



European Union Network for the
Implementation and Enforcement
of Environmental Law

Onshore Oil and Gas Well Decommissioning, Closure & Liabilities Funding – Phase IV – 2018



Summary

Sharing regulatory best practice and strategy for the safe decommissioning and closure of onshore oil and gas wells, together with a review of Member States approach to funding environmental liabilities at onshore oil and gas sites, is the core of this IMPEL **Industry and Air** project and consequent **Onshore Oil and Gas 2018 report** (read [more](#) on the previous phases I, II and III of this project).

Content

All oil and gas infrastructure can generate significant and lasting environmental harm unless it is properly decommissioned at the end of operations, but wells present the biggest challenges due to difficulty of access and the possible migration of hydrocarbons. This project therefore has a strong focus on wells, while not neglecting other infrastructure.

As a well approaches the end of its lifecycle and is likely to produce little or no further income, the operator may be unwilling or unable (for example due to insolvency) to finance decommissioning work. In this situation operations may simply be suspended and the well is said to be in suspension rather than decommissioned.

The role of formal (regulatory) and voluntary (industry best practice) standards within the onshore oil and gas industry is discussed and it is shown that these can work together towards a common goal.

TARGET GROUP

- Inspection authorities
- Permitting authorities
- Managers (coordinators)
- Inspectors
- Technical support organisations

EU LEGISLATION

- Water Framework Directive
- Groundwater Directive
- Management of Waste from Extractive Industries Directive (the Extractive Waste Directive)
- Waste Framework Directive
- Industrial Emissions Directive (IED)
- Environmental Impact Assessment Directive
- REACH Regulation
- Environmental Liability Directive
- Control of Major Accidents and Hazards Directive (Seveso III)

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For well integrity and decommissioning there are a number of world-class industry best practice guidelines published in Europe that are widely considered to represent Best Available Technique (BAT). Where these are not available international alternatives exist.

Recommendations

Among others, the report provides the following key (phase 4) recommendations:

- Regulators should maintain an awareness of technological developments in the onshore oil and gas industry by engaging with academia and EU research programmes (example: Horizon 2020).
- Countries should consider holding a national wells registry to accurately record the location and other important details of all onshore oil and gas wells. For greater consistency a European numbering system for wells could be developed for use by all participating countries.
- A representative national industry organisation should be established in order to develop codes of practice, promote compliance and facilitate communications between operators and regulators.
- Regulators should ensure that their staff have the relevant skills and qualifications that apply to their role in order to communicate regulatory requirements and influence compliance. When supported by an effective engagement strategy this will help build working relationships and deliver positive results.
- The IMPEL group proposes that scientific research is carried out into the long-term effectiveness and integrity of well decommissioning techniques and materials to protect the environment.
- At a national policy level countries are recommended to investigate the effectiveness and cost/benefits of different financial agreements including an onshore oil and gas levy-system.
- Countries should review their current guidance around financial provision to provide clarity on the substantial legal, financial and regulatory knowledge required to ensure that the financial provision is always secure, sufficient and available when needed; this should ideally extend to guidance or training for onshore oil and gas operators.

LINKS

- [IMPEL](#)
- [IED Implementation](#)
- [IED Inspections](#)
- [Phases I, II and III](#)

KEY WORDS

- Oil and Gas
- Decommissioning
- Wells
- Funding environmental liabilities
- Best practice
- BAT