



North Sea
Transition
Authority

UKCS Development and Production Consent Guidance

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1. Introduction

1. The development of, and production from, oil and gas fields in the United Kingdom’s territorial waters and on the United Kingdom Continental Shelf (**‘UKCS’**) is subject to a licensing regime overseen by the North Sea Transition Authority (**‘NSTA’**). Under the applicable seaward production licence, licensees require the NSTA’s consent to erect or carry out permanent works for the purpose of getting or conveying petroleum from a licensed area or to get petroleum from such an area. Such consent is referred to as a ‘Development and Production Consent’.
2. The document submitted in support of an application for such a consent is referred to as a Field Development Plan (**‘FDP’**). The FDP is a description of the technical, economic and emissions information on which the development is based.
3. The NSTA fully supports the energy transition and the government’s legally binding commitment to net zero emissions by 2050. The OGA Strategy¹, published in 2021, (**‘OGA Strategy’**) features the Central Obligation:

“Relevant persons must, in the exercise of their relevant activities, take the steps necessary to:

 - a. **secure that the maximum value of economically recoverable petroleum is recovered from the strata beneath relevant UK waters; and, in doing so,**
 - b. **take appropriate steps to assist the Secretary of State in meeting the net zero target, including by reducing as far as reasonable in the circumstances greenhouse gas emissions from sources such as flaring and venting and power generation, and supporting carbon capture and storage projects”**
4. When considering whether to consent to an application, the NSTA will, amongst other things, assess whether the proposed project accords with the obligations set out in the OGA Strategy including the Central Obligation. The NSTA will also consider whether the development methods proposed comply with good oilfield practice.
5. The NSTA takes net zero considerations into account throughout the project lifecycle and has introduced a net zero stewardship expectation, SE11 – Net zero² – on how industry should manage existing operations and new developments in order to reduce their greenhouse gas (**‘GHG’**) emissions and support delivery of the UK’s net zero target.

¹ <https://www.nstauthority.co.uk/Regulatory-Information/regulatory-framework/the-NSTA-strategy/>

² <https://www.nstauthority.co.uk/regulatory-information/exploration-and-production/asset-stewardship/expectations/>

6. The NSTA has also introduced in 2021 a stewardship expectation, SE12 – Supply Chain Collaboration and Cooperation³ outlining the ways in which companies should collaborate with their supply chain contractors to support the delivery of relevant activities (as defined in the OGA Strategy) on time and on budget.
7. This guidance complements the OGA Strategy and the NSTA's stewardship expectations. The evaluation of a field development against the OGA Strategy's central obligation includes: detailed technical and subsurface considerations; the scope for emissions reduction, including through energy integration opportunities; and an economics assessment to determine whether economically recoverable petroleum has been maximised, which includes the societal impact of GHG emissions.

Scope and purpose of the document

8. This document is intended to assist those involved in the planning of a new field development and subsequent consent to an FDP leading to production of first hydrocarbons. The guidance covers the following:
 - An overview of the NSTA's objectives and considerations relevant to all new field developments
 - The Assessment Phase leading to the Concept Select
 - The Authorisation Phase leading to the grant of development and production consent

- The Execute Phase leading to the production of hydrocarbons
 - The process for revising a previously consented to project (i.e. an FDP Addendum ('**FDPA**'))
9. This guidance is not a substitute for any regulation or law and is not legal advice. It does not have binding legal effect. Where the NSTA departs from the approach set out in this guidance, the NSTA will endeavour to explain this in writing to the person seeking a decision from the NSTA.

FDP Approval road map

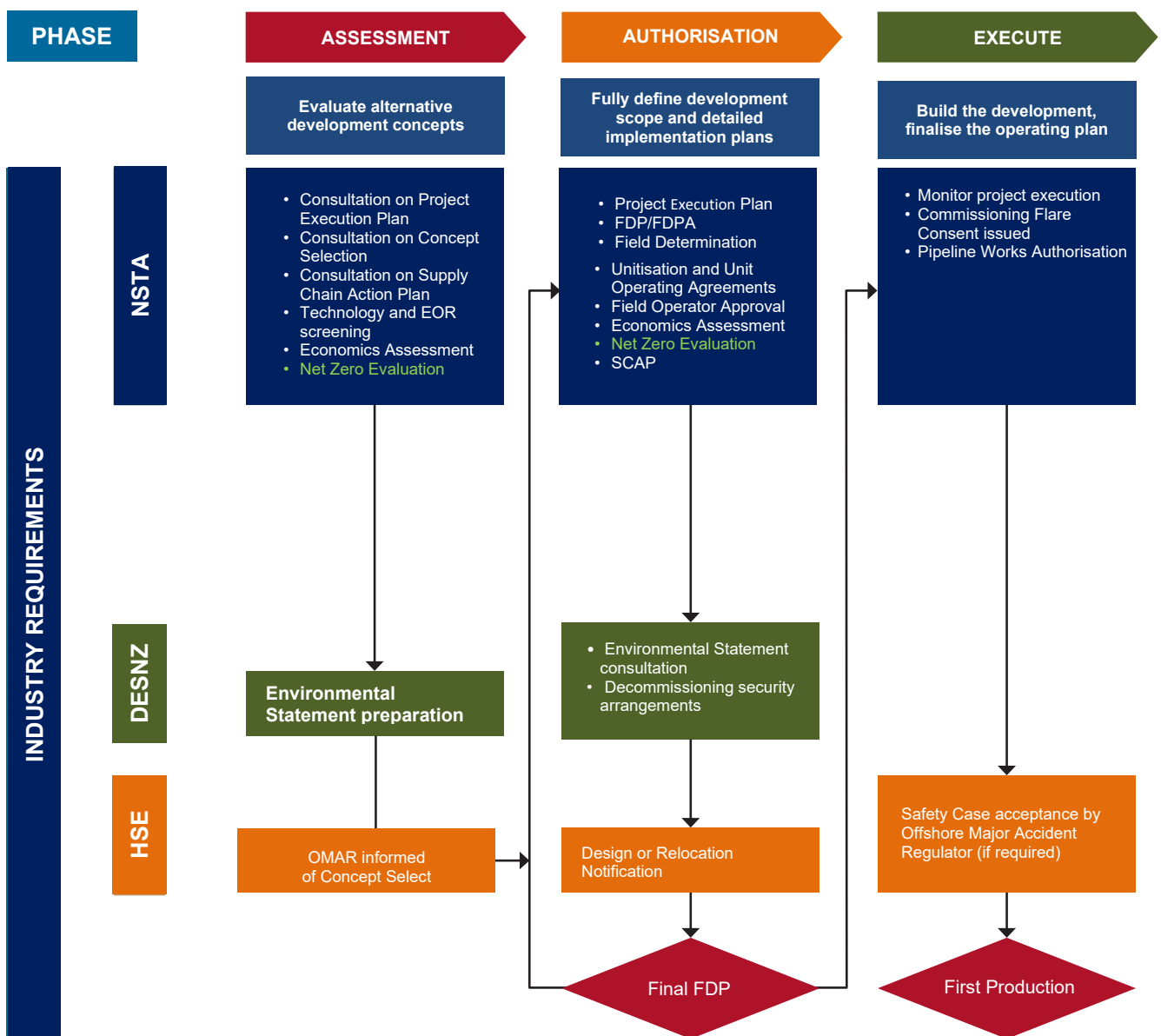
10. The "road map" below sets out the three main stages of the NSTA's field development process and the main requirements of each stage.
11. The NSTA expects the Field Operator, appointed on behalf of the Licensees to undertake the development and operate the field, to engage with the NSTA early and frequently in the planning of a proposed field development, initially to discuss development options and, subsequently, the content of the FDP prior to its submission in final form as part of the application for consent. The 'Field Operator' is therefore referred to in this guidance in that context. The NSTA will appoint a single point of contact for all discussions relating to the FDP.
12. The NSTA will review the Field Operator's development options in relation to matters such as: the OGA Strategy, relevant NSTA Plans,

³ <https://www.nstauthority.co.uk/regulatory-information/exploration-and-production/asset-stewardship/expectations/>

Stewardship Expectations and any other applicable guidance published from time to time by the NSTA. The NSTA may undertake a detailed examination of the Field Operator’s decisions which may, amongst other matters, include a

review of the technical, economic and emissions basis for the development. The Field Operator will be expected to provide the necessary justification of such plans or amend the draft FDP as appropriate.

