

From: [REDACTED] (Energy Development)
Sent: 14 November 2011 13:32
To: [REDACTED]
Cc: [REDACTED] (Energy Development)
Subject: RE: Stoke on Trent PEDL Application Questions

[REDACTED]

We will indeed be using LARRY in the next round, which will make the process easier.

I've already mentioned, but thought it worth reiterating, that if you set up a Council-owned company to be licensee, we will require it to be supported by (the equivalent of) a Parent Company Guarantee from the Council. This is consistent with our policy for any other applicant (see <https://www.og.decc.gov.uk/upstream/licensing/licfincap.htm>).

[REDACTED]
Department of Energy and Climate Change
Tel: [REDACTED]

From: [REDACTED] (Energy Development)
Sent: 14 November 2011 12:41
To: [REDACTED]
Cc: [REDACTED] (Energy Development)
Subject: RE: Stoke on Trent PEDL Application Questions

Thanks for your email [REDACTED] and continued interest in the 14th Rnd.

The drill or drop is an option [REDACTED] and I discussed with you because you would not be contractually committed to drill. If further evaluation or your strategy changed, you could walk away at any time in the 6 year first term. If you did drill a well you could apply to keep the licence for 5 more years and if you establish production you can request to keep it for 20 more.

If you bid a firm well, we expect you to drill in those first 6 years. In either case, you are not limited to the number of wells you can apply for to drill.

The PEDL licence does not grant you permission to drill any wells, we just grant exclusive use. To get permission to drill you must first get local authority planning permission (which include statutory consultation with the Environment Agency). Look at the links on our website

[!\[\]\(faf942dc3e59ce8eb64b4ac481eca7e0_img.jpg\) Summary of the roles of regulatory agencies through exploration and production](#)

[!\[\]\(cf531ed27e91483460120fcc057b3901_img.jpg\) Diagram to describe the roles of regulatory agencies through exploration and production](#)

But as you've noticed, an application with a firm well will win more marks and if there is competition, that would be important. We do not accept contingent well onshore.

UKOGL ([UK Onshore Geophysical Library](http://www.ukogl.org.uk)) has an interactive online map of all the onshore seismic data that is over 5 years old and screen dumps of many of the lines are available online. Look at www.ukogl.org.uk. The seismic commitment (to acquire UKOGL data or shoot

new) is not linked to the well commitment, unless you were proposing a firm well but did not yet have enough seismic data to make the firm decision to drill. In that case we would not accept a firm well.

Yes, we would take your coal data into account in the marks scheme.

No the plans for discoveries or re-developments would not be relevant unless you had an undeveloped discovery (see [Oil and Gas discoveries 1983 - present](#)) or suspended field in the area you were applying for (you don't under Stoke on Trent).

Once the round is launched, the clock starts on the 90 days until it closes. If we use LARRY, the online system, it does take a while to upload your application, so don't wait until the last day. But we will only look at applications once the round closes. You don't have to register interest.

When we announce the awards, we include a table of contact info for the Operators and the press statement usually notes new entrants. After 5 years the licence application documents are put into the public domain through Mosaic - [Release of onshore licence applications and reports](#)

P10, P50 and P90 allow one to understand the range of possible outcomes of drilling – 10% chance, 50% chance and 90% chance. I can give you some reference for risk assessment if that would help?

The Appendix B does not have a fixed format. I've attached a few examples; a short appendix B and a different more detailed text - all the 11th rnd and older are now available for purchase from Mosaic, but these give you an idea of the variability.

I've also attached the DRAFT Environmental Sensitivity guidance. Please note that much of it relates to offshore regulations and requirements which are only required if you are applying for "watery areas" near estuaries and away from water a "not applicable" answer is appropriate.

Sorry I didn't get to the Ceramics Biennial festival! I've been buried under shale gas issues and have not gotten my hands muddy in months...

Regards,

[Redacted signature block]

Department of Energy & Climate Change | ☒ Area 3B, 3 Whitehall Place, London, SW1A 2AW

From: [Redacted]
Sent: 09 November 2011 10:53
To: [Redacted] (Energy Development)
Subject: PEDL Application Questions

Dear [REDACTED]

I hope you are well, I guess you are really busy with all this turmoil regarding shale gas.

We had a look at the PEDL Application form from the 13th round to prepare our bid for the 14th round which should open soon I guess once the "fracking" for shale gas issue is resolved. I assume that the application form will be similar if not the same?

Below are a number of questions, I do appreciate that you might not have time or be the relevant person to answer them, but as you are my first point of contact I would appreciate if you can have a look and pass it on to the relevant colleague if necessary please.

- During our meetings earlier this year, the Drill and Drop was the option you encourage us to apply for.

We will not be able to know the viability of our project (gas flow, gas content) without undertaking drilling, so we are committed to drill to do all the test (if licence granted obviously).

With a Drill or Drop license, do you have to re-apply to drill further boreholes if you confirm from your first drilling the feasibility? Or do the license let you to drill as much as you want within your acreage (obviously subject to planning consent and other regulations)?

Also, I noted that the marks scheme shows that a Firm Well scores 50 while the Drill and Drop is only 20. I am not sure about the Contingent Drilling option's score?

Therefore, could you tell us the implications of the various Well Commitment options (Contingent Drilling commitment seems appropriate to us)? Also can you and explain us the pro and con of each options?

- Regarding seismic data, it will be difficult to do a shoot in an urban area as you know, so we don't think we could provide such information. I am not sure if data is already available for the City? Are the 2D and 3D seismic shoots for Firm Well commitment only? However if we go for a Firm Well commitment, how does this affect us to provide this data?

I might be confused, but we do have access under licence from the Coal Authority to the GIS data for all the coal seams under the city for the last couple of centuries. All our evaluations are made from this data, but I am not sure if this replace the seismic data? In Part B5, there is a section for Other Work where maybe this GIS information is more relevant?

- In Part B5, there is a section Plans for existing discoveries and/or redevelopments. Does this apply to us since we are just starting? I am not sure what existing discoveries and redevelopment mean?
- Once the call is open for bid, I understand that we have 90 days to submit the application. Do we have to register our intention to bid as soon as the call opens, or can we just submit the form on the closure day without pre warning?

Do you publish publicly the applicants and when please?

- On Part B4 of the application form, under the section Lead/prospect/new play/discord volume, there are different input parameters: P10, P50 and P90. I could not find any explanation on those parameters in the guide, could you explain what they refer to please?
- Is there a template for Appendix B (Technical Information including Technical Aspect of Operatorship). I know the guidance refers to a 50pages max report and normally much less for Landward application.
- The Environmental Awareness Statement has to obviously be customised around drilling. Is there any official guidance available for this please? I recall somebody mentioning the National Framework for onshore drilling?

Thank you [REDACTED] for your help. I can assure you that Stoke-on-Trent City Council is fully committed to the CBM project. Note that our lawyers are working on creating a 100% owned by the Council Special Purpose Vehicle

company that will bid for the PEDL, therefore you will not see Stoke-on-Trent City Council as an applicant directly.

I look forward to reading you or your team's answers.

NB: We have a Ceramic Festival going on in Stoke termed BCB (British Ceramic Biennial) that will close this WE. Ceramic art pieces exhibited will be for sale this Saturday.
Check <http://britishceramicsbiennial.com> for more info if you are interested to come along.

Kind regards,

[Redacted]
City Renewal Services | Enterprise & Skills

City of Stoke-on-Trent

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t [Redacted]

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Stoke-on-Trent a Host Community for the London 2012 Olympic Torch Relay