

Cuadrilla Bowland Ltd
Cuadrilla House
Unit 6 Sceptre Court
Sceptre Way
Bamber Bridge
Preston
PR5 6AW
United Kingdom
Tel: +44(0)1772 585450
www.cuadrillaresources.com



Rt Hon Greg Clark MP
Secretary of State
Department for Business,
Energy and Industrial Strategy
1 Victoria Street
London SW1H 0ET

3rd August 2018

Notice pursuant to the application for Hydraulic Fracturing Consent (HFC) in respect of petroleum exploration well Preston New Road – 2, Fylde, Lancashire

Dear Secretary of State

I am writing to seek Hydraulic Fracturing Consent for horizontal well number 2 drilled through the shale rock at Cuadrilla's Preston New Road shale gas exploration site. In support of our application for consent I provide with this letter detailed confirmation of Cuadrilla's compliance with each of the conditions set out within Section 4A of the Petroleum Act 1998.

Cuadrilla is a British company based in Lancashire and in the vanguard of UK onshore shale gas exploration. In April of this year we successfully completed the first horizontal well drilled into shale in this country. In the process of doing so we have created 60 new local jobs and invested almost £9 million into the local economy. Cuadrilla takes its responsibilities with regards to safety, environmental good practice and community engagement very seriously. We keep the local community close to our Preston New Road exploration site fully informed on operational developments through regular written communications, newsletters, site visits, frequent live webcasts and monthly local community liaison group meetings. Cuadrilla has also gone further than the community benefit scheme described below and made additional voluntary payments totalling £100,000 direct to households located within 1.5km of the Preston New Road shale gas exploration site.

In a further ground-breaking initiative, Cuadrilla's commitment to open and transparent communication is exemplified by our online e-Portal. This enables Preston New Road environmental monitoring data about air quality (including methane concentrations), ground and surface water quality, noise levels, traffic movements and seismicity measurements publicly available in an easily accessible and regularly updated online format. We will continue to make this data publically available after Hydraulic Fracturing Consent is granted. This satisfies condition 6(a) set out in the attached Table.

The Table accompanying this letter, together with the relevant associated documentation annexed to the letter, provide full details of Cuadrilla's compliance with each condition set out in Section 4A of the Petroleum Act 1998.

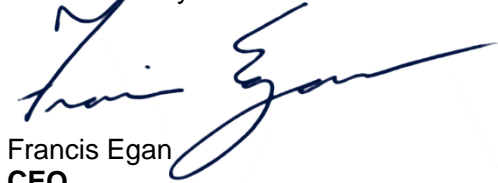
Section 4A(6)(b) of the Petroleum Act 1998, requires as a condition of obtaining Hydraulic Fracturing Consent, that operators will have a scheme in place to provide financial or other benefit for the local area.

I confirm that Cuadrilla has reached a legally binding agreement dated 6th October 2016 with the Community Foundation for Lancashire (CFL) who are consulting with the community local to Cuadrilla's exploration site at Preston New Road, Lancashire. Based on the results of that consultation, CFL will manage the allocation of the funds provided by Cuadrilla to local community projects. Although no final decision has yet been taken, a panel of local residents has indicated a strong preference for the fund to be used to create a community broadband network to help tackle social challenges including loneliness amongst older people and rural isolation. This agreement with CFL will continue after the grant of Hydraulic Fracturing Consent and key features of the agreement are set out in attached Appendix 13.

Cuadrilla requests written confirmation that the accompanying detailed information satisfies the necessary requirements for Hydraulic Fracturing Consent and that consent is duly awarded to hydraulically fracture Preston New Road horizontal well 2.

We look forward to your response.

Yours faithfully



Francis Egan
CEO



Cuadrilla Bowland Ltd

Cuadrilla House, 6 Sceptre Court, Sceptre Way, Bamber Bridge, Lancashire, PR5 6AW, United Kingdom
Tel: +44(0)1772585450 www.cuadrillaresources.com