Figure 1: Field Development Road Map



13. The Assessment Phase is an early project phase in the development of a new field. This is where decisions are expected to be taken by the Licensees on the strategies, project concepts and Supply Chain Action Plan that will set out how the Licensees will take the steps necessary to act in accordance with the OGA Strategy. This will also enable the offshore oil and gas industry to drive towards any agreed emissions targets. In this project phase, the Licensees should evaluate alternative development strategies and identify a preferred development concept. In this guidance the NSTA refers to this decision as “Concept Select”. The Field Operator should engage with the NSTA early in the Assessment Phase.

The Field Operator should provide a Concept Select report to the NSTA that summarises:

- 1) The full range of options considered
- 2) The decision criteria
- 3) The steps taken to comply with the obligations set out in the OGA Strategy

The Assessment Phase will conclude if the NSTA has no objection to the Concept Select decision.

14. The Authorisation Phase of a project is where the Concept Select is matured to secure all relevant Licensee and regulatory approvals. The Authorisation Phase should deliver all the information necessary to ensure a robust project is developed with clear scope, cost estimate, and schedule; along with a Supply Chain Action Plan.

This Phase will begin with the Licensees’ initial application for consent and during this Phase the Field Operator should share an early version of the FDP with the NSTA. Once the project has matured toward a decision by the Licensee to invest in the project (“**Final Investment Decision**” or “**FID**”), the Field Operator must submit the final FDP to the NSTA with its final form application for a Development and Production Consent for the field. This document will include a detailed account of the development and the principles and objectives which will govern its implementation throughout the full lifecycle of the project.

If the guidance in this document is followed, the FDP prepared towards the end of the Authorisation Phase will normally require only minor revisions to reach its final form.

The NSTA expects that, where Licensees have followed the process set out in this document and the NSTA decides to grant consent, a Development and Production Consent would normally be issued by the NSTA within one month of submission of the final FDP document and application.

15. The Execute Phase of a project is where the Field Operator will implement the project scope set out in the FDP and the Project Execution Plan (**PEP**). The purpose of the Execute Phase is to carry out all required activities (e.g., well construction, engineering, procurement, construction, commissioning/start-up etc.) and to deliver the project objectives.

Field Operator

16. The FDP should represent a single view of the project by the Licensees, who are jointly and severally liable for the content of the FDP and implementation of any consent given. One Licensee is appointed as a Field Operator⁴ to be responsible for the preparation of the FDP and to ensure that all necessary consents and authorisations are obtained, and for the execution of the project. It is usual for the NSTA to conduct discussions with the Field Operator as the representative of all the Licensees. The NSTA has published guidance⁴ on how to apply for NSTA approval to become a Field Operator.

Impact Assessment ('**EIA**') and an Environmental Statement ('**ES**'), and with the Offshore Major Accident Regulator ('**OMAR**')⁵ its regulatory requirements.

Charging

18. The NSTA charges for applications for development and production consent, including the review of and (if appropriate) grant of consent, including FDP addenda. Further details of these charges can be found in the NSTA's guidance on fees⁶.

Scalability of the process

17. The elements in the new field development road map and the project phases described above are intended to guide industry to an efficient and timely field development. It is recognised that for smaller projects (for example a subsea tie back into existing production facilities), some elements of the road map can be simplified, however all elements of the approval road map are applicable.

At an early stage, the Field Operator should discuss with the NSTA its requirements for the FDP and the Development and Production Consent. The Field Operator should also discuss with the Department for Energy Security and Net Zero ('**DESNZ**') its requirements for an Environmental

⁴ <https://www.nstauthority.co.uk/regulatory-information/exploration-and-production/production/field-operatorship/>

⁵ <https://www.hse.gov.uk/omar/index.htm>

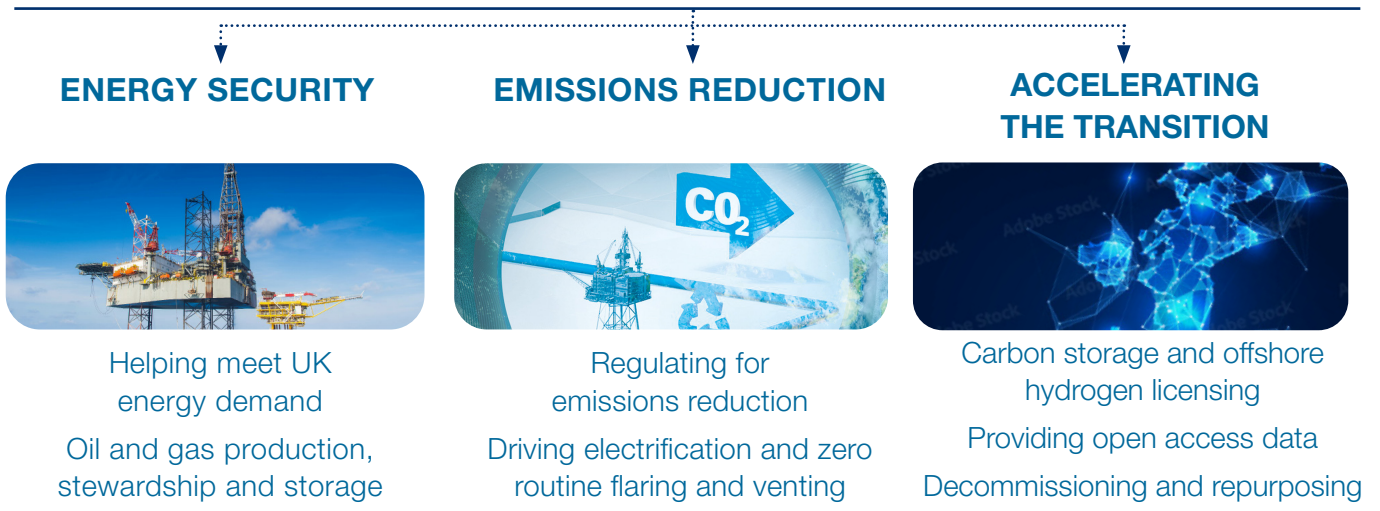
⁶ <https://www.nstauthority.co.uk/regulatory-information/regulatory-framework/legislative-context/charging-regime-and-fees/>

2. OGA Strategy

19. The OGA Strategy came into force on 11 February 2021 and supersedes the ‘MER UK Strategy’. Its Central Obligation is binding on relevant persons and the NSTA. To assist with its effective delivery the OGA Strategy also sets out several Supporting Obligations and Required Actions. These expand on how the Central Obligation applies in particular circumstances and specify the actions to be adopted by relevant persons when carrying out activities in the UKCS. The OGA Strategy also contains a number of safeguards; the Central and Supporting Obligations and Required Actions should be read subject to those safeguards.
20. When considering whether to consent to a proposed field development, the NSTA will evaluate whether the proposed project complies with the OGA Strategy.

