

**SAFETY PERMIT**  
**Reference Number: SP 19**

**under Section 13P of the Electricity Regulation Act 1999, as amended**

**granted to**

**PSE Kinsale Energy Limited**

**on**

**2<sup>nd</sup> July 2020**

**in respect of the carrying on of certain designated petroleum activities related to well work**

**under or in connection with**

**the Petroleum Lease granted pursuant to section 13 of the Petroleum and Other Minerals  
Development Act 1960, as amended, dated 7th May 1970;**

**in accordance with**

**Decommissioning Safety Case (DC-17-SR-HES-00365-G-H2) (4<sup>th</sup> September 2019); and  
Alpha Well Work Safety Case (DC-17-SR-HES-00368-G-H1) (26<sup>th</sup> July 2019).**

## PART I: Safety Permit

The Commission for Regulation of Utilities (the “**Commission**”) in the exercise of the powers conferred by Section 13P of the Electricity Regulation Act, 1999, as amended, (the “**Act**”):

### HAVING CONSIDERED:

- Alpha Well Work Safety Case (DC-17-SR-HES-00368-G-H1) (26<sup>th</sup> July 2019)
- Decommissioning Safety Case (DC-17-SR-HES-00365-G-H2) (4<sup>th</sup> September 2019)

submitted by **PSE Kinsale Energy Limited** on 29<sup>th</sup> July 2019 and the 9<sup>th</sup> September 2019 respectively as supplemented by the Additional Information furnished by PSE Kinsale Energy Limited.

both submitted in connection with the following petroleum authorisation(s) held by PSE Kinsale Energy Limited, a “**Grantee**”:

1. Petroleum Lease granted pursuant to section 13 of the Petroleum and Other Minerals Development Act 1960, as amended, dated 7th May 1970;

(the “**Safety Case(s)**”).

### BEING SATISFIED THAT—

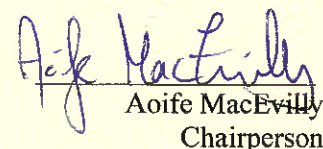
1. the information contained in the Safety Cases complies with the requirements of section 13M(5) of the Act;
2. the Operator is capable of implementing the safety and environmental management system described in their respective Safety Cases; and
3. the Grantee is, subject to the conditions (the “**General Conditions**”) set out in Part II, and the special conditions (the “**Special Conditions**”) set out in Part III of this safety permit (together the “**Conditions**”), and is capable of complying with its duties and obligations under section 13K and 13KA of the Act;

**HEREBY ACCEPTS** the Safety Case (each an “**Accepted Safety Case**” and together the “**Accepted Safety Cases**”) subject to the Conditions; and

**HEREBY GRANTS** to the Grantee a safety permit in respect of the Well Work Activities, subject to the Conditions.

This safety permit shall come into force on the date that the Grantee confirms in writing to the CRU that Production Activities have ceased (the “**Commencement Date**”) and, subject to the Conditions, shall continue in full force and effect until it is confirmed to the Commission that the Alpha platform wells have been abandoned as set out in Regulation 4(3)a of the Petroleum Safety (Designation of Certain Classes of Petroleum Activity) Regulations 2013.

Sealed with the common seal of the Commission for Regulation of Utilities on 2<sup>nd</sup> July 2020.

  
Aoife MacEvilly  
Chairperson

Commission for Regulation of Utilities

## **PART II: General Conditions**

### **1. Definitions and Interpretation**

1.1 Unless the context otherwise requires or unless otherwise defined in this safety permit, words or phrases defined in the Act shall have the meanings given to them in the Act.