Company No: 8340918
VAT No: 945 6375 88

Number	s.4A Petroleum Act Conditions	s.4A Petroleum Act Documents	Annex A BEIS Guidance Table	Operator Evidence
1	The environmental impact of the development which includes the relevant well has been taken into account by the local planning authority	A notice given by the local planning authority that the environmental information was taken into account in deciding to grant the relevant planning permission	<p>The local planning authority (this is defined in section 4B to include the Secretary of State) is expected to provide a notice, copied to the Licensee, confirming that the environmental information was taken into account when it decided to grant the relevant planning permission.</p> <p>Licensees can provide BEIS with the notice as evidence of compliance with condition 1.</p>	<p>Appendix 1:</p> <p>16-07-04 Appeal A Petroleum Act Preston New Road</p>
			<p>We would expect the environmental information taken into account by the local planning authority to be in the form of an environmental impact assessment (EIA). Licensees can also provide a copy of the environmental statement which was provided to the local planning authority.</p>	<p>Appendix 1:</p> <p>Environment Statement 2014;</p> <p>Hyperlink to Cuadrilla's website and Lancashire County Council planning portal:</p> <p>https://cuadrillaresources.com/site/preston-new-road/</p> <p>http://planningregister.lancashire.gov.uk/planapplist.aspx</p> <p>Application number: LCC/2014/0101</p>
2	Appropriate arrangements have been made for the independent inspection of the integrity of the relevant well	A certificate given by the Health and Safety Executive that it: (a) has received a well notification under regulation 6 of the Borehole Sites and Operations Regulations 1995, (b) has received the information required by regulation 19 of the Offshore Installations and Wells (Design and Construction, etc.) Regulations 1996, and (c) has visited the site of the relevant well.	<p>We would normally expect Licensees to provide the Health and Safety Executive (HSE) with a well notification under regulation 6 and the information required by regulation 19 as set out in column 2.</p>	<p>Appendix 2:</p> <p>Cuadrilla Well Notification (2) and BSOR submission 19th April 2017</p>
			<p>Once drilling is complete and the HSE have visited the well, the HSE will issue the Licensee with a certificate providing confirmation as to the three requirements set out in column 2.</p> <p>This certificate can then be provided to BEIS by the Licensee to evidence compliance with condition 2.</p>	<p>Appendix 2:</p> <p>HSE Section 50 Certificate, 30th July 2018</p>

Number	s.4A Petroleum Act Conditions	s.4A Petroleum Act Documents	Annex A BEIS Guidance Table	Operator Evidence
3	The level of methane in groundwater has, or will have, been monitored in the period of 12 months before the associated hydraulic fracturing begins	An environmental permit has been given by the relevant environmental regulator which contains a condition that requires compliance with a waste management plan which provides for monitoring of the level of methane in groundwater in the period of 12 months before the associated hydraulic fracturing begins	<p>Licensees should speak to the EA about the location of groundwater monitoring boreholes before they are installed.</p> <p>Licensees should provide details of their proposed plans to undertake 12 months monitoring in their environmental permit application.</p> <p>If this information is included in a stand-alone plan (such as a separate groundwater monitoring plan) rather than in the body of the Waste Management Plan, Licensees may wish to incorporate that plan as an annex to the Waste Management Plan. It is the Waste Management Plan that is anticipated as evidence in column 2.</p>	<p>Appendix 3: PO4 Preston New Road Groundwater Monitoring Plan, March 2016</p> <p>PO4 Environment Agency Letter 7th July 2016, EPR/AB3101MW-P04</p> <p>Waste Management Plan Version 8.0,</p> <ul style="list-style-type: none"> • Section 9.10 page 45 - 56. <p>https://www.cuadrillaresourcesportal.com/</p>
			<p>Any groundwater monitoring which is included as part of the environmental permit will need to be approved by the EA. Under the environmental permitting regime, groundwater monitoring will be required before, during and after hydraulic fracturing, in accordance with EA guidance.</p>	<p>Appendix 3: PO7 Preston New Road Groundwater Monitoring Plan, September 2016 PO7 CAR Form Environment Agency UP3431VF 23/09/2016</p>
			<p>As noted above, if Licensees have not yet completed 12 months' monitoring on the date the HFC is granted, it will not become valid until that monitoring has been completed.</p>	<p>Appendix 3: 12 Months Groundwater Monitoring Data</p> <ul style="list-style-type: none"> • 2016 Report Q3 • 2016 Report Q4 • 2017 Report Q1 • 2017 Report Q2 • 2017 Report Q3