NSTA Role

We regulate and influence the oil, gas, offshore hydrogen and carbon storage industries. We help **drive North Sea energy transition**, realising the significant potential of the UK Continental Shelf as a critical energy and carbon abatement resource. We hold industry to account on **halving upstream emissions by 2030**.



We aim to be an **integrating force in the UKCS**, helping realise its **full economic potential**.

We champion **the supply chain** and **job creation** across the UK.

Stewardship Expectations

21. In consultation with the industry, the NSTA has developed stewardship expectations⁷. The Stewardship Expectations describe how a licensee/operator may meet its obligations set out in the OGA Strategy. The Stewardship Expectations provide clarity on expected behaviours and good practices across the whole offshore oil and gas lifecycle.

Ensuring third party access to offshore infrastructure

22. When reviewing new field development proposals which have implications for future infrastructure use, the NSTA will evaluate if the proposals are in accordance with the OGA Strategy, which may include such considerations as, but not limited to:

- avoiding the unnecessary proliferation of oil and gas pipelines
- avoiding the unnecessary proliferation of infrastructure which generates emissions
- maximising use of existing infrastructure
- aiding, where feasible, future field developments, including those outside the licence area.

23. Subject to the above, the evacuation route and destination of petroleum are essentially matters for the commercial judgement of the Licensees. Where

oil or gas is to be exported to another country by means of a new pipeline, the pipeline will be subject to the negotiation of appropriate agreements between the governments concerned.

24. A voluntary industry Offshore Infrastructure Code of Practice⁸ seeks to simplify the timely application of the processes of seeking, offering and negotiating third party access to offshore pipelines, processing facilities and onshore terminals to ensure that access is easy and fair, with terms offered on a negotiated, non-discriminatory basis.

25. The NSTA has powers, having considered the interests of all parties, to impose a solution to problems with access to pipelines, processing facilities and onshore terminals. The NSTA has published separate guidance on disputes over third party access to upstream oil and gas infrastructure⁹ which describes how these powers may be used.

26. The NSTA also has powers, if required, to direct the size and or routing of a new pipeline, through the Pipeline Works Authorisation process¹⁰.

⁷ <https://www.nstauthority.co.uk/regulatory-information/exploration-and-production/asset-stewardship/expectations/>

⁸ <https://oeuk.org.uk/product/infrastructure-code-of-practice-icop-and-accompanying-guidance-notes/>

⁹ <https://www.nstauthority.co.uk/Regulatory-Information/regulatory-framework/commercial-good-practice/>

¹⁰ <https://www.nstauthority.co.uk/Regulatory-Information/licensing-and-consents/consents/pipeline-works-authorisations/>

3. Considerations relevant to all field developments

Environmental Impact and Health and Safety assessments

27. The environmental regulation of offshore oil and gas activity is the responsibility of the Offshore Petroleum Regulator for Environment and Decommissioning ('**OPRED**'), part of DESNZ. An ES describing the project is required to be submitted to OPRED by the Field Operator in connection with the development consent process. Where a 'project' is in scope of the *Offshore Oil and Gas Exploration, production, Unloading and Gas Storage* (Environmental Impact Assessment) Regulations 2020 ('**2020 EIA Regulations**') the agreement of the Secretary of State is required to the grant of consent to the project. More information can be found on DESNZ's environmental legislation page¹¹.
28. Safety regulation is the responsibility of the Offshore Major Accident Regulator ('**OMAR**') – the Health and Safety Executive ('**HSE**') Energy Division and OPRED working together as the Competent Authority to implement the applicable statutory and regulatory requirements on the safety of offshore oil and gas operations.
29. Field Operators must submit a

Design Notification to the OMAR at an early stage in the design process for field developments involving new installations¹². The design notification must be followed by submission of a safety case, for the OMAR's acceptance, before the installation can be operated.

30. The OMAR will require a Relocation Notification if a production installation, with an existing safety case, is to be moved to a new location in external waters or if a non-production installation is to be converted to a production installation.
31. Licensees are advised to contact the OMAR at an early stage in their development planning, i.e. during the Assessment Phase.

Net zero

32. In accordance with the OGA Strategy, licensees are required, in the exercise of their relevant activities, and in taking the steps necessary to secure MER UK¹³, to take appropriate steps to assist the Secretary of State in meeting the net zero target, including by reducing as far as reasonable in the circumstances GHG emissions from sources such as flaring, venting and power generation, and supporting carbon capture and storage projects (for example through re-use

¹¹ <https://www.gov.uk/guidance/oil-and-gas-offshore-environmental-legislation>

¹² <https://books.hse.gov.uk/product/9780717663255/Legal-L/The-Offshore-Installations-Offshore-Safety-Directive-Safety-Case-etc-Regulations-2015-guidance-on>

¹³ OGA Strategy, paragraph 2: Securing the maximum value of economically recoverable petroleum is recovered from the strata beneath relevant UK waters.

of infrastructure). This would also include reducing indirect emissions from purchased energy such as power, heating and cooling, as well as emissions associated with offshore pre-production and commissioning phase activities (such as construction activity and development drilling including the supporting logistics) and production phase logistics and well activity. These require to be demonstrated as having been considered and evaluated as part of the assessment and authorisation phases set out in this guidance. Depending on the circumstances, Licensees will be required to demonstrate that (amongst other things) the matters set out in SE11 have been considered, by means of technical and economic assessments.

Decommissioning

33. In accordance with the UK's international obligations, all installations emplaced on or after 9 February 1999 must be designed to be completely removed to shore for reuse, recycling or final disposal on land. Decommissioning should be carried out in the most cost-effective way in accordance with regulatory requirements, and consistent with the OGA Strategy, which includes reducing as far as reasonably possible in the circumstances, GHG emissions from the abandonment and decommissioning of fields, and matters set out in SE11-Net Zero.

Unitisation and co-operative development

34. Where a field determination extends across more than one licence, the NSTA may require Licensees to enter into a Unitisation and Unit Operating Agreement ('**UUOA**') prior to submitting an FDP. This UUOA needs to be approved by the NSTA prior to development and production consent being issued.

Transboundary fields

35. The development and operation of transboundary fields¹⁴ extending beyond the limits of the UKCS, or fields wholly on another continental shelf which require the development of new transboundary pipeline infrastructure or wells and control facilities, will require a formal agreement between the states concerned.

36. The matters to be addressed in any such inter-governmental negotiations are likely to vary from project to project. Licensees are advised to seek early guidance from the NSTA during the Assessment Phase for any development proposal that may have transboundary implications. The time-scale for the consideration of transboundary fields will depend on the level of agreement needed between the governments concerned.

