

Oil and gas (<https://www.gov.uk/topic/oil-and-gas>) – press release

New onshore oil and gas licences offered

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A Petroleum Exploration and Development Licence (PEDL) does not itself give any direct permission for operations to begin. A PEDL grants the licensee exclusivity over an area of land for onshore hydrocarbon exploration, appraisal and extraction. The exclusivity applies to both conventional and unconventional operations.

The UK has a long history of onshore gas exploration, and has developed a robust regulatory system to ensure that any such operations will be carried out to the highest standards of safety and environmental protection. Before a PEDL licensee can begin operations (such as drilling, hydraulic fracturing or production) they must be granted a number of further permissions and consents. These include, for example, planning permission, environmental permits from the Environment Agency, scrutiny of well design by the Health and Safety Executive, and OGA consents under the terms of the PEDL.

Around 75% of the 159 blocks being offered today relate to unconventional shale oil or gas, and additional regulatory requirements apply to this kind of activity.

The offer of PEDLs today follows a detailed environmental assessment of the proposed blocks under the Conservation of Habitats and Species Regulations 2010, which was subject to public consultation. The OGA is today also publishing its updated Habitats assessment report, and its response to the consultation. Following this assessment, and the conclusion of the consultation process, the OGA is satisfied that the approval of the 14th licensing round, and the offer and eventual award of the individual PEDLs, will not have an adverse effect on the integrity of any protected European site.

OGA Chief Executive Andy Samuel said:

“I am pleased that the 14th Onshore Round attracted strong interest and a high quality of proposed work programmes. This round enables a significant amount of the UK’s shale prospects to be taken forward to be explored and tested.

“Upon acceptance of these offers, applicants will be issued with licences and will be able to begin planning their future strategies for exploration activities. These will be subject to further local planning, safety, environmental and other authorisations.”

Energy Minister Andrea Leadsom said:

“Last month we set out the vital role gas will play in the UK’s transition to a low-carbon future. The licences offered today move us a step closer - driving forwards this industry which will provide secure, home grown energy to hardworking families and businesses for decades to come.

“Alongside conventional drilling sites, we need to get shale gas moving. As the Task Force for Shale Gas report found earlier this week, with the right standards in place fracking can take place safely. Now is the time to press ahead and get exploration underway so that we can determine how much shale gas there is and how much we can use.”

ENDS

Notes to editors:

- For more information visit the 14th Onshore Licensing page (<https://www.gov.uk/guidance/oil-and-gas-licensing-rounds#14th-landward-licensing-round>) where you can view: a map of licence block locations, tables outlining the companies and activities applicable to each block, information on the licensing process, the Habitats Regulations Assessment final report and OGA’s response to the consultation.
- The Petroleum Exploration and Development Licence (PEDL), granted under the provisions of the Petroleum Act 1998, affords exclusive rights to licensees “to search and bore for and get petroleum” in all the various stages of oil and gas operations – exploration, appraisal, production and abandonment of wells. The PEDL itself does not confer on the licensee any consent, approval or permission to carry out specified development activities – all activities, such as drilling, will necessarily require further consents, including planning permission and environmental permits.
- Applicants’ technical analysis and work programmes are assessed against a published marks scheme. Only companies with the necessary financial, technical and environmental competency are considered for award and each application must be supported by evidence that the applicant meets the criteria.
- Following discussion with prospective licensees, and in accordance with the devolution settlements set out in the Scotland Bill currently before Parliament and the soon to be introduced Wales Bill, the UK Government decided that no new PEDLs would be awarded in Scotland or Wales as part of the 14th Round.
- The 14th Onshore Oil and Gas Licensing Round was launched on 28 July 2014 and closed on 28 October 2014. A total of 95 applications were received from 47 companies covering 295 Ordnance Survey Blocks.

- The Department for Communities and Local Government is today publishing its consultation response on further amendments to permitted development rights for petroleum exploration site investigation and monitoring.

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