

CLG Meeting 4th November 2019

Attendees

George Lucan (GL) -Angus Energy
Chris Clay (CC) – Angus Energy
William Jewell (WJ) – Angus Energy
Henry le Fleming (HLF) – Balcombe Parish Council
Alison Stevenson (AS) – Balcombe Parish Council
Sue Taylor (ST) – Balcombe Parish Council
Max Preston Bell (MPB) – Balcombe Parish Council
Jon Millbanks (JM) – Balcombe Parish Council
Isabel Gordon (IG) – Community Representative
Helen Savage (HS) – Community Representative
Louisa Delpy (LD) – Community Representative
Sally Dowsett (SD) – Community Representative

Apologies

Bill Acraman – West Sussex County Councillor
Gary Marsh – Mid Sussex District Councillor
Charles Metcalfe – Balcombe Parish Councillor
Freddie Holt – Angus Energy
Environment Agency (only received the invite on the day of meeting so couldn't send anyone)

In the absence of the West Sussex County Councillor (Bill Acraman), Mid Sussex District Councillor (Gary Marsh) and the Balcombe Parish Council Chairman (Charles Metcalfe) Henry Le Fleming offered to Chair the meeting.

General Discussion on organisation of the meeting

- The agenda had only been sent out by Angus on the day of the meeting not 4 working days as per the terms of reference of the CLG
- The EA had only been notified of the meeting that day so were unable to attend
- In the absence of a note taker a tape recorder was utilised
- In the absence of the West Sussex County Councillor, Henry le Fleming's offer to Chair was accepted

Presentation by George Lucan on Planning Application

- The planning application is in, which is why West Sussex are not present.
- Mid Sussex District Council have passed this without objection. This does not necessarily mean support. The last date for objections is next week.
- We will be reviewing the objections to see if there is anything practical we can do to alleviate concerns.
- We have two other sites in the South of England, Lidsey and Brockham and one other interest in the south east.
- We have had an unsuccessful drill in Brockham in February and we are evaluating our options.
- Lidsey continues to produce and we are looking at further activity there.
- We have recently raised a £1m drawn down facility and we have used these funds to make abandonment reserves. We have set aside £650k for Brockham and Lidsey. Estimates for Brockham are estimates from a supplier which the landlord has agreed we use. In the case of Lidsey we have extrapolated from Brockham.

- In the case of Balcombe the eventual cost of restoration, if no further work was done, is estimated to be £400 k. This will be reviewed.
- When GL sees an asset as being likely to produce an income he will set aside 15% per annum towards restoration.
- The nature of this abandonment is not agreed. It is up to the regulator, the nature of the fund has to be agreed with the authorities. Gross costs of abandonment are now raised and set aside. There is a provision on the balance sheet. This is not secure in the case of bankruptcy. Lloyds Bench Trust and Computer Share can provide escrow. Very safe. But we are not prepared to put money into escrow until we have gone through the hoops with the regulator. It will be in a separate HSBC bank account come Monday next week.
- We have made a public statement that these monies are segregated.
- Decommissioning costs vary depending on complexity and depth and condition of the well.
- If well is in good condition £100 k. If in bad condition it can be expensive. EA and HSE have the final say. There are the same considerations as designing a well.
- The principle is that you restore the site to as it was. But the landlord may wish to have the hardstanding left. Last thing I want to do is to leave a dirty well in the heart of England.
- What has been left behind by Cuadrilla? We have discovered from analysis of fluids in the well that some of the water was drilling fluids left over from previous operations.

Presentation by Chris Clay (CC) on the Balcombe Well

- The well integrity is sound. Some people think that this is a communication between ground water and the well but this is not true.
- There was not a proper account of the fluids used. In a clean operation you are lifting all the kit. Some subsurface structures such as interceptors have to be dug up. To restore to farm land, the hardware, bunding, protective layers have to be removed and disposed of carefully. Removal of topsoil. Soil has to be tested for contaminants. Contaminants have to be taken off site and disposed of. Pulling away fences etc.

Presentation by George Lucan on Planning

(with Freddie Holt on the line)

- 1st stage is to recover the drilling fluids. When these have been removed, we will have a clearer idea of whether oil will flow. They are heavy fluids left from 2013. These are normal fluids used for water wells etc. They are heavy enough to obstruct the flow of light oil. We will suck it out and dispose of it safely. If we don't see oil at this state, then we will be concerned that we have another problem oil well on our hands. But we are reasonably confident that we will see some oil. In this well the transit from water to oil will be quick.
- In terms of equipment – very light – we need a pump and a tanker. Then we will evaluate. We have to have some additional equipment in case a lot of stuff flows quickly, gas or hydrocarbons flow. Some processing equipment.
- Then the next stage will be production testing of hydrocarbons which will be different kit.

