

Katy Fletcher

Our ref: 14/11278

26 June 2014

By e-mail to: [request-214403-939bcb96@whatdotheyknow.com](mailto:request-214403-939bcb96@whatdotheyknow.com)

Dear Ms Fletcher

I refer to your e-mail of 29 May which asked which asked a series of questions in relation to oil and gas exploration near Boxal Bridge, West Sussex. You referred to operator competence checks as follows made the following request:

*"Please provide details and correspondence of information required of Onshore Operators between DECC and Celtique/Magellan and any other operator name used for operations at or near the site south of Boxal Bridge, at Kirdford West Sussex (planning ref WSCC/083/13/KD). Quoting from DECC's Operator Requirements "In considering any request for operatorship, DECC will look at the competence of the company - more specifically the following factors: technical experience and capability to supervise, manage and undertake the proposed operation, their risk assessment and hierarchy of decision-making, plan for public engagement and scope of relevant insurance coverage for operations and well abandonment activity. In some cases DECC may request independent verification. There is no fixed amount of information DECC requires to be satisfied of a proposed operator's competence. Unconventional gas and oil activity will require more detail than conventional activity. Clearly a new entrant or small company with little onshore experience should expect to come under greater scrutiny and will have to provide more information than an established onshore operator with a good record. Introduction of new technologies by the operator or their contractors will require more information. In view of your requirements and the fact that Celtique is a relatively small and very new company with no experience of onshore drilling and no record please will you provide me with the following information:*

We have considered your request in accordance with both the Freedom of Information Act (FOIA) and the Environmental Information Regulations 2004 ('the EIRs') as some of the information you have sought disclosure of, does in our view, fall within the definition of 'environmental information' as stated in the EIRs.

DECC's responses to your questions are set out below:

*1. Considering Celtique have no experience in onshore drilling how can DECC be assured of their competence in carrying out unconventional drilling with no track record.*

DECC consider operator competency prior to issuing awards in a licence round and Celtique met our requirements in 2008 when their licences were awarded. Competency is also scrutinised later if the licensee applies for consent to drilling or other operations; and Celtique has not yet applied to us for consent for drilling or development.

2. Details of Celtique's relevant crisis management and public engagement experience at Kirdford and Wisborough Green.
3. Summary of approach to risk-assessment and hierarchy of decision-making for wellsite and production operation.
4. Monitoring and crisis management plan for Kirdford and Wisborough Green.
5. Community engagement plan at Kirdford and Wisborough Green including any letters, emails and plans.
6. Summary of environmental risk management and potential impacts and assessments that would have to be managed during execution of the proposed work at the site south of Boxal Bridge

DECC does not hold this information.

7. Insurance cover documents considered for operatorship that the DECC will use to ascertain the relevant insurance coverage is in place for operations at the site.

A check for insurance is carried out when the licensee applies for consent to drilling or other operations. Celtique has not yet made such an application to DECC for the sites you have specified.

8. What financial viability and capacity checks were done before selling the PEDL licence to Celtique/Magellan or any other company under the Celtique group of companies.
9. On what basis are DECC confident that the company Celtique is likely to continue in sound financial health for the foreseeable future (or life of the license), and what proof is there that the company has demonstrated that it has access to sufficient funds to pay for its share of all the proposed works anticipated.

DECC assesses the financial viability of prospective licensees prior to award of new licences and the assignment of existing licences. Financial capacity assessments are performed prior to the award of new licences, prior to assignments and as part of the consent process for both E&A wells and field developments.

The finance checks we have performed in respect of Celtique /Magellan and the basis of our assessment of its on-going viability and capacity to finance the work programme were in accordance with DECC's published criteria which are in the public domain and can be found at [https://itportal.decc.gov.uk/web\\_files/FinancialGuidance.pdf](https://itportal.decc.gov.uk/web_files/FinancialGuidance.pdf)

#### Appeals procedure

If you are dissatisfied with the handling of your request, you have the right to ask for an internal review. Internal review requests should be submitted within 40 working days of the date of receipt of the response to your original letter and should be sent to the Information Rights Unit at: Information Rights Unit (DECC Shared Service), Department for Business, Innovation & Skills, 1 Victoria Street, London, SW1H 0ET. E-mail: [foi.requests@bis.gsi.gov.uk](mailto:foi.requests@bis.gsi.gov.uk) Please remember to quote the reference number above in any future communications.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF.

Yours sincerely

*Oil & Gas Licensing Exploration & Development, Energy Development Unit*