1.2 Unless the context otherwise requires, in this safety permit:

“**Accepted Safety Case(s)**” has the meaning given in Part I of this safety permit;

“**Act**” means the Electricity Regulation Act 1999, as amended;

“**Letter of Acceptance**” means the letters issued to the Operator providing notification of acceptance of the submitted safety cases referenced in Part I of this safety permit, and setting out the Requirements of the Letter of Acceptance placed on the Operator;

“**Levy Order**” means an order made under paragraph 16 of Schedule 1 to the Act;

“**Operator**” means the entity appointed under section 13KA(1) to conduct designated petroleum activities including managing and controlling the functions of petroleum infrastructure (except non-production installations) in carrying out petroleum activities as defined in Section 13A of the Act;

“**Petroleum Authorisations**” means those authorisations listed in Part I of this safety permit;

“**Petroleum Infrastructure**” means all or any part of the facilities, structures and installations described in the Accepted Safety Cases;

“**Petroleum Undertaking**” means a person to whom a petroleum authorisation has been given or granted as defined in Section 13A of the Act;

“**Requirements of the Letter of Acceptance**” means the requirements placed on the Operator, listed in Annex A of their respective Letter of Acceptance;

“**Well Work Activities**” means those designated petroleum activities in respect of which the Accepted Safety Cases have been prepared which fall within the class of designated petroleum activity described in Regulation 4(1) of the Petroleum Safety (Designation of Certain Classes of Petroleum Activity) Regulations 2013 and which are carried on within the Well Work Window;

“**Relevant Authority**” means an authority listed under section 13H (4) of the Act.

1.3 In this safety permit

a) “**Grantee**” refers to the person or each person to whom this safety permit is granted and any reference to “**the Grantee**” refers to each Grantee severally.

b) a reference to:

(i) a Part, Condition or paragraph, unless otherwise specified, is a reference to a Part, Condition or paragraph of this safety permit;

(ii) the singular includes the plural and vice versa and references to one gender include all genders;

- (iii) any other document referred to in this safety permit is a reference to that document as amended, varied, novated or supplemented at any time.
- c) a reference to a statute or statutory provision shall be construed as a reference to the laws of Ireland unless otherwise specified and includes:
  - (i) any subordinate legislation made under it including all regulations, by-laws, orders and codes made thereunder;
  - (ii) any repealed statute or statutory provision which it re-enacts (with or without modification); and
  - (iii) any statute or statutory provision which modifies, consolidates, re-enacts or supersedes it.
- d) any phrase introduced by the terms “including, “include” and “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- e) The headings are inserted for convenience only. They are to be ignored in the interpretation of this safety permit.

## **2. Compliance with the Conditions**

2.1 The Grantee shall comply with the Conditions.

2.2 The Grantee shall procure that the Operator comply with the Conditions. Any breach of a Condition or Conditions as a result of an act or omission of the Operator, shall be deemed to be a breach of such Condition or Conditions by the Grantee.

2.3 Notwithstanding anything else in this safety permit, but subject to Condition 2.4, the Conditions shall cease to be binding on the Grantee following the expiry of the Well Work Window.

## **3. The Safety Case**

The Grantee shall procure that the Operator shall at all times act in accordance with their respective Accepted Safety Cases, and where relevant the combined operations notification accepted by the Commission under section 13OA(11) of the Act.

## **4. Letter of Acceptance**

4.1 The Grantee shall procure that the Operator shall comply with the Requirements placed on the Operator in the Letter of Acceptance:

PSE Kinsale Energy Limited Alpha Well Work Safety Case Letter of Acceptance, D/20/4380, 2<sup>nd</sup> July 2020.

PSE Kinsale Energy Limited Decommissioning Safety Case Letter of Acceptance, D/20/4377, 2<sup>nd</sup> July 2020.

5. **Safety Performance Requirements**

The Grantee shall comply and shall procure that the Operator comply with such safety performance requirements as may be specified by the Commission from time to time.

6. **Transfer of Petroleum Authorisation**

6.1 In the event that all or any of the Petroleum Authorisations, or the benefits thereof, are proposed to be assigned, novated or otherwise transferred, in whole or in part, such that:

- a) all or any of the Grantee(s) will cease to carry on all or any of the Well Work Activities; and/or
- b) a new petroleum undertaking which is not the holder of a safety permit in respect of the Well Work Activities wishes to carry on those Well Work Activities,

and provided that no material alteration is proposed to be made to the Accepted Safety Cases, the Grantee(s) shall apply to the Commission to have this safety permit replaced with a new safety permit in the names of the new petroleum undertaking(s).

6.2 Nothing in this Condition 6 shall prejudice the obligations of any Grantee or its procured Operator or any other petroleum undertaking in respect of any material alteration to an Accepted Safety Case.

