

APA 2021: Environmental, HSE and fishery terms and conditions

(Translation from Norwegian)

Terms and conditions of award, cf. Item 4 b) of the announcement text.

The following terms and conditions apply to blocks awarded in APA 2021, cf. Item 3, second paragraph of the announcement text. Note that there may be changes to these terms.

General requirements

When planning drilling activities, particular care must be taken with respect to fishery activities and marine organisms. Prior to exploration drilling, measures must be implemented to inform the parties concerned.

When planning seismic activities, the licensees must take particular care when designing the programmes with respect to fishery activities and marine organisms in critical life cycle stages.

Licensees are required to undertake necessary mappings of possible coral reefs and other important benthic communities, including important habitats for sandeel, that may be affected by petroleum activity in the awarded blocks. Refer to Mareano [www.mareano.no] for information on identified coral reefs on the Norwegian Continental Shelf. Data from mapping the seabed shall be made available to Mareano to the extent that this is not prevented by confidentiality obligations, and such that keeping the data secret is not significant in a competition perspective.

New production licences must implement necessary measures to ensure that coral reefs and other vulnerable benthic fauna are not harmed by petroleum activity. Special requirements must be established to avoid direct physical damage to the reefs from facilities on the seabed and anchor chains, mudding from drill cuttings and pollution from produced water.

Licensees are required to map and report discoveries of shipwrecks and other cultural monuments that may be affected by petroleum activity in relevant blocks and, in cooperation with cultural heritage authorities, ensure that possible cultural monuments are not damaged by the petroleum activity.

The operator shall, on behalf of the licensees, apply to the Norwegian Environment Agency (MDir) for a permit well in advance of planned activity.

The zero-emission target as mentioned in e.g. the white paper Meld. St. 20 (2019-2020) applies for operational discharges of oil, chemical additives and naturally occurring substances in produced water, including radioactive substances from all operations offshore. As a rule, environmentally harmful substances shall not be discharged to sea. It is also a goal to minimise the risk of environmental harm caused by discharge of other chemical substances. The zero-emission target applies to all operations offshore, both drilling and well operations,

production and discharge from pipelines. To reach the zero-emission target, each field's range of measures shall be subject to a comprehensive assessment of multiple factors, including environmental impact, safety-related factors, reservoir-related factors and cost-related factors. For such an assessment of measures, please refer to e.g. the impact assessment which, pursuant to the Petroleum Act, must be carried out as part of the plan for development and operation.

In order to deal with all types of challenges regardless of natural and operational factors, the authorities have developed extensive HSE regulations along with the social partners and the industry which stipulate requirements for safety and management. In order to ensure prudent petroleum activities, it is important that relevant operational uncertainty and risk factors are well-understood and safeguarded prior to exploration drilling and development. Through its work on risk management, the operator shall clarify the assessments forming the basis for risk-reducing measures, including preventive measures and acute pollution preparedness, cf. Regulation No. 611 of 29 April 2010 relating to management and the duty to provide information in the petroleum activities and at certain onshore facilities.

Updated information about the occurrence of seabirds in areas that may be affected by discharges from petroleum activities is available, and the Government still sees a need to expand the knowledge base. Up-to-date information must always be used in the planning and regulation of the activities, as this helps to ensure that decisions are always made on the best possible factual basis, and founded on up-to-date cost-benefit assessments. The industry is expected to contribute to the mapping of seabirds in connection with impact assessments that accompany any plans for development and operation of new stand-alone developments.

A traffic separation system approved by the United Nations maritime organization IMO has been established on the Norwegian Continental Shelf. In the event of petroleum activity in or close to the geographically fixed traffic separation systems, the licensees must clarify the planned activity with the Norwegian Coastal Administration well in advance in order to ensure maritime safety.

More stringent requirements will be set for activity in vulnerable areas to avoid harm, in line with the HSE regulations' approach to risk.

Special requirements for the North Sea

In the coastal zone from Stadt to Lista, the licensee shall assure actual capacity regarding coastal emergency preparedness and beach cleaning within a 25 km zone from the baseline, without that capacity being based on local and national emergency response resources.

During certain periods of the year, active sandeel fishing takes place in parts of the pre-defined area, see map at www.npd.no/en/apa2021. This applies to the following blocks: 2/2, 3 and 6, 3/1, 2, 3, 4 and 5, 4/1, 2 and 3, 5/1, 7/2, 3 and 6, 8/1, 2, 3, 4, 5, 6, 7 and 9, 9/1, 2, 4, 5, 7, 8, 9, 11 and 12, 10/7, 8, 10, 11 and 12, 11/10, 11 and 12, 16/11 and 12, 17/10 and 11, 30/5, 6, 8, 9, 11 and 12. Fishing for sandeel is regulated and locations where such fishing is allowed

may vary within this area. In the event that some of these blocks are awarded, drilling restrictions will apply during the time when fishing for sandeel takes place, from 1 April until 30 June. Information about which blocks this applies for in specific years can be obtained from the Directorate of Fisheries. Exploration drilling in and around a zone surrounding the sandeel fields must be implemented with minimal disturbance to spawning and without discharges of drill cuttings, to ensure that the quality of the sandeel fields does not suffer due to mud build-up from drilling activity. In the event of future developments of resources in this area, the licensees must use development solutions that entail the least possible alteration of the seabed in the sandeel fields.

