EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations implement Council Directive 85/337/EEC (O.J. No. L175, 5.7.85, p.40) as amended by Council Directive 97/11/EC (O.J. No. L73, 3.3.97, p.5) on the assessment of the effects of certain public and private projects on the environment in so far as it relates to the effects on the environment of certain offshore oil and gas projects. They revoke the Offshore Petroleum and Pipe-lines (Assessment of Environmental Effects) Regulations 1998 (S.I.1998/968) subject to savings in respect of applications for consent which are received prior to 14th March 1999. The 1998 Regulations implemented the 1985 Directive in its unamended form and these Regulations substantially remake the provisions of those Regulations with the amendments necessary to implement the 1997 amending Directive.

Directive 85/337/EEC in its unamended form applies to the European Economic Area (EEA) (see Article 74 of, and paragraph 1 of Annex XX to, the Agreement on the European Economic Area (Cm 2073) as adjusted by the Protocol signed at Brussels on 17th March 1993 (Cm 2183) — the Annexes to the Agreement are subject to amendment from time to time by the EEA Joint Committee established under Article 92 of the Agreement) with the result that there is only a requirement to provide a member of the EEA which is not a member of the European Union with information in respect of projects likely to have significant trans-boundary effects. Member States, however, are given rights to participate in the decision making process (regulation 12).

Provision is made requiring the Secretary of State where he grants licences pursuant to the Petroleum Act 1998 to include in such licences requirements to obtain his consent to the drilling of a well, the getting of petroleum (where the amount exceeds 500 tonnes per day in the case of oil and 500,000 cubic metres per day in the case of gas) and to the erection of any structure in connection with a development. Provision is also made requiring, subject to an exception in respect of the use of floating installations which commenced prior to 30th April 1998 (the date of the coming into force of the 1998 Regulations), the obtaining of the consent of the Secretary of State to the use of a floating installation in connection with a relevant project comprising a development. Provision is also made requiring the obtaining of the consent of the Secretary of State to the use of a mobile installation for the purposes of the extraction of petroleum where the main purpose of such extraction is the testing of a well (regulation 4).

Provision is made requiring applications for consent to the carrying out of specified operations in relation to certain kinds of oil and gas projects to be accompanied by an environmental statement (regulation 5). Those applications are either ones which fall within certain categories (those which relate to the getting of petroleum and the construction of installations in relation to projects producing more than 500 tonnes of oil per day or 500,000 cubic metres of gas per day and certain large pipelines) or are those where the Secretary of State is not satisfied that the project will not have a significant effect on the environment.

Provision is made in respect of those cases where an environmental statement is not mandatory for the Secretary of State to decide whether the project is likely to have a significant effect on the environment. In most cases the undertaker will be required to submit particulars of the project and if the Secretary of State is satisfied that the carrying out of the relevant project will not have a significant effect on the environment he may give a direction that an application for a consent need not be accompanied by an environmental statement (regulation 6(1)). In a limited class of case (renewals of certain consents to the getting of petroleum and certain small pipe-lines) where the Secretary of State is likely already to have sufficient information a direction that no environmental

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statement need be submitted is not required (regulations 5(1) and 5(2)). However, even in this class of case the Secretary of State must decide whether the project is likely to have a significant effect on the environment. If he is not satisfied that the project will not have a significant effect on the environment then an environmental statement must be submitted with the application for consent.

Where the application is accompanied by an environmental statement, the Secretary of State must be satisfied before granting a consent that the requirements of the Regulations as to publicity and consultation have been substantially complied with and must consider the representations of the environmental authorities which are interested in the project by reason of their environmental responsibilities and the representations of the public (regulation 5).

Provision is made for the granting of a direction that where an environmental statement has already been submitted in respect of the project and the project has already been the subject of an assessment, applications for further consents in respect of that project need not be accompanied by an environmental statement (regulation 6(2)).

Provision is made requiring the Secretary of State to give an opinion as to the content of an environmental statement (regulation 7).

Provision is made to assist persons proposing to carry out certain oil and gas projects to obtain information to prepare environmental statements (regulation 8). Provision is made with regard to publicity requirements for applications for consents that are accompanied by environmental statements (regulation 9). Power is conferred on the Secretary of State to require persons proposing to carry out oil and gas projects to provide further information in relation to applications for consents or authorisations in respect of which environmental statements are submitted and for such information to be subject to publication requirements under regulation 9 (regulation 10).

Provision is made for the carrying out of environmental assessments in relation to the exercise by the Secretary of State of powers under licences granted or treated as granted under the 1998 Act to require proposals to be submitted to him for his approval for the carrying out of relevant projects or to require such projects to be carried out (regulation 11).

Power is conferred on the Secretary of State in whole or in part to exempt a relevant project from the provisions of the Regulations (regulation 13). Provision is made in relation to the service of notices and other documents pursuant to the Regulations (regulation 14).

Provision is made by the Regulations for the making of applications to the court by persons challenging certain decisions of the Secretary of State. Subject to certain exceptions, provision is also made for the Secretary of State to make applications to the court to seek remedies in respect of the carrying out of oil and gas projects without a consent or approval granted, or a requirement imposed, in accordance with these Regulations or in breach of conditions imposed to protect the environment (regulations 15, 16 and 17).

Provision is made creating offences in respect of the intentional or reckless submission of false or misleading information pursuant to the Regulations and subject to certain exceptions, the carrying out of activities without a consent, authorisation or approval granted, or requirement imposed, pursuant to the Regulations or in breach of conditions imposed to protect the environment (regulation 18).

A regulatory impact assessment is available from Oil and Gas Directorate, Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET (Tel: 0171 215 5151).