7. **Notices**

7.1 The relevant notice details for the Grantee shall be as specified in the Special Conditions, provided that the Grantee may notify the Commission of any changes to the notice details specified on not less than two (2) clear weeks' prior written notice.

7.2 The Grantee (the "**Appointor**") may authorise another Grantee to act as agent for service of notices under this safety permit. In such case the Appointor agrees that that any notice and / or request for information under this safety permit shall be effectively served on it in connection with this safety permit if such notice or request is properly served on its agent.

7.3 A copy of any notice served on an agent shall be sent by post to the Appointor. Failure or delay in serving such a copy shall not prejudice the effectiveness of the notice.

8. **Revocation**

8.1 The Commission may at any time revoke this safety permit by not less than 21 days' notice in writing to the Grantee:

- a) if the Grantee or its procured Operator fails to comply with the Conditions of this safety permit;
- b) if the Grantee or its procured Operator fails to comply with an Improvement Notice issued under section 13Z of the Act;
- c) where, in the opinion of the Commission, the Grantee is not complying with its duties under section 13K of the Act; or
- d) in accordance with section 13T(2)(e)(iv) of the Act.



9. **Petroleum Safety Levy**

The Grantee shall pay to the Commission any amounts specified in, or determined under a Levy Order, in accordance with the provisions of such Levy Order.

10. **General**

For the avoidance of doubt, the Conditions in this safety permit are not exhaustive of the obligations of the Grantee and are additional to and without prejudice to any other obligations under any applicable law or regulatory instrument.

### **PART III: Special Conditions**

#### **1. Definitions and Interpretation**

1.1 Unless the context otherwise requires, in this safety permit,

**'Additional Information'** means:

Additional Information in connection with the PSE Kinsale Energy Decommissioning Safety Case (DC-17-SR-HES-00365-G-H2, 4<sup>th</sup> September 2019):

(a) Responses to Additional Information Request Letter number 1, dated 23<sup>rd</sup> October 2019 and subsequent follow up clarifications requests dated 9<sup>th</sup> December 2019 and 14<sup>th</sup> January 2020, as follows:

- (i) 19<sup>th</sup> November 2019, CER/SP08/00181
- (ii) 20<sup>th</sup> December 2019, CER/SP08/00185
- (iii) 10<sup>th</sup> February 2020, CER/SP08/00194

(b) Response to Additional Information Request Letter number 2, dated 12<sup>th</sup> November 2019 and subsequent follow up clarifications request dated 14<sup>th</sup> January 2020 and 19<sup>th</sup> February 2020, as follows:

- (i) 11<sup>th</sup> December 2019, CER/SP08/00183
- (ii) 10<sup>th</sup> February 2020, CER/SP08/00195
- (iii) 26<sup>th</sup> February 2020, CER/SP08/00198
- (iv) 30<sup>th</sup> March 2020, CER/SP08/00201

(c) Response to Additional Information Request Letter number 3, dated 27<sup>th</sup> November 2019, as follows:

- (i) 13<sup>th</sup> December 2019, CER/SP08/00184

(d) Response to Additional Information Request Letter number 4, dated 12<sup>th</sup> December 2019 and subsequent follow up clarifications request dated 19<sup>th</sup> February 2020, as follows:

- (i) 17<sup>th</sup> January 2020, CER/SP08/00187
- (ii) 26<sup>th</sup> February 2020, CER/SP08/00198
- (iii) 23<sup>rd</sup> March 2020, CRU/SP08/00200
- (iv) 30<sup>th</sup> March 2020, CER/SP08/00201

Additional Information in connection with the PSE Kinsale Energy Alpha Well Work Safety Case (DC-17-SR-HES-00368-G-H1, 26<sup>th</sup> July 2019)

(a) Responses to Additional Information Request Letter number 1, dated 5<sup>th</sup> September 2019 and subsequent follow up clarifications requests dated 14<sup>th</sup> January 2020 and 10<sup>th</sup> February 2020, as follows:

- (i) 4<sup>th</sup> October 2019, CER-SP08-00174
- (ii) 17<sup>th</sup> October 2019, CER-SP08-00178
- (iii) 29<sup>th</sup> January 2020, CRU-SP19-00189
- (iv) 19<sup>h</sup> February 2020, CRU-SP19-00196

