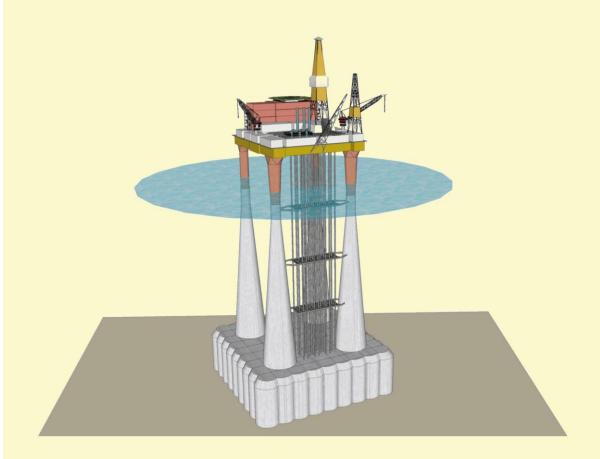


Dunlin Alpha Decommissioning



Concrete Gravity Base
Stakeholder Engagement
Summary Report
January 2012



Dunlin Alpha Decommissioning Concrete Gravity Base

Stakeholder Engagement Summary Report

Contents

- 1. Introduction
- 2. Approach to stakeholder engagement
- 3. Summary of stakeholder engagement to date
- 4. Stakeholder engagement activity details
 - 4.1 Initial stakeholder engagement meeting
 - 4.2 Cell contents expert discussion group
 - 4.3 Ongoing engagement
 - 4.4 OSPAR contracting party consultation process
 - 4.5 Other bi-lateral meetings
- 5. References

Dunlin Alpha Decommissioning	Stakeholder Engagement Summary Report	Page 2 of 17
First issued January 2012		



1. Introduction

The Dunlin cluster of fields, which includes the Dunlin field and its subsea satellites Osprey and Merlin, is located in the UK North Sea, some 500km north-northeast of Aberdeen, and is operated by Fairfield Energy on behalf of itself and MCX, a subsidiary of Mitsubishi Corporation.

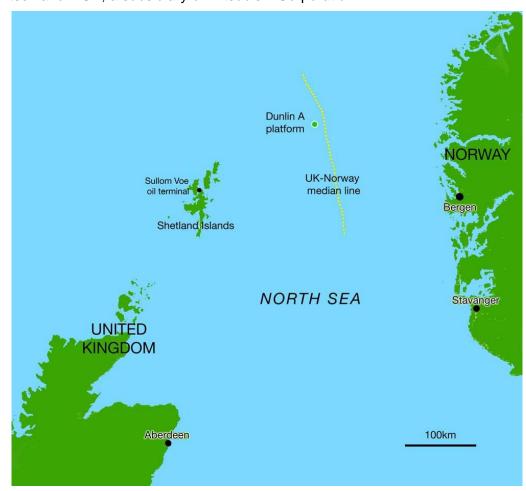


Figure 1a. Dunlin field location map

The Dunlin Alpha platform, known as Dunlin A, came into operation in 1978 and acts as the production hub for the fields. Dunlin A is a concrete gravity base (CGB) structure, supporting a steel topsides deck and production facilities, shown below in Figure 1b.

Dunlin Alpha Decommissioning	Stakeholder Engagement Summary Report	Page 3 of 17
First issued January 2012		





Figure 1b. Dunlin A platform

The platform sits in 151m of water. To give an appreciation of scale, Figure 1c shows a graphic representation of the platform in comparison with the Big Ben clock tower in London, which is 96m high.