Number	s.4A Petroleum Act Conditions	s.4A Petroleum Act Documents	Annex A BEIS Guidance Table	Operator Evidence
			Licensees can submit the relevant section of their environmental permit (and any relevant plan referred to in that permit) to BEIS, identifying the particular monitoring requirements which evidence compliance with condition 3.	Appendix 3: Installation Permit AB3101MW (1 st May 2018) <ul style="list-style-type: none"> • Table S3.5 page 31
4	Appropriate arrangements have been made for the monitoring of emissions of methane into the air	An environmental permit which contains a condition requiring compliance with a waste management plan which provides for the monitoring of emissions of methane into the air for the period of the permit.	<p>Licensees should provide details of arrangements for monitoring methane emissions into the air in their application for an environmental permit.</p> <p>Licensees can submit the relevant section of the environmental permit to BEIS, identifying the particular monitoring requirements which evidence compliance with condition 4.</p> <p>If this information is included in a stand-alone plan (such as a separate emissions plan) rather than in the body of the Waste Management Plan, it may be sensible to incorporate that plan as an annex to the Waste Management Plan as anticipated by column 2. It would be best practice for Licensees to do so.</p> <p>The emissions monitoring set out in the relevant plan will be subject to review, where appropriate, by the EA and checked against the EA's permitting requirements.</p>	Appendix 4: Installation Permit AB3101MW (1 st May 2018) <ul style="list-style-type: none"> • Schedule 3, Table S1.3 page 20 (PO 2); • Table S3.1 page 25; and • Schedule 3: Table S3.7 page 32 Appendix 4: Waste Management Plan version 8.0, <ul style="list-style-type: none"> • Section 9.6.1 page 41 - 44 and • Section 9.9 page 44 – 45 (Fugitive Emissions) PO 2 EMMP version 5.1 May 2018
5	The associated hydraulic fracturing will not take place within protected groundwater source areas	A decision document given by the relevant environmental regulator (in connection with an environmental permit) which indicates that the	Licensees should provide evidence to the EA that hydraulic fracturing will not take place in protected groundwater source areas. Protected groundwater sources areas are defined in the Onshore Hydraulic	Appendix 5: Environment Agency Decision Document EPRAB3101MW <ul style="list-style-type: none"> • page 41-47

Number	s.4A Petroleum Act Conditions	s.4A Petroleum Act Documents	Annex A BEIS Guidance Table	Operator Evidence
		associated hydraulic fracturing will not take place within protected groundwater source areas.	Fracturing (Protected Areas) Regulation 2015. Licensees can then provide BEIS with the relevant part of the EA decision document as evidence of compliance with condition 5. The EA decision document should explain that the proposed site/s are not within a protected groundwater source area. If Licensees propose to carry out hydraulic fracturing below a protected groundwater source area, the EA, as part of environmental permitting will assess the risks to groundwater before HFC is granted. BEIS may also ask the OGA or Licensee to provide further information to BEIS on the depth of the proposals.	Environment Statement <ul style="list-style-type: none"> Chapter 11, Section 11.6.8, paragraph 129, page 297.
6	The associated hydraulic fracturing will not take place within other protected areas	A notice given by the local planning authority that the area in respect of which the relevant planning permission has been granted does not include any land which is within any other protected areas	<p>The local planning authority is expected to provide this notice to Licensees explaining that hydraulic fracturing will not take place within other protected areas. These areas are defined in the Onshore Hydraulic Fracturing (Protected Areas) Regulation 2015. Licensees can also submit this notice as evidence of compliance with condition 6.</p> <p>BEIS may ask the OGA or Licensee to provide an accompanying document if necessary (e.g. in relation to the depth of hydraulic fracturing), to confirm that Licensee proposals do not include drilling in protected areas.</p> <p>The need for an OGA document will be considered on a case by case basis.</p>	<p>Appendix 6: 16-07-04 Appeal A Petroleum Act Preston New Road</p> <p>n/a</p>