(b) Responses to Additional Information Request Letter number 2, dated 12<sup>th</sup> September 2019 and subsequent follow up clarifications request dated 14<sup>th</sup> January 2020, as follows:

- (i) 4<sup>th</sup> October 2019, CER-SP08-00174
- (ii) 29<sup>th</sup> January 2020, CRU-SP19-00189

(c) Responses to Additional Information Request Letter number 3, dated 14<sup>th</sup> January 2020 and subsequent follow up clarifications request dated 10<sup>th</sup> February 2020, as follows:

- (i) 29<sup>th</sup> January 2020, CRU-SP19-00188
- (ii) 6<sup>th</sup> February 2020, CRU-SP19-00193
- (iii) 19<sup>h</sup> February 2020, CRU-SP19-00196
- (iv) 5<sup>th</sup> May 2020, CRU-SP19-00203

## 2. Well Work Activities

2.1 The Grantee shall carry out the following works, as a minimum:

- a) drill out and run a cement evaluation log to verify the annulus cement on the first 9 5/8" casing perforate wash cement job,

in order to qualify the element acceptance criteria for annulus cement barrier verification.

2.2 Where a cement evaluation log fails to verify the annulus cement barrier is of an acceptable standard on any of the wells, the Grantee shall drill out the subsequent plug of the same casing diameter, where perforate wash cement jobs have been carried out and log these to qualify the element acceptance criteria as a method for verifying the annulus cement barrier.

2.3 If there are any changes made to the perforate wash cement job design or programme, including but not limited to the casing grades or sizes, perforations, wash fluid, cement



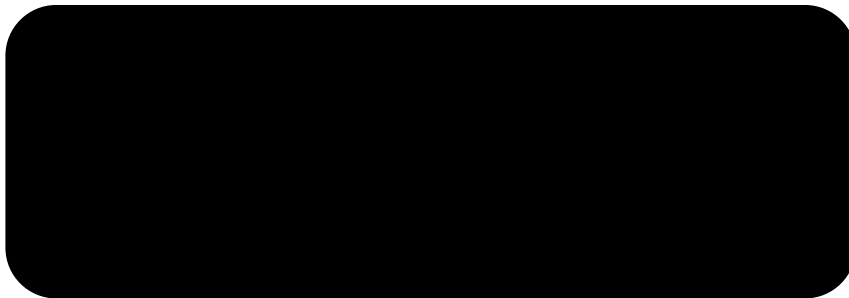
or pump rate, the element acceptance criteria should be qualified by the Grantee by drilling out the cement plug and logging.

- 2.4 It is accepted by the Commission that an element acceptance criterion qualified for Bravo wells will be sufficient to satisfy the requirements of this Special Condition provided there are no changes to the perforate wash cement design or programme used in respect of the perforate wash cement jobs.

### **Notices**

The notice details for each Grantee are as follows:

#### **PETROLEUM UNDERTAKING**





**Reference Number: D/20/4380**

2<sup>nd</sup> July 2020



**Re: Letter of Acceptance: Alpha Well Work Safety Case – SP 19**

Dear 

The Commission for Regulation of Utilities (*“the Commission”*) wish to inform you that the PSE Kinsale Energy Limited Alpha Well Work Safety Case (DC-17-SR-HES-00368-G-H1) (dated 26<sup>th</sup> July 2019), including the additional information as set out in Annex B of this letter, submitted on 29<sup>th</sup> July 2019 has been accepted by the Commission subject to the Conditions set out in associated safety permit SP 19. The Requirements of this Letter of Acceptance, as defined in Annex A, must be read in conjunction with the Conditions of SP 19. Note that all capitalised terms defined within SP 19 shall have the same meaning within the Requirements.

To ensure compliance with SP 19, PSE Kinsale Energy Limited. should be aware of the Conditions placed on it, as the Grantee, within the safety permit. In particular I would like to draw your attention to the following Conditions of SP 19:

## **2. Compliance with the Conditions**

2.2 The Grantee shall procure that the Operator comply with the Conditions. Any breach of a Condition as a result of an act or omission of the Operator, shall be deemed to be a breach of such Condition by the Grantee.