Questions and Answers

Question

How does this fit in with the definition of the testing and production phase? Is there delineation where you say, this is the test over and this is where production begins?

Answer

The testing will be in the 2nd phase. (CC)

Question

In this application is there a production phase?

Answer

No. The test will be for 3 years which is quite a long time – with longish periods of shut in. We want to see how quickly production declines. It is finding out if commercial volumes of oil can be produced. (CC)

Question

It won't be of commercial volume?

Answer

No, this is a test, we need a full field development plan in order to go into full production. This is a limited period for testing. It is not a test in that a "yes" or "no," instead you are testing all aspects. So you need to extract a sensible amount. If we want to go to production, we have to produce a field plan. Recognised as a limited period for a test. A production licence would be for a reliable production. We would need to submit a further development plan. (CC)

Question

Testing in other places is 75 days so why such a unique period of time here?

Answer

It is true that the OGA gives 90 days for conventional resources. For unconventional Kimmeridge shale, we need longer to ascertain production rates. Recognised by the OGA you need longer for unconventional resources. Example Horse Hill. Maximum OGA well tests – specific approval for Balcombe. (CC)

Question

Where is that set down?

Answer Not sure. No one has extracted from a source locally, the only other people who have done this are UKOG at Horse Hill. They did an extended well test over 90 days. We expect to produce as part of testing. (CC)

Question

How many tankers would it take for you to say it was a successful test?

Answer

Would have to take a certain amount over a period of time. Time and volume. (CC)

Question

3 years is an extraordinary length of time. At the last CLG meeting we asked what a well test meant and you said up to 90 days so to come back with an application for 3 years is extraordinary.

Answer

3 years is a maximum period we need. We don't want to have 2 years and then say we don't have enough information. Yes, it is an extraordinary time for a conventional well. 90 days would not be enough for unconventional geology. (CC)

Question

How do you know when you've reached the end of your test? You must already have a figure or a set of results where you can say, yes this is viable?

Answer

When you have sufficient information about volume and flow to make a development plan or to say if it is not viable. To forecast the production rate and number of wells. There is not a specific volume.

Depends on what type of development. How long the rate can be sustained. Not a simple answer.
(CC)

Question

What would be a good result?

Answer

A good result would be 300 barrels a day. Each lorry takes 180 barrels. Not a huge fleet of lorries coming in and out. So two a day.

Question

If this is a cottage industry such as at Lidsey. Would you think it was unfair therefore to portray it as a strategic resource?

No answer.

Question

Where is the fault on the horizontal well? Is there a trap for oil against a fault?

Answer

Look at the part of the well where it starts to go to the Kimmeridge and towards the end of the well it comes out a little bit. It is actually to the well going out of one section. (FH); There is not a fault intersecting the well. The trap seems to be a limestone seal. A four way dip closure. (CC)

Question

What additional equipment for stage 2? How big and noisy for phase 2?

Answer

Same as last year. We will send the group rated decibels of all the kit at different distances compared with domestic noise. We will send a list of all the equipment with a decibel rating for all of it. A proportion will be operating 24/7 in upload mode. Generator on site – on constantly. Flare will go whoosh (they produced a recording of the noise). Choke manifold - About 3 years of that.

Question

How long will the waste be there?

Answer

GL – Stored briefly on site, then tanked away. Water will go to a registered waste disposal.
CC – We will be testing it. Formation water. Not like drinking water. We need to go the registered waste disposal.

Question

One of our concerns about all the lorries coming past and the various substances they contain – does this have to come in and out pass the Junior School? Do the tankers have to be routed by the village school or could they go through Cuckfield?

Answer

West Sussex County Council insisted on it. Angus are happy for the trucks to come and go from north or south. It is the County Council that impose the restriction. And to make trucks that have missed the site have to head south, then turn around and head north and turn around and re-approach the site from the north is an absurdity and not Angus's wish. GL

Question

How does that Balcombe (last year) bund compare to Brockham, (it was noted by some who have visited, that the Brockham bund was much more substantial than the one at Balcombe in September 2018)

Answer

The difference is that in Brockham it is a production site so it has the concrete bund around the permanent storage tanks whereas Balcombe is a temporary bund. (CC)

Question

Transparency of results? We were promised results from previous tests – surface water, ground water, emissions results. These were agreed to be shared. We have been unable to find them anywhere. We were promised tours, site visits. When are these going to happen? Cuadrilla used to send letters around the village explaining what they were doing? Why have the letters stopped?

Answer

We will send the results from the previous year to the Parish Clerk for distribution. We could do one visit before, then assuming we get planning, one visit before phase 1 and one visit between phase 1 and 2. Not aware of the letters (took over in February). We will be happy to mailshot the whole village. GL

Question

Why are the minutes to the CLG not on your website?

