

To: Company Secretary
Island Gas Limited
7 Down Street
London
W1J 7AJ

Our ref: EPR/VP3632ZJ

Your ref:

Date: 19th August 2016

Dear Sir / Madam,

Response to further information on compliance with the Environmental Permitting (England and Wales) Regulations 2010 as amended, for onshore oil and/or gas facilities.

Permit Reference: EPR/VP3632ZJ
Operator: Island Gas Limited
Facility: Bletchingley Well Site 5

Thank you for providing information in response to the Regulation 60 Notice served under the above legislation. We have now completed our review and have decided that;

- To continue your current operations as described in your Regulation 60 response to us, you will need to vary your Permit to add the following activities:

Permit Type	Comments	Calculation of application cost
Installation activity	<ul style="list-style-type: none">• The Permit review being carried out under the re-permitting project will be charged as an installation normal variation fee.• Additional Installation activities can be applied for under the same application if required.• Where a new activity being added is classified as a substantial change in the	Revised OPRA (including any new activities if relevant) x £58

	<p>current operations, or the onsite plant / equipment has changed since the Regulation 60 response was submitted in June 2015 and is likely to have an additional detrimental impact as defined in RGN8, or a new H1 Assessment submitted with an application shows significant change with a negative effect on emissions, then the application will be charged as a substantial change in operations.</p> <ul style="list-style-type: none"> • Consolidation of multiple Permits or Permit variations will be included as part of this variation application with no additional fee. Confirmation (a tick in the application form) to consolidate is also required in order to do this. • Flaring is currently a directly associated activity (DAA) on your permit. This will be varied to either an IED A1 activity if disposing of >10 tonnes per day or be varied to a Mining Waste Activity (if physically limited) to disposing of <10 tonnes per day. The Flare will also need to meet the appropriate BAT standards. 	<p>If the activities are classified as substantial change: Revised Opra score x £113.</p> <p>The Permit review variation fee includes the changing of a re-injection DAA to a Groundwater Activity and / or the changing of a flaring DAA, where >10 tonnes per day is disposed of, to an IED A1 listed activity.</p>
Tier 2 Mining waste operation	<p>(Tier 2 operations are only permitted to store hazardous extractive waste temporarily as part of the collection and onward transportation from site. Any dedicated storage facilities, or intended storage of hazardous extractive wastes for longer than this, would constitute a hazardous mining waste facility and require a bespoke Tier 3 Waste facility permit).</p> <ul style="list-style-type: none"> • A new Tier 2 Mining Waste Permit is required for any current flared or vented gas and new wells or sidetracks in future. If a Mining Waste permit is issued by NPS as part of the proposed upgrading works or Bletchingly 5/6 and 2, then a variation is likely to be required to cover any remaining activities not picked up by this application. • Only 1 Mining Waste fee will be charged, even if there are multiple Mining Waste Operations included under the Permit. <p>Please note: A technical review is still taking place on the Mining Waste permitting requirements where hydraulic fracturing fluid, which may or may not include proppant, has been used. Where it is no longer serving a beneficial use as an</p>	<p>For a new Mining Waste Permit: A fixed fee of £2640.</p> <p>Variation of current Mining Waste operation Permit: A fixed fee of £1960.</p>