37. OPRED and the OMAR should be engaged at an early stage to gain understanding of which regulatory regime will apply.

¹⁴ <https://www.nstauthority.co.uk/regulatory-information/exploration-and-production/development/transboundary-fields/>

Flexible approach to development proposals

38. For most offshore fields, it is expected that Licensees will put forward a plan covering the lifecycle of the development. The NSTA recognises that there may be valid reasons for more gradual or flexible approaches to some developments based on geological or engineering uncertainty, infrastructure constraints or the benefits of phasing expenditure. The NSTA will generally support such approaches where consistent with the fulfilment of the obligations in the OGA Strategy. The alternatives to full lifecycle developments that are commonly proposed, and the criteria for their consideration by the NSTA, are set out below.

i. Extended Well Tests (EWTs)

39. The NSTA may consent to extended periods of test production from exploration or appraisal wells prior to field development consent. An EWT consent requires an application to the NSTA setting out the timetable and objectives of the test and the quantities of oil and gas to be produced, saved or flared/vented.

40. The application should demonstrate that the primary objective of the EWT is to obtain essential field information to improve technical understanding or confidence in the performance of the field to advance towards a development. The application should also demonstrate that the EWT

programme is optimised to reduce emissions as far as reasonable in the circumstances. The EWT should not be prejudicial to ultimate recovery of a future development. EWTs are not an alternative to production under a Development and Production Consent. Additional guidance on EWTs can be obtained from the NSTA website¹⁵.

41. The well operator should contact OPRED to ascertain whether an ES is required to support the EWT application. DESNZ has published guidance on the 2020 EIA Regulations¹⁶.

ii. Phased developments

42. For fields which do not appear to have the economic potential to sustain further appraisal, or where the best development method cannot be determined without substantial production experience, or to commence early production, the NSTA may accept a proposal for the phased development of a field. Licensees will be expected to demonstrate that such phasing does not contravene the OGA Strategy.

43. Licensees must submit an application and FDP for the initial phase of the project. The submission can be scaled in accordance with the phased nature of the proposed development plan and should include:

- i. the more likely forms of subsequent phases;
- ii. the criteria which will need to be met to move to development of the subsequent phases;

¹⁵ https://www.nstauthority.co.uk/media/5476/oga_extended_well_test_guidance.pdf

¹⁶ <https://www.gov.uk/guidance/oil-and-gas-offshore-environmental-legislation>

- iii. the time frame proposed for further appraisal or development;
- iv. that the emission profile of such subsequent phase(s) has been minimised to a level acceptable to the NSTA.

iii. **Satellite tie-back development**

- 44. In cases where a satellite field development is to be tied back to existing host facilities with different ownership, it is important that the Field Operator of the satellite development and the operator of the host facility collaborate to ensure an agreed plan for any necessary modification to the host facility.
- 45. The NSTA will require a letter of support from the host facility operator, on behalf of all its co-venturers, in respect of the proposal.

Considerations of Good Oilfield Practice

- 46. The licence requires that the Licensee(s) shall execute all operations in or in connection with the licensed area in a proper and workmanlike manner in accordance with methods and practice customarily used in good oilfield practice.
- 47. The NSTA considers that good oilfield practice relates largely to technical matters within the disciplines of geology, reservoir engineering, petroleum engineering and facilities engineering and to the impact of the development on the environment.

- 48. In that regard, practices that are harmful to future oil or gas recovery and/or to the environment should be avoided at all stages of field development. These may include:
 - a. practices that do not contribute to meeting the net zero target, for example by reducing GHG emissions from sources such as flaring, venting, and power generation as far as reasonable in the circumstances; and
 - b. practices which conflict with the interests of other potential users of the licensed area.
- 49. Licensees should ensure that they follow good oil field practice when proposing plans for the development and management of a field.

Gas utilisation/flaring

- 50. For new field developments, the NSTA expects that where, over the life of the field, the value of the produced gas is higher than the costs of bringing it to the market, Licensees will make provision to do so.

The Licensees should consider carefully all options for gas handling. These may include its processing and transportation to shore, use as fuel, as a means for improving oil recovery, for sale to another asset/facility, conversion to other fuels (including electricity) or injection for disposal. Licensees should also consider ways to avoid all routine flaring and venting such as using flare gas recovery systems in line

with the NSTA Flaring and Venting Guidance¹⁷.

51. In considering which development option should be selected, the NSTA will, amongst other things, consider the expected overall costs and benefits to the UK including, GHG emissions and associated societal carbon costs, which may not always reflect the commercial positions of individual Licensees. The NSTA encourages both infrastructure owners and users to adopt the principles of the industry's voluntary Offshore Infrastructure Code of Practice when examining the options for transporting gas to market.
52. There should be a presumption against gas disposal by flaring or venting. A detailed technical, economic and emissions assessment should be provided to the NSTA to justify any flaring or venting option. The Licensees' full consideration should be given in the design of the facility to providing for less wasteful alternatives should the economic or technical circumstances change.

Measurement of petroleum

53. Licensees are required under the licence to measure petroleum using methods customarily used in good oilfield practice and approved by the NSTA. Petroleum Operations Notice (PON) 6¹⁸ sets out the procedure that Licensees should follow to gain the NSTA's approval of their methods for petroleum measurement.

Financial Criteria

54. The NSTA has issued guidance¹⁹ on financial criteria for Licensees. The measures described in the NSTA's financial guidance set out how the NSTA will assess whether the Licensees have the financial viability and capacity to undertake the commitments set out in the proposed FDP.

Governance

55. The NSTA published its Governance Guidance²⁰ in 2022. The NSTA may apply this guidance in a range of circumstances prior to and during field development (for example assess and authorise phases), at which point the Licensee(s) may be required to account for how it has met, and will meet, the obligations set out under paragraph 3 of the OGA Strategy in the application and delivery of good & proper governance.

¹⁷ <https://www.nstauthority.co.uk/Regulatory-Information/licensing-and-consents/consents/flaring-and-venting/>

¹⁸ <https://www.nstauthority.co.uk/regulatory-information/exploration-and-production/petroleum-operations-notices/pon-6/>

¹⁹ <https://www.nstauthority.co.uk/regulatory-information/licensing-and-consents/licensing-system/licensee-criteria/>

²⁰ https://www.nstauthority.co.uk/media/7999/oga-governance-guidance_2022_feb22-1.pdf

4. Assessment Phase requirements

56. During the Assessment Phase Licensees should provide the NSTA with sufficient opportunity and information to gain an understanding of the field and its conceptual development. The conclusion of the Assessment Phase will be the NSTA having no objection to the Concept Select decision including the considerations set out below.

Concept Select

57. The NSTA's involvement in the Assessment Phase and Concept Select is important as decisions made by licensees at this stage will likely have significant implications on their obligations under the OGA Strategy.

58. The NSTA requires to be consulted on the development plan options so that matters requiring detailed consideration by the NSTA can be identified. Such consideration may include technical, economic and net zero evaluation of the options. The NSTA will generally commence its consideration in parallel with the Field Operator's concept select process but will not conclude its consideration until after the Field Operator has completed their selection process and confirmed – in its Concept Select report – its preferred concept with the appropriate Licensee approvals. This approach will allow the NSTA sufficient opportunity and information to gain an understanding of the field and its conceptual

development. It will also provide the NSTA with the opportunity to inform the Field Operator at an early stage, of any aspects of the proposed development which are not aligned with the OGA Strategy or any other matters to be addressed. The requirements for operators are outlined further below.