The announced blocks in the North Sea include blocks which are rich fishery areas. These are blocks 26/10 and 11, 17/1, 2, 5, 6, 8, 10 and 11 and 8/1, 2, 4 and 5. Separate conditions may be set regarding fisheries in connection with potential awards in these blocks.

The extensive fishery activities in blocks 31/10 and 11 and 26/1, 2, 4, 5, 7 and 8 entail that permission to drill more than one exploration well at a time will not be granted. Subject to a specific evaluation of the fishery activities, permission for one additional exploration well may be granted.

In blocks 33/2 and 3 and 34/1 and 2 there is extensive industrial trawling in certain periods of the year. No exploration drilling will be allowed in these areas between 1 October and 31 March.

Special requirements for the Norwegian Sea

The Halten Bank, open part:

- No exploration drilling in oil-bearing layers in spawning periods (1 February - 1 June).
- No seismic in spawn migration/spawning periods (1 January - 1 May).
- Use of technology to handle drill cuttings and drilling fluid in herring spawning grounds.

The Sklinna Bank, open part:

- No exploration drilling in oil-bearing layers in spawning periods (1 February - 1 June).
- No seismic in spawn migration/spawning periods (1 January - 1 May).
- Use of technology to handle drill cuttings and drilling fluid in herring spawning grounds.
- Special measures to strengthen the oil spill emergency response system, including short response times.

Remman and coastal zone, southern part:

- No exploration drilling in oil-bearing layers in the spawning season and breeding and moulting seasons (1 March - 31 August).
- Special measures to strengthen the oil spill emergency response system, including short response times.

The entrance to Vestfjorden, open part:

- No exploration drilling in oil-bearing layers in spawning periods (1 February - 1 June).
- No exploration drilling in oil-bearing layers in the breeding and moulting seasons (1 March - 31 August).
- No seismic in spawn migration/spawning periods (1 January - 1 May).
- Special measures to strengthen the oil spill emergency response system, including short response times.
- Delineation of the area – blocks: 6609/1, 2, 3 and 6610/1, 2, 3, 6611/1, 2.

Eggakanten:

- Special follow-up of the general requirement that surveys must be conducted in new production licences to identify any coral reefs or other valuable benthic communities that may be affected by petroleum activities in the relevant blocks, and ensure that these are not damaged by the activity. Special conditions may be included in licences to avoid damage.

The following terms apply for other areas in the Norwegian Sea that are open for petroleum activity:

- No seismic surveys in the exploration phase to be carried out landward of the 500-metre depth contour in the period 1 January - 1 April. This restriction does not apply to drill site surveys.
- No exploration drilling in oil-bearing layers in the period 1 April - 15 June in blocks 6204/1, 2, 3, 4, 5, 7, 8, 6304/12 inside 500-metre depth contour; quadrant 6305 inside 500-metre depth contour; quadrants 6306, 6307, 6407/2, 3, 5, 6, 8, 9, 11 and 12, 6408/4, 7; 6508, 6509, 6510, 6608/3, 5, 6, 7, 8, 9, 10, 11, 12; 6609, 6610 and 6611.
- No exploration drilling in oil-bearing layers during breeding and moulting seasons (1 April - 31 August) in blocks 6204/7, 8, 10, 11; 6306/6, 8, 9; 6307/1, 2, 3, 4, 5, 7.
- No seismic surveys and no exploration drilling in oil-bearing layers in the period 1 February - 31 March in blocks 6203/6 and 6204/4 overlapping with Norwegian spring-spawning herring (NSSH) spawning areas. This restriction does not apply to drill site surveys.

Special requirements for the Barents Sea

The following conditions apply for the announced blocks in the Barents Sea.

- In areas closer than 50 km from where sea ice has been observed¹, exploration drilling in oil-bearing layers will not be permitted during the period 15 December - 15 June.

Along the coast of Troms and Finnmark to the Russian border

- No exploration drilling will be permitted in oil-bearing layers in the zone 35-100 km from the baseline in the period 1 March - 31 August. A new assessment will be performed when a “particular valuable areas” (PVA) evaluation for the area is completed.

¹ As seen in the daily ice charts of the Norwegian Meteorological Institute.

Tromsøflaket

- On Tromsøflaket, coastal zone restrictions apply as following from the framework valid for Along the coast of Troms and Finnmark to the Russian border.
- On Tromsøflaket, no exploration drilling will be permitted in oil-bearing layers beyond 65 km in the period 1 March - 31 August.

Eggakanten:

- Special follow-up of the general requirement that surveys must be conducted in new production licences to identify any coral reefs or other valuable benthic communities that may be affected by petroleum activities in the relevant blocks, and ensure that these are not damaged by the activity. In vulnerable areas, special conditions may be included to avoid damage.
- In blocks 7217/8, 9, 11 and 12, 7218/7, 8, 9, 10, 11 and 12 and 7219/7 and 10, which overlap the spawning grounds for haddock, acquisition of new seismic data and exploratory drilling are not allowed in oil-bearing layers in the period 1 March - 31 March. This restriction does not apply to drill site surveys.

Bjørnøya:

- Exploration drilling in oil-bearing layers will not be permitted in a belt of between 65 and 100 km around Bjørnøya during the period from 1 April - 15 August.