Answer

They are BPC's minutes so on Balcombe Parish Council's website. We could provide a link to the BPC website minutes. GL

Question

EA Report?

Answer

They are going to publish the EA report. We will publish the wildlife report and why it does not disturb bats. These cost a fortune to get. They are attached to the planning documents. We will publish one environment document for Balcombe on our website which will include everything. There will be FAQs on our website. GL

Question

Do you have all the environmental permits they need apart from planning?

Answer

We have an environmental permit and are in the process of preparing a variation permit application now. We need a variation permit, health and safety (28 day process) closer to the time. The EA will inspect the site before we start operations. They will check everything we said we will do. GL

Question

How does the nitrogen lift work? Is the nitrogen liquid when it is pumped down?

Answer

If we need to do a nitrogen lift, we will take the nitrogen in liquid form and then there is the process of pumping it into the well. It is pumped into the well as a gas. CC

Question

Does the nitrogen affect your ability to burn off the hydrogen in the flare?

Answer

They are only going to use nitrogen to lift the heavy drilling fluid. They might use it to help the oil. It should affect the combustion of the hydrocarbons but the flare can take quite a high concentration of nitrogen. There is a plan in place to use venting if the nitrogen gives us a problem. They will be using a pump to lift the oil. The nitrogen goes back into the atmosphere as nitrogen. If there was a hydrocarbon gas when they were lifting the water (stage 1) then they would vent it. CC

Question

Where will the produced water be taken?

Answer

A registered disposal site. CC

Question

What contact have you had with emergency services particularly the fire brigade. Will there be a site safety plan? Can we see your procedures?

Answer We will be contacting local services. They have a set of procedures and some fire extinguishers. CC

Not sure. I have a new Director of Operations. He is doing procedures. He might produce something public friendly. GL

Response from councillor and community representative - call the fire brigade does not seem to be much of an answer. Please share some of your plans so we can check the practicalities of them.

Citing the example of the accident concerning a cloud of nebulised hydrochloric acid. We are down wind of everything that is released.

Question

The drainage plans are not at all clear. What size is the bund? Bund is specified as 3 different sizes in 3 different places? Does the whole site have a membrane underneath it or is it just the bunded area? It seems from the description there were two oil interceptors?

Answer

No there is no impermeable membrane under the whole site. When the well was drilled there was. Unfortunately, it was removed. The interceptor has been removed. There is no membrane over the site. There is a French drain round the site. The bunded area is temporary. They are not doing any ground works for drainage. Spillage will be on the bund, pumped into tankers and taken away. CC

Question

Why is the crane so high?

Answer

The rod pump is connected so it strokes 15 feet. Double the height of the rod pump to support it.

Question

What is the site actually defined as? Is it just the bunded area?

Answer

I don't know if there is a red lined plan showing the area. The site is the hard standing area and would include the access road down to the road. It now includes the horizontal well apparently! CC

Question

How many HGVs can you get on the site?

Answer

From memory the most big trucks we had on the site would be one on the site and 2 or 3 on the lane. CC

Question

Queries about the figures in the traffic statistics table.

Answer

Sounds to me that there was a miscalculation in the tables. Truck movements and averages. CC
Ridiculous figure. Max possible 23 a day. Normal would be 1 not 23. GL

(Action – Request by GL to CC to look into it also find out the tanker size in terms of FHAW classification?)

Question

What were their biggest concerns about the operation?

Answer

Accident with the workers with heavy equipment. Any spillage however small.

Question

Why is there no tank vapour recovery system?

Answer

There is a vapour recovery system for the transfer of fluids. GL

The vapour on the top of the tanks will mostly move to the flare. I will have to check. CC

Question

Can the NOX figures be presented separately for the flare and generator?

Answer

Not sure. Will look into this. The monitors are scattered around the site so they have to be aggregated. GL

Question

The hourly concentration of NO2 is more than 4 times the background level, so why is this deemed to be negligible and been downgraded?

Answer

Send this question to them and they will address it. GL

Question

Last time we had a fractious relationship with security on your site, and there were a number of offences committed. What alternative measures have you put in place to address those?

Answer

Security before was prepared for a Cuadrilla level of protest. Heavily manned. A lot of the security personnel were ex armed forces and when you get a lot of them together... The former director who was in charge of security is still an employee but no longer a director and he does not have any influence over security. There will be a more sensible approach.

Question / Suggestion

It would be a good idea if they didn't point the generator fumes at the grass verge.

Answer

That was probably a reflection of the staff at the time. It will be different this time. GL

If we are running out of time send in the questions and we will answer them. (GL)

The Chair closed the meeting at 9.00 pm