59. The NSTA will set out to the Field Operator any information required to support the NSTA's considerations of the development options. It is likely that the information required by the NSTA will be similar to that used by the Field Operator to inform the Licensees' own decision-making process. However, the NSTA may require further information, for example, seeking clarifications of submitted information or as a result of insights gained from the review.

60. The Field Operator should prepare and submit to the NSTA a Concept Select report once the development concept option has been selected. The NSTA will then review the report and if any concerns are identified the NSTA may seek to agree with the Field Operator a programme of work or review, intended to lead to their resolution within an agreed timetable.

61. The NSTA having no objection to the Concept Select does not necessarily mean that the final version of the submitted FDP will be consented to, nor should this be taken to imply any agreement, consent or authorisation

from OPRED, OMAR or any other government agency.

Net zero evaluation

62. The NSTA considers the emissions contributions of new and incremental developments as part of the Assessment Phase. The Field Operator should demonstrate amongst other things that the following have been considered and evaluated from a technical and economic perspective:

- Alternative concepts with significantly lower GHG emissions
- Concepts with power either from the National Grid or from renewable sources
- A forecast of each concept's energy consumption and GHG emissions. Justification must be provided to the NSTA if the selected option does not have lowest GHG emissions.
- The selection of energy efficient equipment for power generation
- Zero routine non-safety related flaring/venting
- Evaluation of GHG emissions impacts on selected host infrastructure
- Gas recovery systems alternatives to gas export constraints,
- Possibilities for Energy Hubs
- Synergies with the offshore renewable sector
- Quantification of the GHG emissions impact of hydrocarbon export options.

- Pre-investment in facility design to allow connection to future low carbon power and other emission reduction opportunities.
- Re-use/re-purposing of infrastructure and facilities

Economic Assessment

63. The NSTA assesses the economics of all new and incremental field developments for alignment with the OGA Strategy. Consideration is given to whether the proposed project accords with the Central Obligation; namely, to secure the maximum value of economically recoverable petroleum and, in doing so, to assist in meeting the net zero target by reducing GHG emissions as far as reasonable in the circumstances.

64. The Annex (Definitions) to the Strategy states that:

***Economically recoverable** in relation to petroleum means those resources which could be recovered at an expected (pre-tax) market value greater than the expected (pre-tax) resource cost of their extraction, where costs include both capital and operating costs (including carbon costs) but exclude sunk costs and costs (such as interest charges) which do not reflect current use of resources. In bringing costs and revenues to a common point for comparative purposes a 10% real discount rate will be used. Where relevant, UK Government carbon appraisal values for all greenhouse gas emissions will be used combined with the associated real terms social discount rate²¹.*

²¹ At the time of publication, current UK Government carbon appraisal values are published by the Department for Business, Energy & Industrial Strategy; current real terms social discount rates are published by HM Treasury

65. NSTA economic assessments are undertaken from the perspective of UK society as a whole, consistent with the high-level principle in the Strategy that; *'compliance with this Strategy is intended to lead to investment and operational activities that, on an expected basis, add net value overall to the UK²²'*. Economic welfare at UK level will be highest when the pre-tax net present value ('**NPV**') of oil and gas resources is maximised, taking into account the effect of recovery in other fields and the societal cost of associated GHG emissions. This is irrespective of the subsequent impact of taxation on the division of realised economic value between operators and the Exchequer.
66. The approach taken by the NSTA aims to ensure that, in the Assessment Phase, Field Operators have examined those options which are most likely to maximise economic recovery at the UK level. The preferred commercial option may achieve this, but cases may arise where wider UK interests and individual commercial interests diverge.
67. Field Operators are therefore required to include information on all development options being considered within the Concept Select report submitted to the NSTA. Corresponding data for each of the options must also be submitted in Excel workbook format using the NSTA's Standard Economics Template (SET)²³. Data required covers underlying assumptions of revenue and costs and aspects relevant to net zero considerations, including forecast GHG emissions, energy demand, flaring/venting volumes and associated costs to the Field Operator. Where the development plan for a new field or incremental development has a significant impact on another field(s), relevant data for the affected field(s) should also be provided to capture the impact of the development.
68. As set out in the OGA Strategy definition, the assessment of 'economically recoverable' resources requires the inclusion of societal carbon costs which are accounted for through the use of central government GHG emissions values (carbon appraisal values) applied to all production-related GHG emissions. They represent a monetary value that society places on one tonne of carbon dioxide equivalent (£/tCO₂e) and are calculated based on the estimated marginal abatement costs consistent with the UK's national and international climate commitments, including net zero and a series of interim carbon budgets. Estimated carbon costs are then discounted using the HM Treasury social time preference rate (STPR). The standard social discount rate is set at 3.5% in real terms and in the longer term (beyond 30 years) declines in a series of steps to allow for future uncertainty. This approach ensures that the impact of all GHG emissions is included in an objective and consistent manner within the assessment framework in determining whether projects or options therein are expected to maximise overall welfare at UK level. Apart from carbon costs, present

²² OGA Strategy Introduction (page 5), paragraph d

²³ <https://www.nstauthority.co.uk/regulatory-information/exploration-and-production/development/field-development-plans/>

values for all other costs of extraction and for all revenue streams should be calculated using a 10% real discount rate as set out in the OGA Strategy definition.

69. Field Operators are expected to incorporate consideration and quantification of the societal costs of GHG emissions into their decision making²⁴. Carbon appraisal values are not intended as forecasts of market-based carbon prices under the UK Emissions Trading Scheme ('**ETS**') – which covers only CO₂ emissions from in-scope installations - so they are not the basis for estimating the financial costs to operators from future emissions. Operators are expected to develop their own objective view on future carbon market prices for commercial assessments of returns to new or incremental investments.

Consultation on Supply Chain Action Plan (SCAP)

70. In 2021, the NSTA introduced SE 12 – Supply Chain Collaboration and Cooperation to ensure Field Operators work appropriately with the supply chain and derive maximum value from project activity. The purpose of a SCAP²⁵ is to assist operators in demonstrating their contract strategies and concepts are comprehensive and well-positioned to deliver 'best value' in accordance with their FDP.
71. The NSTA expects all projects requiring an FDP to develop a SCAP. In the Assessment Phase, the Field Operator should prepare a draft SCAP prior

to Concept Select and share with the NSTA for informal review and discussion. This should be at an early stage of the project, in advance of any project specific contract award.

72. Following the NSTA's initial review, any incomplete or unsatisfactory SCAPs will be returned with comments/clarifications to be addressed. The Field Operator can amend the SCAP during the later Authorisation Phase following feedback from the NSTA or the Field Operator's internal review. The SCAP is non-prescriptive with no template, with simple guidance notes set out in the SCAP criteria and expectations.
73. There is also an expectation that Field Operators will extend the SCAP commitment to first tier contractors where individual contracts specific to the project exceed a value of £25 million.
74. It is anticipated that SCAPs will be developed as an ongoing process in tandem with the field development planning.