	<p>engineering fluid it is deemed to be an extractive waste and a Mining Waste Permit may be required. We have discussed this review with you already and will keep you updated on the outcome.</p>	
Groundwater activity	<ul style="list-style-type: none"> • Applications for new Groundwater Activity Permits are required for hot oil washing if it cannot be shown to be de minimis. • Well stimulation is considered to be a standalone operation and will be charged separately, per effluent and separate GW receiving body if it cannot be shown to be de minimis. • Where a discharge is deemed to be de minimis it needs to be registered with the Environment Agency, which is free of charge. • To be able to carry out the future reinjection of produced water onsite as described in your Regulation 60 response to us you will also need to apply for Groundwater Activity Permits for this. As it is not currently a Directly Associated Activity (DAA) within the current Installation Permit a new chargeable application is required to include it under the permit review. 	<p>Re-injection that is included in the Installation Permit as a DAA and new discharges to ground (soakaways) are included as part of the Installation Permit variation fee.</p> <p>Groundwater Activities, such as re-injection and well stimulation, or maintenance, where technical assessment is required: A fixed fee of £885 per groundwater activity.</p>
Surface water discharge	<ul style="list-style-type: none"> • No Surface Water discharges were indicated in the Regulation 60 response, therefore no applications are required. 	
Water abstraction	<ul style="list-style-type: none"> • No water abstractions were indicated in the Regulation 60 response, therefore no applications are required. 	
A separate Radioactive Substances Activities (RSA) Permit	<ul style="list-style-type: none"> • You must apply separately for a new Radioactive Substances Activities Permit for any produced water which is sent offsite on occasion. This activity can be covered under a Standard Rules Permit. You will need to complete an application form, which can be found on the Gov UK website at 	<p>For Standard Rules Permit applications: A fixed fee of £700.</p>

	<p>https://www.gov.uk/government/collections/radioactive-substances-regulation-for-non-nuclear-sites and send it to us with the appropriate information and fee.</p>	
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The total cost will be the accumulation of the fees from each section of the above table.

- To apply for these new activities / Permits you will need to complete the relevant application forms and send them to us with the appropriate information and fee.

We strongly advise that you start preparing your application now. You are in Tranche 2 and we require you to submit your application to us by the **end of April 2017**.

The variation application forms and guidance on how to complete them can be found on the Gov.UK website at <https://www.gov.uk/government/collections/environmental-permit-application-forms-to-change-vary-an-existing-permit>

To add additional activities to your existing Environmental Permit you will need to complete variation application form parts:

A (General information)

C2 (Variation, general information)

Plus

C3 (For varying a bespoke installation Permit)

F1 (Charging for Installations and Mining waste)

And

F2 (For applications to discharge)

Please note that the application form is not specifically geared towards making a variation application to add additional activity types to your existing Permit, as required under this re-permitting exercise. It is therefore recommended that you read the guidance on what information is needed to apply for each additional Permit type in section B. This is contained within the guidance on how to apply for a new Permit of that type, which can be found on the Gov UK website at

<https://www.gov.uk/environmental-permit-how-to-apply>

The appropriate fee is outlined in our Environmental Permitting Charging Scheme and Guidance. A copy of this document can be found on the Gov UK website at

<https://www.gov.uk/government/publications/environmental-permitting-ep-charges-scheme-april-2014-to-march-2015>

When we determine these applications we will grant any new Permits and issue any variations in the current Permit template. Each application submitted will be assessed on its own merit and as such we cannot guarantee

the outcome of any application made. We will notify you in writing should we decide to refuse your application to vary or grant an environmental permit. We might refuse an application for a number of reasons, including where the environmental impact is, or would be, unacceptable and there are no measures which could feasibly be used to prevent or mitigate the impact. We will always try to work with you to resolve pollution issues.

- Our advice contained in this letter is based on our current understanding of your site activities, which in turn is based on your regulation 60 response and supporting information. Our advice on specific permit applications which may be required, and the associated charges, may be subject to change as a result of these pre-application discussions.
- Following receipt of this letter we will contact you to offer a pre-application meeting at a date to suit you, advising on how to make the best application(s) for your activities. However, if you wish to contact us sooner or have any other queries relating to this letter please do not hesitate to contact us via the phone number or email address found below.

If you require any further advice on the details above please contact us on 02030 255467, or by email at OOGrepermittingteam@environment-agency.gov.uk

Yours faithfully,

A handwritten signature in black ink that reads "Paul Barker". The signature is written in a cursive, slightly slanted style.

Paul Barker
OOG Re-permitting Project Officer