



committee@greenparty.im

**Honourable Tim Crookall MHK**

Department of Infrastructure

Sea Terminal

Douglas

IM1 2RF

10 November 2023

By Post and Email

**Dear Minister for Infrastructure**

**Seaward Production Innovate Licence Between the Department of Infrastructure (“the Department”) and Crogga Limited (“Crogga”) (“the Licence”)**

1. Background

1.1. We write further to the sitting of the House of Keys on Tuesday 07 November 2023 and your response to Mr Thomas MHK in regards to the Licence at c.10:57:40.

1.2. You indicated during the sitting that: -

1.2.1. Undertaking a 3D seismic survey is a Crogga requirement to complete Phase B of the Licence, prior to a dwelling of a well in phase C.

1.2.2. Crogga has requested that the Department agrees to vary the Licence so that drilling can take place before Crogga has undertaken the 3D seismic survey required under phase B.

1.2.3. The Department has sought the advice of “*experienced industry advisers*” to determine if the evidence put forward by Crogga is sufficiently compelling to grant the requested variation of the licence.

1.2.4. The advice from “*experienced industry advisers*” has been received by the Department, and that the Department would make its decision “*shortly*” (“**the Expected Decision**”).

1.3. We note that Schedule 3 of the Licence states: -

***“Phase B Period***

...

***Acquisition of New Data:***

*350sq km 3D Seismic Survey, (Acquisition and Processing)*

***Environmental Studies:***

...



*Post 3D Survey Environmental Summary Report*

...

**Phase-C Period** [sic]

...

**Phase C Work Programme:**

*The Licensee shall either:*

*a) Carry out the following programme of drilling work;*

*(i) Drill Vertical Appraisal Well to TD in the Carboniferous or a minimum depth of 2,500 metres*

*(ii) Drill Horizontal Appraisal Well and carry out flow testing.*

*(iii) Drill Vertical Exploration Well to TD in the Carboniferous or a minimum depth of 2,500 metres*

*or;*

*b) Determine the Licence before the end of the Initial Term.”*

## 2. Our Comment upon the Expected Decision

2.1. We understand that the Department will imminently make a decision as to whether to vary the Licence to allow Crogga to undertake the drilling (under Phase-C of the Licence) without having completed the 3D seismic survey under Phase B of the Licence.

2.2. We assume (but do not know) that if the Department grants Crogga the requested variation of the Licence, this will include varying the Licence so that Crogga will not have to perform the “*Post 3D Survey Environmental Summary Report*” (see [1.3] above) prior to proceeding with the drilling under Phase-C of the Licence.

2.3. We note that the North Sea Transition Authority (a regulator sponsored by the United Kingdom government) has issued guidance on “*Innovate Seaward Production Licences*” dated 19 May 2022 (“**the UK Guidance**”)<sup>1</sup>. It is noted that in the Guidance (from paragraph 5), it is indicated that Phase B is the period for undertaking seismic surveying:

*“5. The Initial Term can comprise either one, two or three Phases, each with its own Work Programme:*

- Phase A is a period for carrying out geotechnical and other studies, and obtaining and/or reprocessing geophysical data;*
- Phase B is a period for undertaking new shoot seismic surveys and acquiring other geophysical data; and*
- Phase C is for drilling a well.”*

2.4. It is further noted that in the UK Guidance (from paragraph 21), it is indicated that:

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<sup>1</sup> [NSTA Initial Term Phase Transition Guidance \(nstaauthority.co.uk\)](https://nstaauthority.co.uk)



***“Licences Transitioning from Phase A or B into Phase C***

21. *In accordance with the Innovate Model Clauses and SE02, for licences transitioning from Phase A or B into Phase C, licensees:*

- i. Are expected to confirm the current Phase work programme has been completed.*
- ii. Are expected, at least three months before the end of the current Phase, to have completed a Well Investment Engagement with the NSTA.*
- iii. Are expected, at least three months before the end of the current Phase, to commit in writing to the Phase C work programme, which must be completed before the expiry of Phase C, thus converting it into a firm Well Commitment. Details of plans and timings should be provided.*
- iv. Must demonstrate financial capacity to complete the work programme (see the NSTA’s published Financial Guidance<sup>13</sup>).*
- v. Must appoint, and have approved by the NSTA, a licence operator (application for approval submitted via the Energy Portal<sup>14</sup>)*

22. *Prior to drilling a well, licensees are also required to appoint a well operator to conduct the planning or execution of well operations in line with the OSD Guidance<sup>15</sup> (regulation 5 of the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015).”*

2.5. We note that the Manx Geological Survey has described the matter of the proposed undertaking of the drilling of a well prior to the 3D seismic as running contrary to *“industry good practice”*<sup>2</sup>:

*“Local company, Crogga Limited, was given permission to re-evaluate the area, based on a promise to carry out evaluation work, including a modern form of echo sounding known as a ‘3D seismic survey’. The seismic survey has not been acquired, and the company now says it is unnecessary before drilling a £32 million well. This runs counter to industry good practice and presents extra risks because of the very high pressures encountered at depth when drilling a well.”*

2.6. It seems to us (from the sparse publicly available information on this matter of fundamental public import) that the proposed variation may: -

2.6.1. In placing a Phase C requirement (drilling) before a Phase B measure (a 3D seismic survey), fall outside of the standard work programme under the UK Guidance and be contrary to industry good practice (see [2.3] and [2.5] above); and,

2.6.2. Erode environmental protections by transferring the *“Post 3D Survey Environmental Summary Report”* until after the Phase C drilling.