Consultation on Project Execution Plan (PEP)

75. The Field Operator should prepare a PEP for all stages of the project. In the Assessment Phase, the PEP should be developed in parallel with the FDP and should be recompiled and updated at each stage of the project.
76. The PEP should include sections comprising:
- Schedule planning, control and management

²⁴ Refer to Action B1. In Stewardship Expectation 11

²⁵ <https://www.nstauthority.co.uk/regulatory-information/supporting-the-supply-chain/supply-chain-action-plans/>

- Project organisation
- Contracting strategy (reference the Supply Chain Action Plan)
- Cost planning, control and management
- Risk and opportunity planning, control and management

77. Further guidance can be found in Stewardship Expectation SE-05 (Robust Project Delivery)²⁶.

Technology and EOR screening

78. Field Operators should demonstrate that both existing, new and emerging technologies have been considered for deployment to their optimum effect and, where appropriate, encourage the development of such technologies for the purpose of:

- a. meeting the obligations in the OGA Strategy.
- b. where appropriate, enabling carbon capture and storage projects to be planned for and developed;
- c. where appropriate, enabling projects relating to hydrogen supply to be planned for and developed; and
- d. pre-investment in facility design.

Field Operators should refer to the Stewardship Expectations SE-08 (Technology Deployment), SE-11 (Net Zero) and SE12 (Supply Chain Collaboration and Cooperation)²⁷.

79. In the Assessment Phase, for all oil or condensate reservoir developments, the potential for application of improved recovery processes beyond conventional methods should be evaluated. A summary of all the recovery processes considered and the reasons for the final choice is required in the Concept Select report. Field Operators are required to justify if EOR processes are not being/planned to be used.

80. Where a development demonstrates economic potential for EOR, Licensees should set out their firm plans to implement this. Where definite conclusions cannot be reached, a programme for addressing the outstanding issues during production should be given in the FDP and for ensuring that both wells and production facilities are EOR-ready or can be readily made so.

81. A summary of applicable technologies considered should be included in the Concept Select report. Appropriate technology should be identified at the Concept Select stage and discussed in the Concept Select report. The report should identify what technologies were considered and the reason for being proposed or discounted should be provided. The likely benefits these technologies could potentially provide to the development should be stated as well as any risks associated with their deployment. Reasons for the final technology solution should be included in the report. Technologies should cover the full life cycle of the development.

²⁶ <https://www.nstauthority.co.uk/regulatory-information/exploration-and-production/asset-stewardship/expectations/>

²⁷ <https://www.nstauthority.co.uk/regulatory-information/exploration-and-production/asset-stewardship/expectations/>

Environmental Statement (ES) preparation

82. Where an ES requires to be submitted to OPRED under the EIA Regulations, the Field Operator should normally engage with OPRED in the Assessment Phase, before Concept Select, and the choice of development concept must be made giving full weight to any environmental concerns.
83. See DESNZ guidance²⁸ for further information on the preparation and submission of an ES. The timescale for the EIA process may vary from project to project.

²⁸ <https://www.gov.uk/guidance/oil-and-gas-offshore-environmental-legislation>

5. Authorisation Phase requirements

84. During the Authorisation Phase, the Licensees are required to undertake a number of activities in support of their application to obtain consent from the NSTA to install facilities and produce hydrocarbons.
85. The issue by the NSTA via the UK Energy Portal of a Development and Production Consent for the proposed development indicates the completion of the Authorisation Phase.

Economics Assessment

86. As part of the Authorisation Phase, the Field Operator should submit final economics information in the SET format to account for any significant changes, including net zero related considerations, provided at the earlier Assessment Phase. The Field Operator should provide this information for the chosen development concept prior to internal approval of the project by Licensees.

Net Zero Evaluation

87. The NSTA considers the emissions contributions of new and incremental developments as part of its consideration of FDPs/FDPAs. The Field Operator must demonstrate, for example amongst other things, that the following have been considered and evaluated from a net zero, technical and/or economic perspective:

- concepts which demonstrate significant savings in GHG emissions;

- what has been considered, incorporated or rejected to minimise emissions and maximise recovery;
- FDPs for tie backs and FDPAs should include information on emissions from power, flare, vent and total emissions, for both the remaining life of field for the host/base case 'as is' and the incremental case with the tie back or addendum;
- data should be provided on: yearly production forecasts; emissions forecasts and emissions intensity; and life of field emissions intensity;
- where relevant, outline the impact of potential future emissions intensity reduction opportunities;
- the means to avoid all base load flaring and venting from the development;
- alternatives to gas export constraints;
- synergies with the offshore renewable sector;
- quantification of the GHG emissions impact of hydrocarbon export options;
- a like for like comparison of emissions from all export options when determining the solution with the lowest carbon emissions to produce a unit of product. Justification must be provided to the NSTA if the selected option does not have lowest GHG emissions;

- pre-investment in facility design to allow connection to future low carbon power and other emission reduction opportunities.

Supply Chain Action Plan

88. In the Authorisation Phase, the Field Operator should submit its final SCAP. It is recommended that the SCAP be submitted to the NSTA prior to the submission of the application in the UK Energy Portal.

89. The SCAP submission should focus on the following criteria as per the NSTA Supply Chain Action Plans Guidance and SE-12 (Supply Chain Collaboration and Cooperation)²⁹:

- Engagement – early and continued engagement with the Field Operator’s supply chain regarding the specifics of the project, aimed at improving project performance. This may extend to evidence of adoption of current industry tool kits such as those outlined in the Oil & Gas UK Supply Chain Code of Practice (SCCoP)³⁰, ECITB Project Collaboration Toolkit³¹ and the NSTA Project Pathfinder Portal. GHG emission efficiency objectives should also be included as part of the Field Operator’s initial engagement with the supply chain.
- Trust – demonstration of trust and empowerment throughout the project life cycle – clearly identifying functional requirements and subsequently supporting the supply chain to deliver to their

contractual commitments without bespoke, restrictive or client-specific requirements.

- Innovation – encouragement and fair evaluation for the proposed use of alternative/new products, processes and/or contracting methodologies.
- Quality – demonstration that historical performance, quality, employment practice and supplier culture is appropriately valued.

90. Once the final SCAP is submitted an assessment process will be undertaken by the NSTA. Where the NSTA considers that all four of the above criteria have been satisfactorily addressed, the SCAP will usually be endorsed with no further action.

In cases where one or more of the elements are considered not to meet expectations, the NSTA will seek improvement. In cases where improvements cannot be achieved, final endorsement will be withheld pending discussion between the Field Operator and the NSTA.

91. There is no prescriptive format for a SCAP document or on how to prepare the required supporting evidence. However, it is preferred that the SCAP should be submitted as a single document where possible and, to aid consistent assessment, SCAPs should normally include as a minimum the following sections:

- Executive summary
- Company overview and contracting policy

²⁹ <https://www.nstauthority.co.uk/regulatory-information/exploration-and-production/asset-stewardship/expectations/>

³⁰ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/48175/2819-pilot-supply-chain-code-of-practice-sccop.pdf

³¹ <https://www.ecitb.org.uk/project-collaboration-toolkit/>

- Project overview
- Evidence of engagement, trust, innovation and quality

Project Execution Plan ('PEP')

92. The Field Operator should provide the NSTA with an updated PEP covering the Authorisation Phase and prepare a PEP for the Execute Phase of the project, consistent with Stewardship Expectation SE-05 (Robust Project Delivery).

Field Determinations

93. The Oil Taxation Act 1975 states that all fields must be “determined” by a boundary drawn around them. A Field Determination³² will enable the Licensees with an interest in the blocks in which the field is situated and Licensees in the adjacent blocks to understand what constitutes the field for both development and tax purposes. This is undertaken in two stages; first, the NSTA will issue a proposed Field Determination at an early stage in the Authorisation Phase, utilising the geological information that is available to it at that time. Second, the final Field Determination will be issued when the Development and Production consent is given.