## **3. The Safety Case**

The Grantee shall procure that the Operator shall at all times act in accordance with their respective accepted safety cases, and where relevant the combined operations notification accepted by the Commission under section 130A(11) of the Act.

## **4. Letter of Acceptance**

4.1 The Grantee shall procure that the Operator shall comply with the Requirements placed on the Operator in the Letter of Acceptance:

PSE Kinsale Energy Limited Alpha Well Work Safety Case Letter of Acceptance,  
D/20/4380, 2nd July 2020



An Coimisiún  
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**PSE Kinsale Energy Limited Decommissioning Safety Case Letter of Acceptance,  
D/20/4377, 2nd July 2020**

Should you have any clarifications on the above, you may contact the Petroleum Safety team.

Sincerely,

Signed: 

**Aoife MacEivilly,  
Chairperson  
For and on behalf of the  
Commission for Regulation of Utilities**



## ANNEX A

**'Requirements'** means:

### 1. Program of Work and Daily Reporting

1.1 The Operator shall submit or procure the submission to the Commission of an up-to-date program of work in a form satisfactory to the Commission prior to commencement of the Well Work Activities for each well. Any subsequent changes or revisions made to the program of work should be submitted to the CRU.

1.2 Not later than noon on each day immediately following a day on which any Well Work Activity is carried out the Operator shall submit or procure the submission of a report to the Commission, in the manner and form specified by the Commission, which shall specify:

- a) the date and reference time of the report, where the reference time shall be a time in the last 6 hours;
- b) the Safety Permit Reference Number and well identification;
- c) the names of the Grantee(s) the Operator as appointed by the Grantee(s);
- d) the address of the Operator as appointed by the Grantee(s);
- e) the name of the non-production installation;
- f) details that identify the well and association with other installations or connected infrastructure;
- g) the diameter and true vertical and measured depths of: (a) any hole drilled; and (b) any casing installed;
- h) the drilling fluid density at the time of making the report;
- i) in the case of operations relating to an existing well, its current operational state;
- j) the total number of days since commencement of the Well Work Activities, to include days ahead/behind the final program of work;
- k) a short chronological description of activities during the 24 hours preceding the reference time, including a note of any functional/pressure tests carried out on well control equipment, with their results (including Blow Out Preventers and Sub Sea Test Tree;
- l) the number of persons on board the petroleum infrastructure from which the Well Work Activities are carried out at the reference time;
- m) Operation at the reference time of the report and description of activities forecast for the next 24 hours following the reference time; and



- n) weather and sea conditions at reference time.

## 2. Audits and Reporting

2.1 The Operator shall furnish to the Commission, in such manner and at such times as the Commission may require, such information and such reports as the Commission may consider necessary or appropriate to enable the Commission to monitor compliance with the Conditions of SP19 and compliance with the Act or as it may require for the purpose of performing its functions under the Act.

2.2 Without prejudice to the generality of paragraph 2.1 the Operator:

- a) shall comply with any reporting and / or audit requirements specified by the Commission under any compliance assurance system published by it from time to time; and
- b) shall submit a report on its safety performance in a form satisfactory to the Commission:
  - (i) on the dates specified by the Commission; and
  - (ii) on the date that is two (2) weeks following of the cessation of the Well Work Activities.

2.3 The Operator shall furnish to the Commission, within seven days of receipt, a copy of any report, notice, direction or censure issued by a Relevant Authority detailing any non-compliance with a regulatory requirement.

## 3. Review and Revision of the Accepted Safety Cases

3.1 The Operator shall not be permitted to make a material alteration to an accepted safety case until such material alteration is accepted by the Commission.

3.2 Any failure by the Operator to submit a satisfactory required material alteration to a safety case to the Commission in accordance with Requirement 3.2 shall be considered a breach of Requirement 3.

3.3 In this Requirement 3, a 'satisfactory required material alteration' is a material alteration which is (1) sufficient to address any risk to safety identified by a review carried on pursuant to paragraph 3.1; and (2) is capable of being accepted by the Commission having regard to the requirements of the Act.