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<sup>2</sup> [Does-IoM-have-a-natural-gas-field-in-112-25-JB-dgg-18-Jan-23.pdf \(manxgeology.com\)](#)



2.7. In a context where the United Nations World Meteorological Organisation, has said that for the calendar year to date, the global mean temperature is the highest ever recorded (1.43 degrees Celsius above pre-industrial levels), and sea ice in the Antarctic remains at record low levels, we are of the view that a decision to grant a variation of the Licence (let alone to omit to immediately rescind the Licence) would be entirely regrettable, devoid of all rational reason, and in direct conflict with the declaration of Tynwald on Tuesday 18 June 2019 of an environmental and climate emergency (“**the Climate Emergency Declaration**”). The proposed variation to the Licence (if granted) would expose the people of the Isle of Man to yet more risk in creating shortcuts to a process that we assert should not be taking place in any event.

2.8. Noting the critical public import of this matter, we invite you to please respond to our request for confirmations at (3).

### 3. Request for Confirmations

3.1. As Minister for the Department, please can you provide the confirmations that in granting the requested variation of the Licence to Crogga, the following will be taken in consideration and duly recorded:

3.1.1. How the variation would comply with the precepts of section 21(1) of the Climate Change Act 2021, namely:

- “a. the meeting of the net zero emissions target by the net zero emissions target year;*
- b. the meeting of any interim target;*
- c. supporting the just transition principles and the climate justice principle;*
- d. sustainable development, including the achievement of the United Nations sustainable development goals; and*
- e. protecting and enhancing biodiversity, ecosystems and ecosystem services.”*

3.1.2. How the variation would comply with the attainment of the objective of the Paris Agreement (as extended to the Isle of Man) (inter alia, article 2.1(a) “...*pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change*”), and the Nationally Determined Contributions communicated by the United Kingdom Government to the United Nations Framework Convention on Climate Change. In this respect, we note that the United Nations’ Intergovernmental Panel on Climate Change (“**IPCC**”) has indicated that there can be no new fossil fuel infrastructure to even attempt to stay on course for the objective of the Paris Agreement:



*“B.5.3 ... Estimates of future CO2 emissions from existing fossil fuel infrastructures without additional abatement<sup>42</sup> already exceed the remaining carbon budget for limiting warming to 1.5°C (50%) (high confidence). Projected cumulative future CO2 emissions over the lifetime of existing and planned fossil fuel infrastructure, if historical operating patterns are maintained and without additional abatement<sup>43</sup>, are approximately equal to the remaining carbon budget for limiting warming to 2°C with a likelihood of 83%<sup>44</sup> (high confidence). {2.3.1, 3.3.1, Figure 3.5}”*

*Climate Change 2023 (Synthesis Report): Summary for Policy Makers (IPCC) (page 20)*

3.1.3. How the variation would comply with Article 2 and Article 8 of the European Convention of Human Rights, as incorporated into Isle of Man law by the Human Rights Act 2001. In this respect, we refer you to the judgment of the Supreme Court of Netherlands in *The State of Netherlands v Stichting Urgenda 19/00135*, particularly the following extracts thereof:

*“4.3 Climate science long ago reached a high degree of consensus that the warming of the earth must be limited to no more than 2°C and that this means that the concentration of greenhouse gases in the atmosphere must remain limited to a maximum of 450 ppm. Climate science has since arrived at the insight that a safe warming of the earth must not exceed 1.5°C and that this means that the concentration of greenhouse gases in the atmosphere must remain limited to a maximum of 430 ppm.*

...

*“5.6.2 Pursuant to the findings above in paras. 5.2.1-5.3.4, no other conclusion can be drawn but that the State is required pursuant to Articles 2 and 8 ECHR to take measures to counter the genuine threat of dangerous climate change if this were merely a national problem. Given the findings above in paras. 4.2-4.7, after all, this constitutes a 'real and immediate risk' as referred to above in para. 5.2.2 and it entails the risk that the lives and welfare of Dutch residents could be seriously jeopardised. The same applies to, inter alia, the possible sharp rise in the sea level, which could render part of the Netherlands uninhabitable. The fact that this risk will only be able to materialise a few decades from now and that it will not impact specific persons or a specific group of persons but large parts of the population does not mean – contrary to the State's assertions – that Articles 2 and 8 ECHR offer no protection from this threat (see above in para. 5.3.1 and the conclusion of paras. 5.2.2 and 5.2.3).*

3.1.4. How the variation would comply with the Climate Emergency Declaration.



3.1.5. How the variation would comply with the UK Guidance.

4. Transparency

4.1. On this matter of fundamental public import, going to the heart of the Climate Emergency Declaration, we indicate that we will publish this letter and any response received on our website, [www.greenparty.im](http://www.greenparty.im).

Yours sincerely

*Isle of Man Green Party*

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**ISLE OF MAN GREEN PARTY**

Please reply to: [committee@greenparty.im](mailto:committee@greenparty.im)

**cc. (by email only)**

- Chief Minister
- Minister for Treasury
- Minister for Environment, Food and Agriculture
- Proposed Chair of Manx Utilities
- Chair of the Climate Change Transformation Board