Development Area

94. The FDP must relate to a defined area. In many cases such area will coincide with the Field Determination. However, the Field Operator, on behalf of the Licensees, may propose that the FDP covers an area (the '**Development Area**') that differs from the Field Determination. For example, where the Field Determination is

not unitised the Development Area would usually extend only to that part of the field covered by the FDP (see paragraphs [94-99] below). Other examples include: where development well trajectories are outside the Determination; or a phased development, where the Development Area may be limited to that part of the field addressed in the detailed first phase proposals. The Development Area may be extended with subsequent phases. The Development Area will be agreed with the NSTA and documented in the FDP.

Unitisation and Unit Operating Agreements (UUOA)

95. Commercial and technical disputes may arise about the optimum development plan when an FDP is proposed for a field and the Field Determination extends into an area covered by an adjacent licence.

In such cases the NSTA needs to be satisfied that the Central Obligation of the OGA Strategy will be met and that unnecessary competitive drilling is avoided. The most efficient way to satisfy these requirements, and avoid any possible delay in the consenting process, is for the Licensees to agree with the adjacent licensees and propose to the NSTA a unitised development or other commercial arrangement that facilitates a field development.

96. Where such agreement is not reached or the proposed field development does not demonstrably satisfy these requirements, the NSTA will wish to understand the circumstances and give all parties adequate opportunity to make representations.

³² <https://www.nstauthority.co.uk/regulatory-information/exploration-and-production/development/field-determinations/>

97. The NSTA has powers under the licence to require a field to be worked and developed as a unit in cooperation by all Licensees. The grounds for the use of this power are that the NSTA considers it is in the national interest in order to secure the maximum ultimate recovery of petroleum and in order to avoid unnecessary competitive drilling.
98. If, in any intended development, there is a likelihood of claims or disagreement between adjacent licence groups related to the field's extent, the NSTA should be consulted at an early stage.
99. If a UUOA is put in place by Licensees, this should be submitted to the NSTA at the same time as the draft FDP .
100. If the Licensees choose not to enter into a UUOA and propose an alternative commercial arrangement, it may be appropriate to define two or more Development Areas within the Field Determination to document different ownerships in the different parts of the field – this should be discussed with the NSTA at an early stage in the FDP process.

Field Operator approval

101. Prior to submitting the final form application (and FDP) for development and production consent, Licensees are required to appoint a Field Operator, which requires approval by the NSTA. The NSTA has published guidance on that process³³.

Host facility modifications

102. In cases where a satellite field development is to be tied back to

existing host facilities it is important that the Field Operator of the satellite development and the operator of the host facility work together to ensure an agreed plan for any necessary modification to the host facility and evaluation of any net zero impacts e.g. increased emissions from power generation or fluid processing.

103. The NSTA will require a letter of support from the operator of the host facility, endorsed by all the facility owners. The letter should cover the following points:
- A statement supporting the development of the satellite field(s) over the host facility and committing the host facility to provide the necessary processing/transportation services
 - A statement confirming the intent to execute the required commercial arrangements (e.g. construction and tie-in agreement, transportation, processing and operating services agreement etc.)
 - A summary of the major new equipment/ modifications proposed to be carried out on the host facility to support development of the satellite
 - An assessment of the impact of the new satellite field production on existing production and facility emissions.
104. Where the proposed modifications are substantial, the NSTA may require the operator of the host facility to submit an application for the NSTA's consent to such modifications, supported

³³ <https://www.nstauthority.co.uk/regulatory-information/exploration-and-production/production/field-operatorship/>

by a document describing the new equipment/ modifications proposed to be carried out on the host facility to support development of the satellite. This application and supporting document should be submitted to the NSTA at the same time as the final application/FDP for the satellite field. If the respective Field Operators of the host facility and the satellite development prefer an alternative approach to documenting the proposed host modifications then this should be discussed with the NSTA at an early stage, especially if the host facility is leased rather than owned by the host Field Operator.

105. Such modifications may also require OPRED's agreement and/or the OMAR may require the Installation Operator of the host facility to submit a Design Notification for modifications to the host facility's Safety Case.

Environmental statement consultation

106. The NSTA cannot issue a Development and Production Consent until the EIA process for the development has been completed and OPRED (acting on behalf of the Secretary of State) has agreed to the grant of such consent.
107. The Field Operator should submit an application for a Development and Production Consent to the NSTA and confirm that it will submit, or has submitted, a supporting ES to OPRED. This application, and any draft FDP, should be copied to OPRED, usually after Concept Select. Under the 2020 EIA Regulations, all ESs are subject

to a period of public consultation during which time any person may submit representations in relation to the proposed project to the Secretary of State. Licensees should bear in mind that the consideration of an ES generally takes several months and can take significantly longer than this if significant representations are made by any person, or if insufficient information is presented within the ES.

108. Once OPRED reach a conclusion on the significant effects of the project on the environment, OPRED will notify the Field Operator (the 'developer' in the 2020 EIA Regulations) of the Secretary of State's decision whether to agree to the grant of consent and, if the Secretary of State agrees to the grant of the consent, of any environmental conditions attaching to such agreement. OPRED will also inform the NSTA of the Secretary of State's decision whether to agree to the grant of consent.

Design Notification

109. Where appropriate, the OMAR should have completed its review of the Design or Relocation Notification before the NSTA takes its decision whether to grant Development and Production Consent.
110. Design Notifications (or Relocation Notifications where applicable) should be submitted by the Installation Operator to the OMAR at an early stage of the design process. The Installation Operator should ensure the OMAR has sufficient time to complete their review of the Notification prior to the formal submission of a FDP.

The OMAR guidelines³⁴ state that the OMAR require three months to complete its review of the notification.

111. The Field Operator should advise the NSTA of the outcome of the Design or Relocation Notification review, and any necessary steps needed to implement the OMAR's recommendations, prior to the NSTA making its decision whether to grant Development and Production Consent.
112. The NSTA will inform the OMAR when it issues a Development and Production Consent.

Decommissioning security arrangements

113. DESNZ' Offshore Decommissioning Unit ('**ODU**') need to be satisfied that appropriate financial security arrangements for decommissioning are in place³⁵.

Time frame

114. Provided that the process described in this guidance has been fully implemented, the NSTA will usually aim to complete its review of the final submitted application for consent and FDP within one month. The early review by the NSTA of draft sections of the FDP, SCAP and PEP as these become available will help achieve this aim.

Content of the FDP

115. The FDP should provide a summary of the Licensees' understanding of the

field, although more information must be provided if required by the NSTA. A suggested structure for the FDP and guidance on the preparation and content of offshore oil and gas field development plans can be found on the NSTA web site³⁶.

116. The content of the FDP should be agreed with the NSTA and will depend on the complexity of the field, the degree of interaction prior to the submission and the issues identified.
117. The FDP will provide a clear explanation of the commitments that the Licensees are making (in terms of net zero, facilities, number of wells, provision for IOR/EOR, provision for third party access to hydrocarbon export routes etc.) to bring forward a sound development, rather than a detailed technical description of the subsurface reservoir or required infrastructure.
118. The actual form of the development and the basis for field management should be described and sufficient detail will be required to permit development and production performance to be measured.
119. The FDP document should be submitted formally by uploading a digital copy (preferably pdf) as an attachment to the final form application for Development and Production Consent submitted in the UK Energy Portal³⁷.

