



Oil & Gas
Authority

Extended Well Tests (EWTs)

Guidance for Licensees

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Contents

Scope and Purpose of this guidance	3
Introduction	3
Definition of EWTs	4
Consent to EWTs	4
Environmental Impact Assessments	5
OGA Framework	6
Reporting	6

Scope and Purpose of this Guidance

This guidance is intended for licensees planning Extended Wells Tests (EWTs). The guidance covers the following:

- An overview of the OGA's objectives and considerations relevant to EWTs
- The process leading to the consent to an EWT

This document provides guidance as to the OGA's approach to consenting to EWTs. It does not have binding legal effect. If the OGA departs from this guidance it will explain why.

This guidance is not a substitute for any regulation or law and is not legal advice.

The guidance will be kept under review and amended as appropriate in the light of further experience and developing law and practice, and any changes to the OGA's powers and responsibilities. If the OGA changes its guidance in a material way, it will publish a revised document.

Introduction

Under the model clauses of a licence, the consent of the OGA is required to undertake extended well tests - extended periods of test production from exploration or appraisal wells prior to development plan authorisation. It should be noted that EWTs are not an alternative to production under a consented Field Development Plan; the Exploration Operator (or Field Operator if one has been appointed) needs to demonstrate to the OGA that the primary objective of the EWT is to obtain essential field information to improve technical understanding or confidence in the performance of the field to progress towards a development, and to demonstrate that the EWT would not be prejudicial to ultimate recovery. There is, however, no obligation to proceed with a development following an EWT if the EWT demonstrates there is no MERUK opportunity. The OGA notes the issue of an EWT Consent does not of itself constitute the development and production consent required for a licence to enter its final (usually third) term.

Definition of EWTs

The OGA generally considers any well test with a total flow duration of more than 96 hours or which produces a total of more than 2,000 tonnes of oil/oil equivalent¹ to be an EWT. For oil volumes over the 2,000 tonnes threshold, consideration should be given to saving the produced oil rather than flaring it.

Usually the OGA will treat the testing of discrete well zones and side-tracks as separate well tests, although it may require an EWT consent to be applied for where it considers one is appropriate.

The OGA may consider long clean-up flows from development wells to temporary facilities to be an EWT, even if there is no explicit data gathering objective.

Consent to EWTs

The OGA authorises EWTs by means of an “EWT Consent”, which references the licence Model Clauses allowing the getting of petroleum and, if applicable, the flaring of gas. An EWT Consent application is made online through WONS, the OGA’s Well Operations and Notifications System², and requires the submission of a supporting letter of application setting out the timetable and objectives of the test and the quantities of oil and gas to be produced, saved or flared.

Licence operators should note that if oil and/or gas are to be saved during the EWT, a Field Determination may be required for the field in question³. A Pipeline Works Authorisation may also be required for the subsea infrastructure used to carry out the EWT if produced oil is to be saved. The OGA may also carry out a financial capability check prior to issuing an EWT Consent⁴

¹ For the purposes of EWTs, 1 tonne of oil is considered to be 1 tonne of oil equivalent and 43,500 scf of gas is considered to be 1 tonne of oil equivalent (conversion factors are approximate)

² WONS is accessed through the Energy Portal. <https://www.ogauthority.co.uk/site-tools/energy-portal-guidance/#wons-2>

³ <https://www.ogauthority.co.uk/exploration-production/development/field-determinations/>

⁴ See the OGA’s Financial Guidance: <https://www.ogauthority.co.uk/licensing-consents/licensing-system/licensee-criteria/>

Environmental Impact Assessment

An Environmental Impact Assessment (EIA) to assess the likely environmental impact of the proposed EWT will be required to support the EWT application. The Well Operator may request an EIA Direction from the BEIS Offshore Petroleum Regulator for Environment and Decommissioning (OPRED) confirming that an Environmental Statement (ES) is not required; this should be submitted through the Portal Environmental Tracking System (PETS) on the UK Energy Portal. However, OPRED may require an ES where an EWT is undertaken over a significant period and/or involves the flaring of a significant quantity of hydrocarbons. An ES may also be required where the EWT is to be carried out over a significant period in a sensitive location e.g. close to the coast, within or adjacent to a Special Protection Area / Special Area of Conservation / Marine Conservation Zone / Marine Protected Area, or close to a median line. Further guidance can be found in the Guidance Notes on the Petroleum Production and Pipelines (Assessment of Environmental Effects) Regulations 1999⁵.

In planning EWTs, Licensees should bear in mind that should an ES be required for the EWT, this will require formal public consultation and consultation with relevant environmental authorities which can generally take between three and six months.

⁵ <https://www.gov.uk/oil-and-gas-offshore-environmental-legislation>
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/692941/OPRED_EIA_Guidance_-_2018_Revision_4_-_22_Mar_18.pdf

OGA Framework

EWTs and Phased Developments

The OGA may also authorise phased developments of the type described in the OGA's "Requirements for the planning of and consent to UKCS Field Developments"⁶. Phased developments and EWTs as described above have one objective in common, namely the improvement in understanding of the field.

However, they have different purposes and therefore the matters that the licence operator and the Licensees should consider when determining which application to make, and that the OGA will consider in assessing whether that approach is appropriate, are as follows:

- The prime purpose of an EWT is to gain reservoir understanding; little attention needs to be paid to the possible final forms of development other than to ensure that the reservoir is not being irreversibly harmed. A phased development, in contrast, will need to demonstrate at the outset how subsequent phases of development could be accomplished and how the information gathered in the first phase would be used to help define the later phases.
- The duration of, and production from, an EWT are set primarily by its technical objectives and, for most tests, will be small in comparison to ultimate field life and recovery. Within the constraint that it should improve ultimate economic recovery, the duration of and production from the first phase of a phased development will be determined by the usual development objectives and are likely to be significant in terms of field life and recovery. For an EWT there is no need for the facility to be optimised beyond what is required for minimising environmental impact and for the data collection objective. For a phased development, the first phase production facility should, wherever possible, be optimised for the likely requirements of the field.
- If the Licensees consider an EWT may be required in order to inform a Concept Select decision⁶ the Exploration Operator should discuss this with the OGA at an early stage of their project planning.

Reporting

For longer EWTs, the OGA may request that the operator provides a weekly report on the progress of the test.

Once Licensees have completed their analysis of the EWT data, the operator should submit to the OGA a report fully describing the test results (including but not limited to the total quantities of oil and gas produced, saved or flared and the durations of the flow and build up periods) and the conclusions reached as a result of the EWT.

⁶ <https://www.ogauthority.co.uk/exploration-production/development/field-development-plans/>



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