *Data Protection Act 2018 ('DPA')*. The data protection principles include that any processing of personal data must be fair and lawful. The provisions of *Section 13 EIRs* mirror those of *Section 40(2) FOIA*.



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7. The OGA considers that disclosure of the names and contact details of the individuals would breach the principles of fairness and lawfulness. The individuals whose details have been withheld have and are entitled to an expectation of privacy. In any event, the relevant individuals have not consented to their personal data being disclosed.
8. As such, disclosure would meet neither the fair nor lawful processing principles. In light of this, this is being withheld under *Sections 40(2) and 40(3A) FOIA and Regulation 13(1) EIR*.

(ii) Section 43(2) and Regulation 12(5)(e) EIRs (commercially confidential)

9. *Section 43(2) FOIA* provides that information is exempt from disclosure if disclosure would, or would be likely to prejudice the commercial interests of any person (including the public authority holding it). *Regulation 12(5)(e) of the EIRs* provides that a public authority may refuse to disclose information to the extent the confidentiality of commercial or industrial information where such confidentiality is provided by law to protect a legitimate economic interest.
10. The OGA is withholding information in respect of various exact costs, financial arrangements, technical definitions (which were in the communications of March, April and July that you requested), under *Section 43(2) FOIA and Regulation 12(5)(e) EIR*.
11. One of the functions of the OGA is to regulate the oil and gas industry. In exercising its regulatory functions, the OGA considers requests for operatorship and applications for consents to drill and the details submitted with them (including details of third parties such as those with whom they deal financially and/or have funding arrangements with).
12. Disclosure of these details regarding costs, finance, and technical details (including diagrams and depths in EWT and Re-Completion applications) would, or would be likely to, alert the competitors of this company and its partners as to how HHDL conduct their operations and allow them to be undermined - for example, by undercutting costs (e.g. for insurance) in order to distort the share price or discourage commercial partners and either copy technology or technical processes (i.e. testing intervals, pressure and depths and equipment used) for free or raise unwarranted technical objections to their operations.
13. Equally, disclosure of the information is likely to affect HHDL in their ability to negotiate the best deals for themselves in both procurement and funding, by revealing the amount of money they are prepared to pay for certain goods and services (including insurance). This would effectively weaken HHDL's position in a highly competitive environment.

Public Interest



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14. In withholding the requested information, the OGA has considered whether the public interest in withholding the information is outweighed by the public interest in disclosing the requested information.
15. The OGA acknowledges that disclosure of the requested information can lead to greater transparency and enhanced scrutiny of public authorities. However, the need and desire for greater transparency must be balanced against the need to protect the commercial interests of companies and the OGA's objective of having an effective system of regulation and energy supply.
16. In light of the matters set out above, the OGA considers that disclosure of HHDL's costs, finance and technical details, would, or would be likely to prejudice their commercial interests (as mentioned above, by copying technology for free or undercutting prices).
17. Further, the OGA considers that the public interest in withholding the requested information outweighs the public interest in disclosing the requested information as disclosure would likely impact negatively on the ability of the UK to supply itself with cost-effective energy in that HHDL (and other such energy companies) would, in the future, be less likely to conduct operations due to the loss of exclusive technology with consequent downward impact on that company's costs/profits, or that the cost to the consumer would need to go up in order to compensate for this.
18. **In relation to requests 2 and 4**, the OGA does not require the Licensee to report data on borehole pressure (top hole and downhole) until an EWT report is required to be submitted. The EWT report is required within three months of the end of the test, and this three-month reporting period has not yet expired. Therefore, this information is not held by the OGA.
19. **In relation to request 3**, there has been no water injection, re-injection, acid swabbing, acid matrix injection or stimulation of the Horse Hill well since 1st March 2018. As such, this information is not held by the OGA.
20. **In relation to request 5**, The OGA have not made any site visits to Horse Hill 1 since March 2018, but we did have meetings on 9 May 2018 and 13 November 2018 with HHDL to discuss governance. However, no minutes were taken of these meetings. This information is not held by the OGA.

REQUEST B

21. In relation to your second email of **26 August**, the OGA has been in regular discussions with HHDL on this matter and was aware that the EWT commenced on **9 July 2018**, nearly two weeks after the seismic events in Newdigate. In addition, the OGA had been informed that no activity on the borehole had started before or on 27 June 2018.



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22. Further, and for general background on this matter, the OGA intends to publish shortly the report prepared as a consequence of its Newdigate Seismicity Workshop, which was held at the OGA's offices on 3 October 2018.
23. This concludes the OGA's consideration of your request.

Appeals procedure

If you are unhappy with the way the OGA has handled your request, you may request an internal review. A request for an internal review should be made within 40 working days of the date of receipt of the response to your request and should be addressed to:

FOI Manager, Oil and Gas Authority, 21 Bloomsbury Street, London, WC1B 3HF.

Email: foirequests@ogauthority.co.uk

Please quote the reference number above in any future communications with regard to this request.

If you are unhappy with the outcome of the internal review, you may contact the Information Commissioner at www.ico.org.uk or at Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF.

Yours sincerely,

FOI Officer