³⁴ <https://books.hse.gov.uk/product/9780717663255/Legal-L/The-Offshore-Installations-Offshore-Safety-Directive-Safety-Case-etc-Regulations-2015-guidance-on>

³⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/760560/Decom_Guidance_Notes_November_2018.pdf

³⁶ <https://www.nstauthority.co.uk/regulatory-information/exploration-and-production/development/field-development-plans/>

³⁷ https://itportal.nstauthority.co.uk/eng/fox/nsta/NSTA_LOGIN/login

Development and Production Consent

120. The issuing by the NSTA of a Development and Production Consent for the proposed development via the UK Energy Portal indicates the completion of the Authorisation Phase. The Development and Production Consent will cover both the construction of the facilities and other infrastructure, and the production of hydrocarbons from the field.
121. The NSTA will generally issue a Production Consent for as long a duration as possible, consistent with the duration of relevant licences, and the technical and investment uncertainties associated with future production. The duration of the initial period of production consent will usually reflect the degree of understanding of the field: the more uncertain the performance, the shorter the duration. Subject to the uncertainties involved, the NSTA would normally anticipate a duration of between five years and life of field. For phased developments, the Development and Production Consent will normally be given for the duration of the relevant phase.
122. For all fields, both upper and lower limits to production levels will be set out in the Production Consent. These will usually be based on the maximum and minimum cases as stated in the FDP. Licensees should however note that the NSTA cannot issue a Production Consent at levels that exceed the maximum production set out in the Secretary of State's agreement to the grant of consent.

The NSTA may attach conditions to the Consent requiring the Field Operator to review the development plan with the NSTA if performance falls outside consented production profiles or if the field is found to differ from the assumptions made in the FDP to such an extent that there is a risk of a loss of economic reserves. As mentioned earlier, the Secretary of State may also impose conditions on their agreement to the grant of consent.

6. Execute Phase requirements

123. The project scope as defined by the FDP and PEP will be implemented during the Execute Phase of the project. At this stage, the Licensees have committed to proceed with the development and the NSTA has issued a Development and Production Consent. The purpose of this phase is for the Field Operator to execute all required activities (e.g. well construction, engineering, procurement, construction, commissioning/start-up etc) and to deliver the project objectives.

The end of Execute Phase will be regarded as production of first hydrocarbons. The NSTA's expectations during this phase are set out below.

Monitor project execution

124. The FDP and PEP will include a project schedule including major decision points and milestones as well as permitting requirements. As part of the PEP the Field Operator should also discuss and agree an engagement plan with the NSTA. During the Execute Phase, progress against the project schedule should be monitored and deviations from the planned schedule should be reported to the NSTA.

Commissioning flare consents issued

125. During the commissioning of production facilities, the NSTA may, where appropriate, issue flaring consents which will usually be restricted in duration to between one and three months and will be for a fixed quantity of gas based on an auditable programme³⁸. Once commissioning is complete and stable operating conditions have been achieved, the Field Operator may apply for longer durations for the flaring consent subject to an agreed cumulative maximum for the duration of the consent.
126. The Field Operator is required to demonstrate that measures to reduce flaring and venting have been considered and, where appropriate, implemented as part of their commissioning strategy. These include for example, early commissioning of the gas compression and vapour recovery systems.

Pipeline Works Authorisations

127. Pipeline Works Authorisations³⁹ ('PWA') will not usually be issued until after the Development and Production Consent has been given. The NSTA has published separate guidance on the PWA process⁴⁰.

³⁸ <https://www.nstauthority.co.uk/Regulatory-Information/licensing-and-consents/consents/flaring-and-venting/>

³⁹ <https://www.nstauthority.co.uk/Regulatory-Information/licensing-and-consents/consents/pipeline-works-authorisations/>

⁴⁰ <https://www.nstauthority.co.uk/regulatory-information/guidance/>

128. A PWA or variation should be in place before any pipeline or pipeline system construction or modification works begins. Before submitting a PWA application, the NSTA recommends that the pipeline owner (or prospective owner) informally consults the NSTA, OPRED and the HSE at the earliest possible opportunity, to discuss the proposed scheme and the applicable regulatory requirements.
129. Where there are no objections, it normally takes approximately four to six months from receipt of a satisfactory application to issuing the PWA. In the case of pipelines in respect of which an ES is required under the 2020 EIA Regulations, the procedure may take longer. Field Operators must therefore submit applications at least four to six months before construction begins.

Safety case accepted by OMAR

130. Please refer to the OMAR website for further information.

Divergence from the agreed FDP

131. Once a Development and Production consent has been given, it is expected that the development will proceed in accordance with the consented FDP and the PEP. The Licensee should promptly inform the NSTA of any deviations to the plan as they become evident.
132. If the Licensees wish to deviate from the consented works they may be required to submit a Field Development Plan Addendum ('**FDPA**').
133. It is possible that a change to the consented works may require a further ES under the 2020 EIA Regulations. The Field Operator should contact OPRED for further information.

7. Regulation following FDP Consent

Required future Consents

Development and Production Consent

134. If Licensees wish to continue production beyond the duration of the initial consent they may apply for an extension to the production consent via the UK Energy Portal. If field production performance is expected to fall outside the upper or lower limits specified in the extant Production Consent, the Field Operator may apply via the portal for a revision to these levels. A request to increase the maximum production in the FDP Consent may also require the Field Operator to apply to OPRED via the PETS system for their environmental permits to be revised, and which may involve submission of an ES. In such circumstances, the NSTA cannot grant consent without first receiving the agreement of the Secretary of State.

Flaring and venting consent

135. Once commissioning is complete and stable operating conditions have been achieved, the duration of any flaring/venting consent may be extended and will be subject to an agreed cumulative maximum for the consented period.

Pipeline Works Authorisation

136. If the Operator wishes to install new pipelines or vary the original specification of a pipeline, a PWA or PWA Variation may be required⁴¹. Such authorisation may again require the agreement of the Secretary of State under the 2020 EIA Regulations.

Cessation or suspension of Production

137. If Licensees subsequently wish to cease production permanently, or if production is to be suspended from a field for an extended period, the Operator should contact the NSTA to discuss what notifications/authorisations may be required⁴².

Retention and Reporting

138. Licensees have a number of obligations for retention and reporting of data and information for field developments. Please refer to the NSTA website for information⁴³.

⁴¹ <https://www.nstauthority.co.uk/Regulatory-Information/licensing-and-consents/consents/pipeline-works-authorisations/>

⁴² <https://www.nstauthority.co.uk/regulatory-information/exploration-and-production/production/cessation-of-production/>

⁴³ <https://www.nstauthority.co.uk/regulatory-information/exploration-and-production/asset-stewardship/surveys/>

Changes of Licensee and/ or Field Operator

139. Any Licensee changes (including in a Licensee's equity interest) or changes of Field Operator following consent require the approval of the NSTA⁴⁴. A Change of Control of a Licensee should be notified to the NSTA⁴⁵.

⁴⁴ <https://www.nstauthority.co.uk/regulatory-information/exploration-and-production/production/field-operatorship/>

⁴⁵ <https://www.nstauthority.co.uk/regulatory-information/licensing-and-consents/licensing-system/licensee-criteria/change-of-control/>



North Sea Transition Authority

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