

20 December 2012

Practice Group(s):

*Environmental, Land
and Natural Resources*

*Energy Infrastructure
Projects and
Transactions*

*Real Estate Land Use,
Planning and Zoning*

United Kingdom Office of Unconventional Gas and Oil - New Fracking Controls

By Sebastian A. Charles and James O. Green

A new office within the Department of Energy and Climate Change (DECC) has been formed to oversee the exploitation of shale gas by fracking and other types of unconventional oil and gas exploitation in the UK.

The announcement coincides with the launch of new controls on fracking. The only exploratory drilling operation for shale gas in the UK has been on hold after the triggering of seismic incidents by fracking activities last year.

Following reports on those incidents the new controls require:

- A prior review of seismic risk and the existence of faults before fracking begins
- A fracking plan showing how seismic risks will be addressed
- Seismic monitoring before, during and after fracking
- Requirements for fracking to cease in the event seismic activity of certain categories occurs

For the first few operations DECC will engage an independent expert to observe and review operations.

In addition a new study has been commissioned into the potential for greenhouse gases (specifically methane) to arise from fracking operations. The Environment Agency will lead on this climate change related issue.

The Environment Agency and (in Scotland) the Scottish Environment Protection Agency, jointly with the Health and Safety Executive, will deal with permitting fracking activities, together with the traditional role of local planning authorities to deal with planning applications for related surface developments.

In general these controls are welcome in that they allow the investigation of shale gas potential in the UK to resume in a way that should reduce the risk of future incidents and rebuild public confidence. The Secretary of State for Energy and Climate Change, Ed Davey, seems convinced that unconventional oil and gas exploitation can be made safe with proper controls, heralding a future for the industry in the UK, but proceeding with in his words "appropriate caution".

Authors:

Sebastian A. Charles

sebastian.charles@klgates.com
+44.(0).20.7360.8205

James O. Green

james.green@klgates.com
+44.(0).20.7360.8105

K&L GATES

Anchorage Austin Beijing Berlin Boston Brussels Charleston Charlotte Chicago Dallas Doha Dubai Fort Worth Frankfurt Harrisburg
Hong Kong London Los Angeles Miami Milan Moscow Newark New York Orange County Palo Alto Paris Pittsburgh Portland Raleigh
Research Triangle Park San Diego San Francisco São Paulo Seattle Shanghai Singapore Spokane Taipei Tokyo Warsaw Washington, D.C.

K&L Gates includes lawyers practicing out of more than 40 fully integrated offices located in North America, Europe, Asia, South America, and the Middle East, and represents numerous GLOBAL 500, FORTUNE 100, and FTSE 100 corporations, in addition to growth and middle market companies, entrepreneurs, capital market participants and public sector entities. For more information about K&L Gates or its locations and registrations, visit www.klgates.com.

This publication is for informational purposes and does not contain or convey legal advice. The information herein should not be used or relied upon in regard to any particular facts or circumstances without first consulting a lawyer.

©2012 K&L Gates LLP. All Rights Reserved.