Number	s.4A Petroleum Act Conditions	s.4A Petroleum Act Documents	Annex A BEIS Guidance Table	Operator Evidence
7	In considering an application for the relevant planning permission, the local planning authority has (where material) taken into account the cumulative effects of— a) that application, and (b) other applications relating to exploitation of onshore petroleum obtainable by hydraulic fracturing	A notice given by the local planning authority that it has taken into account those cumulative effects	The local planning authority is expected to provide this notice, copied to Licensees. Licensees can also submit this notice as evidence of compliance with condition 7.	Appendix 7: 16-07-04 Appeal A Petroleum Act Preston New Road
8	The substances used, or expected to be used, in associated hydraulic fracturing— (a) are approved, or (b) are subject to approval, by the relevant environmental regulator	An environmental permit has been given by the relevant environmental regulator which contains a condition that requires substances used in associated hydraulic fracturing to be approved by that regulator	An environmental permit will include a condition requiring substances to be approved by that regulator. Licensees can submit the relevant section of the environmental permit as evidence of compliance with condition 8.	Appendix 8: Installation Permit AB3101MW (1 st May 2018) <ul style="list-style-type: none"> • Activity A4, Schedule 1, page 19 Waste Management Plan Version 8, <ul style="list-style-type: none"> • Section 2.3 page 14; and • Section 3.9.1 page 21.
9	In considering an application for the relevant planning permission, the local planning authority has considered whether to impose a restoration condition in relation to that development	A notice given by the local planning authority that it has considered whether to impose such a condition	The local planning authority is expected to provide this notice, copied to Licensees. Licensees can also submit this notice as evidence of compliance with condition 9.	Appendix 9: 16-07-04 Appeal A Petroleum Act Preston New Road
10	The relevant undertaker has been consulted before grant of the relevant planning permission	A notice given by the local planning authority that the relevant undertaker has been consulted	The “relevant undertaker” means the water undertaker or sewerage undertaker in whose area of appointment the relevant well is located.	Appendix 10: 16-07-04 Appeal A Petroleum Act Preston New Road

Number	s.4A Petroleum Act Conditions	s.4A Petroleum Act Documents	Annex A BEIS Guidance Table	Operator Evidence
			<p>The local planning authority is expected to include this in its notice, copied to Licensees.</p> <p>Licensees can also submit this notice as evidence of compliance with condition 10.</p>	
11	The public was given notice of the application for the relevant planning permission	A notice given by the local planning authority which confirms that the applicant for the relevant planning permission has certified that public notification requirements, as set out in a development order, have been met.	<p>Licensees should give notice of their application for planning permission.</p> <p>The local planning authority is expected to provide a notice, copied to the licensee which confirms that the relevant public notification requirements have been met. Licensees can submit this notice as evidence of compliance with condition 11.</p>	Appendix 11: 16-07-04 Appeal A Petroleum Act Preston New Road

Number	Petroleum Act Section 4A(6)(a) and Section 4A(6)(b)	Annex A BEIS Guidance Table	Operator Evidence
6a	Appropriate arrangements have been made for the publication of the results of the monitoring referred to in condition 4 in the table;	The Licensee should provide a letter to the Secretary of State, setting out precise details of publication. Such details could include: publishing data with visual aids and explanatory notes, to ensure the public readily understand the data, somewhere which is easily accessible and not behind a paywall. The publication arrangements should be updated at least in line with regulatory reporting requirements.	<p>Covering Letter to Secretary of State</p> <p>Appendix 12:</p> <p>https://www.cuadrillaresourcesportal.com/</p>
6b	A scheme is in place to provide financial or other benefit for the local area	The Licensee should provide any relevant documentation, e.g. the relevant deed, together with a cover letter to the Secretary of State, summarising the details of the community benefits scheme they have put in place.	<p>Covering Letter to Secretary of State</p> <p>Appendix 13:</p> <p>Grant Agreement</p> <p>The key features of the grant agreement are as set out below:</p>

			<ol style="list-style-type: none">1. To provide payments of £100,000 and additional administration fee in respect of the Preston New Road site2. Such payments to be held in a charitable trust for the benefit of residents in vicinity of the site3. A panel of appointed local residents will advise the fund administrator on priorities and recommended projects to receive monetary awards from the fund. The respective roles of the fund administrator and the panel are set out within the agreement.4. A clear benefit to local residents needs to be demonstrated in respect of proposed awards to projects or services5. The primary objective for awards is to support the work of established charities and NGOs and to occasionally support vulnerable groups and individuals suffering financial hardship. Other permissible purposes are listed in condition 3.2 of the agreement.6. Should the fund administrator cease to exist provision is made for transfer of the fund to an alternative administrator, and should Cuadrilla cease to exist the administrator is authorised to continue making awards of the remaining sums in the fund.
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