



Oil & Gas
Authority

Oil & Gas Authority
4th Floor
21 Bloomsbury Street
London WC1B 3HF

www.ogauthority.co.uk

10 May 2017

Dear

RE: Confirmation of Sufficient Contingency Funds for Proposed Activities

Further to your application hydraulically fracture the Kirby Misperton 8 well on PL080, you will be aware that PL080 places a number of obligations on licensees.

These include – but are not limited to – those arising under the Licence– Avoidance of Harmful Methods of Working. By their nature some obligations would arise in circumstances where there is a departure from planned operations, for example, and where, although unlikely, an uncontrolled release of hydrocarbons, a fire or a well control activity results.

As part of our consideration of your application for consent to re-enter and complete the well, we would be grateful if you would confirm that your company will have timely access to the funding required to remedy such an event or events, whether from your balance sheet or via an insurance provision.

Your Board's confirmation letter should include:

- Confirmation that the funding would cover all the events that might arise from the activities for which you are seeking consent;
- Your considered opinion that the funding for such unexpected events is sufficient in the circumstances; and
- In the case that funding will flow from an insurance policy, the lead underwriter, the date of commencement and duration of cover and confirmation that the funding will be available immediately should an event or events arise.

We look forward to your Board's confirmation of the above.

Yours faithfully,