3.4 The Operator must update the safety case prior to carrying out Well Work Activities to take account of the Commission's additional information requests and the Operator's response, in the following areas:

- a) Update to section 3 - *Description of Well Operations* of the Alpha Well Work Safety Case (Additional Information Request No. 24)





#### 4. **Well Operations**

The Operator must submit final well abandonment reports to the Commission as soon as possible after the abandonment of each well including schematics and the final well verification sheets signed off by the independent competent body. This must be complete prior to hydrocarbon free status confirmation.

#### 5. **Safety Case Fees**

The Operator shall pay to the Commission any outstanding safety case assessment fee, where the costs incurred by the Commission in the assessment of the Well Work Safety Case and matters directly pertaining to the safety case including the costs and expenses incurred in determining the Conditions relating to issue of this safety permit, exceeded the initial safety case fee paid.

'**Information**' includes any books, documents, records, accounts, estimates, returns or reports (whether or not prepared specifically at the request of the Commission) of any description and in any format specified by the Commission.

See SP19 for additional definitions.

## **ANNEX B**

'**Additional Information**' means:

Additional Information in connection with the PSE Kinsale Energy Decommissioning Safety Case (DC-17-SR-HES-00365-G-H2, 4<sup>th</sup> September 2019):

(a) Responses to Additional Information Request Letter number 1, dated 23<sup>rd</sup> October 2019 and subsequent follow up clarifications requests dated 9<sup>th</sup> December 2019 and 14<sup>th</sup> January 2020, as follows:

- (i) 19<sup>th</sup> November 2019, CER/SP08/00181
- (ii) 20<sup>th</sup> December 2019, CER/SP08/00185
- (iii) 10<sup>th</sup> February 2020, CER/SP08/00194

(b) Response to Additional Information Request Letter number 2, dated 12<sup>th</sup> November 2019 and subsequent follow up clarifications request dated 14<sup>th</sup> January 2020 and 19<sup>th</sup> February 2020, as follows:

- (i) 11<sup>th</sup> December 2019, CER/SP08/00183
- (ii) 10<sup>th</sup> February 2020, CER/SP08/00195
- (iii) 26<sup>th</sup> February 2020, CER/SP08/00198
- (iv) 30<sup>th</sup> March 2020, CER/SP08/00201



(c) Response to Additional Information Request Letter number 3, dated 27<sup>th</sup> November 2019, as follows:

(i) 13<sup>th</sup> December 2019, CER/SP08/00184

(d) Response to Additional Information Request Letter number 4, dated 12<sup>th</sup> December 2019 and subsequent follow up clarifications request dated 19<sup>th</sup> February 2020, as follows:

(i) 17<sup>th</sup> January 2020, CER/SP08/00187

(ii) 26<sup>th</sup> February 2020, CER/SP08/00198

(iii) 23<sup>rd</sup> March 2020, CRU/SP08/00200

(iv) 30<sup>th</sup> March 2020, CER/SP08/00201

Additional Information in connection with the PSE Kinsale Energy Alpha Well Work Safety Case'(DC-17-SR-HES-00368-G-H1)

(a) Responses to Additional Information Request Letter number 1, dated 5<sup>th</sup> September 2019 and subsequent follow up clarifications requests dated 14<sup>th</sup> January 2020 and 10<sup>th</sup> February 2020, as follows:

(i) 4<sup>th</sup> October 2019, CER-SP08-00174

(ii) 17<sup>th</sup> October 2019, CER-SP08-00178

(iii) 29<sup>th</sup> January 2020, CRU-SP19-00189

(iv) 19<sup>h</sup> February 2020, CRU-SP19-00196

(b) Responses to Additional Information Request Letter number 2, dated 12<sup>th</sup> September 2019 and subsequent follow up clarifications request dated 14<sup>th</sup> January 2020, as follows:

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(c) Responses to Additional Information Request Letter number 3, dated 14<sup>th</sup> January 2020 and subsequent follow up clarifications request dated 10<sup>th</sup> February 2020, as follows:

(i) 29<sup>th</sup> January 2020, CRU-SP19-00188

(ii) 6<sup>th</sup> February 2020, CRU-SP19-00193

(iii) 19<sup>h</sup> February 2020, CRU-SP19-00196



An Coimisiún  
um Rialáil Fóntas  
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(iv) 5<sup>th</sup> May 2020, CRU-SP19-00203