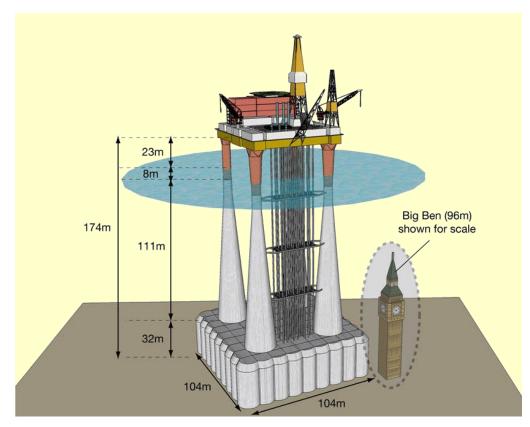


Figure 1c. Dunlin A compared with Big Ben for scale

Dunlin Alpha Decommissioning	Stakeholder Engagement Summary Report	Page 4 of 17
First issued January 2012		



When an offshore installation has reached the end of its economic life as a production facility, it is required to be decommissioned. The UK has a comprehensive regime controlling the decommissioning of offshore oil and gas installations, which favours re-use, recycling or final disposal on land of offshore facilities. These provisions are requirements of European Union Directives, UK legislation and the OSPAR Commission (Ref. 1). For the Dunlin cluster of fields, the decommissioning of the Dunlin A CGB, which weighs 320,000 tonnes, is the most significant area of decommissioning activity.

It is not anticipated that Dunlin A will cease production before 2018 at the earliest. However, Fairfield Energy, as a reasonable and prudent operator, believes that decommissioning preparations should be made at the present time for the following reasons:

- A Decommissioning Programme should be available in the event of early cessation of production (CoP) from the fields due to unexpected reservoir performance or adverse financial conditions, for example, a persistently low oil price.
- For Fairfield Energy to manage the financial provision efficiently for decommissioning, it is essential that a well-defined scope of work is developed for the purposes of the decommissioning cost estimate. This will result in a high level of confidence in the cost estimate and the continued maintenance of an appropriate cash provision for eventual decommissioning activities.
- Consideration of decommissioning options at the present time will provide the greatest opportunity for consultation with stakeholders over an extended period.

Fairfield Energy's intention, from the outset, has been to engage pro-actively with stakeholders - through the planning, execution and post-decommissioning phases. The company began the formal public consultation process with stakeholders in January 2010, explaining the options for decommissioning the platform and focusing on the CGB.

The main objectives of the pro-active engagement process have been to ensure a two-way dialogue with all interested parties so that the views of stakeholders are taken into account at each stage of the decommissioning process. This approach has been particularly important for Fairfield Energy as it continues to assess and evaluate the best decommissioning option for the platform and the associated field infrastructure.

This report provides an account of the stakeholder engagement journey to date, setting out how Fairfield Energy engaged with those organisations and individuals that are particularly interested in helping the company to seek the best option for decommissioning. The report also describes how Fairfield Energy is ensuring that the process is open, fair and transparent.

Dunlin Alpha Decommissioning	Stakeholder Engagement Summary Report	Page 5 of 17
First issued January 2012		



2. Approach to stakeholder engagement

Good stakeholder engagement practice requires the earliest possible involvement of interested parties in the process. Although Fairfield Energy has every intention of producing oil from the Dunlin field for as long as economically possible, the company is keenly aware of its responsibility (financial and societal) for seeking the most viable decommissioning option. Stakeholder engagement is a key building block of the decommissioning process for Fairfield Energy.

There are a number of ways of engaging with stakeholders – from a one-way information campaign through to real, two-way dialogue based on building trust between all parties.

Fairfield Energy has been keen to engage with stakeholders based on the 'Define–Agree–Implement' approach. This style of engagement will help the company to develop long-term trust-based relationships with key stakeholders, giving real opportunity to influence important decisions taken by the company. This is in contrast with the more old-fashioned 'Decide–Announce–Defend' approach to consultation where stakeholders were informed of intended actions after the decision had been taken, with no opportunity to influence the outcome.

