

ICZM and the Oil and Gas Industry

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Offshore hydrocarbon resource Discoveries to date

- Gas
 - Corrib
 - Less than 1 tcf (28 bill Sm³)
 - Kinsale Head/Seven Heads Area
 - ~1.5 tcf (42 bill Sm³)
 - Remaining approx. 1 tcf or 28 bill Sm³



Questions

1. The potential and significance of Ireland's offshore hydrocarbon resource.
2. The significance of this resource for coastal communities.
3. Limiting factors (environmental, social and economic) to accessing this resource?
4. Could ICZM provide the tools needed to plan for future developments in Ireland's hydrocarbon industry? How?

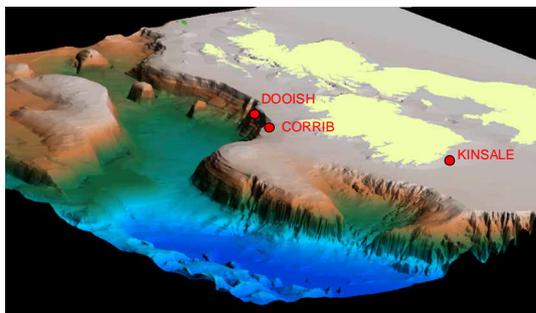


Potential

- Undeveloped reserves? *Corrib*
- Unappraised prospects?
 - *Celtic Sea prospects*
 - *Dooish – Donegal Basin*
- Undiscovered prospects?
 - *Dunquin – (25 tcf? 4,000 mill bbl?)*
 - *Others?*
- Exploration risk in Irish waters – less 5 % chance of success



The Continental Shelf



Significance of discovered reserves

- Norway 2005
 - Oil 5,994 mill Sm³
 - remaining 2,976 mill Sm³
 - Gas 6,062 bill Sm³
 - remaining 5,008 bill Sm³
- Ireland
 - Discovered **1.4 %** of Norway's gas reserves
 - Remaining reserves **0.6** per cent



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1. The potential and significance of Ireland's offshore hydrocarbon resource?

- It could happen
- 35 years on - the potential is relatively unknown;
- Significance could range from zero to important



Significant contracts (coastal) post construction

- Supply vessel (local)
- Standby vessel (local)
- Occasional drilling/subsea inspection services



Bringing reserves to market?

- Regional studies
- SEA process
- Licensing rounds
- Seismic surveys 2D/3D
- Exploration drilling
- Appraisal drilling
- Petroleum Lease/Plan of development
- Consents to develop



2. The significance of this resource for coastal communities?

- It could happen.
- 35 years on - little significance in today's Ireland.
- Potential for the future? Difficult to predict.



Coastal Communities

- History – example Kinsale Head gas field
 - Marathon Petroleum (80s and 90s)– up to 100 permanent staff including offshore and Inch.
 - Inch terminal
 - Cork Airport
 - Cork Harbour
 - Downstream
 - Contractors; services, maintenance etc



ICZM Issues

Development is not kept within the limits of the local environmental carrying capacity

- *Habitat destruction, coastal erosion, contamination, pollution, loss of biodiversity.*

Human problems facing the coastal marine area as intensity of human uses increases

- *Decline of coastal fisheries, resources, destruction of cultural heritage, depopulation.*



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Industry aspects

- Development not kept within the limits of local environmental carrying capacity – for example risks associated with transport (loading/unloading of fuel, tanker spills, shipping accidents), blow-outs).
- Decline of coastal communities etc – Provided appropriate mitigation and abatement applied, – developments in the coastal zone has potential to impact this positively .



Example 1 KHGF

- Discovered early seventies .
- Approx 1.5 TCF in 100 m water depth.
- 50 km offshore.
- On stream October 1978
 - Offshore platforms
 - Onshore terminal
 - 50 km upstream pipeline (approx 1 km onshore).



Potential interfaces with Coastal communities

- Nearshore prospectivity.
- Onshore development (gas).
- Marine support (commercial harbours).



Example 2 Corrib Gas Field

- Discovered 1996.
- Less then two thirds of KHGF.
- Plan of Development approval 2002.
- Planning permission (terminal) 2004.
- IPPC licence possibly 2007.
- Production 2009?

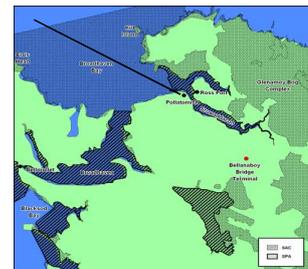


Example natural gas development

- Offshore gas discovery.
- No existing gas infrastructure.
- Virtually no liquids.

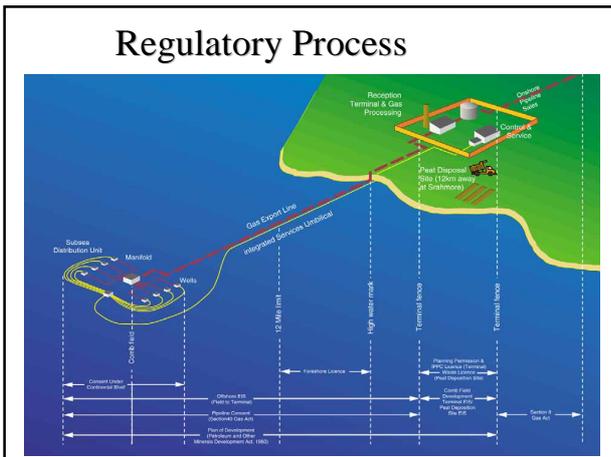


Environmental Designations



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Regulatory Process



Legislation

- Drafting not reflecting practical challenges.
- No horses for courses – same process for all.
- Adversarial processes.
- Letter of the law – legal challenges.
- Lack of integration.
- Example: waste water discharge conditions contained in three consents so far.

Strategic Infrastructure Act

- Natural Gas Terminal – part of a pipeline.
- Not removed requirement for pipeline consent under Gas Act.
- To HWM only.
- EIS requirement under both acts.
- Different approach to stakeholder consultation.

Fragmented process

- Dialogue and co-operation between areas?
- Confusing for developers.
- Confusing for stakeholders.
- Repetition/overlap?
- Some processes appear open-ended.
- Perception of project splitting.

Challenges

- Legislation.
- Fragmented process – no strategic decisions guiding other decisions.
- Access to data.
- Different approaches to stakeholder consultation.
- Lack of direct dialogue.

Stakeholder consultation

- Understanding the legislative processes?
- Communities and individuals feel they have to do it for themselves – nobody represents them.
- Lack of funding and guidance for communities who want to engage.
- Information gaps invite mis-information.
- Media playing a role?

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Conclusion

- Developing tools – ICZM
 - Legislation and processes (clarity).
 - Integrated stakeholder consultation.
 - Agencies work together (ownerships/remit).
 - Communicate – educate.
 - Dialogue.
 - Engage and demand engagement.
 - Encourage participation from outside.



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