Fairfield Energy's engagement approach is based on the following principles:

- Early, pro-active engagement
- Inclusive approach to all interested parties
- Acknowledgement of all concerns
- Consistency
- Realistic commitments
- Joint fact finding
- Transparent and open about the good and the bad



3. Summary of stakeholder engagement to date

Table 3.1 below summarises the main stakeholder engagement milestones since Fairfield Energy began its consultation with stakeholders in January 2010.

Date	Engagement	Outcomes
21 January 2010	Workshop – Aberdeen Wide range of stakeholders attended a workshop to introduce the Dunlin platform, set out the challenges and seek advice from stakeholders.	Comprehensive list of concepts identified Support for further work on cell contents and potential sampling.
May 2010	Re-use Report sent to all stakeholders for comment (Ref. 2)	Following request at January workshop, further studies into possible re-uses were carried out.
July 2010	First Refloat Report issued to all stakeholders for comment (Ref. 3)	No comments received.
14 September 2010	Expert Discussion Group – Cells contents environmental impact assessment – advice and way forward sought	Support for proposed scope of work for impact assessment report to be carried out by Intertek METOC
November 2010 to July 2011	Consultation meetings with OSPAR Contracting Parties (Norway, UK, Germany, France and Netherlands)	Contracting parties familiarised with Fairfield Energy and the Dunlin platform. Key concerns set out for Fairfield Energy to take into account.
June 2011	Cells Contents Impacts Assessment Report - independent study report issued to all stakeholders in August 2011 (Ref. 4)	No comments received.
July 2011	Access to Legs and Cells Report issued (Ref. 5)	No comments received.
August 2011	Second Refloat Report issued (Ref.3)	No comments received.
October 2011	In Situ Deconstruction Report issued (Ref. 6)	No comments received.
November 2011	In Situ Decommissioning Report issued (Ref. 7)	No comments received.
Ongoing engagement	Regular ongoing dialogue with those stakeholders with particular interest All reports and studies published on Dunlin decommissioning website http://www.fairfield-energy.com/pages/view/dunlin-study-reports	

Table 3.1. Main stakeholder engagement milestones since January 2010

Dunlin Alpha Decommissioning	Stakeholder Engagement Summary Report	Page 7 of 17
First issued January 2012		



4. Stakeholder engagement activity details

4.1 Initial stakeholder engagement meeting

Fairfield Energy began the stakeholder consultation process in January 2010. A list of stakeholders was researched and each individual consulted on their level of interest and consultation method, preferred location of a meeting and issues of particular interest. As a result, an introductory one-day workshop was organised and held in Aberdeen (where most of the stakeholders are located) on 21 January 2010 to introduce all the stakeholders to Fairfield Energy and the Dunlin Alpha platform. The participants are shown in Table 4.1a below:

Organisation	
Aberdeen University	
Aberdeenshire Council	
Centre for Environment, Fisheries and Aquaculture Science (CEFAS)	
Decommissioning North Sea	
Department of Energy & Climate Change (DECC) x 3	
Fairfield Energy x 3	
Health & Safety Executive (HSE) x 2	
Independent facilitators x 2	
Intertek METOC x 2	
Joint Nature Conservation Committee (JNCC) x 2	
Marine Scotland x 2	
Maritime and Coastguard Agency (MCA)	
MCX (Mitsubishi)	
Offshore Design Engineering (ODE)	
Oil & Gas UK	
Scottish Enterprise	
Scottish Environment Protection Agency (SEPA) (Radioactive waste)	
Scottish Fishermen's Federation x 2	
SEPA (Marine)	

Table 4.1a. Participants at January 10 2010 stakeholder meeting in Aberdeen

Dunlin Alpha Decommissioning	Stakeholder Engagement Summary Report	Page 8 of 17
First issued January 2012		



An independent facilitator, Andrew Acland, was engaged by Fairfield Energy to ensure that the meeting was felt to be fair and equitable for all concerned.

Some 30 participants took part in the meeting which was carefully structured to ensure that the stakeholders gained a thorough understanding of the Dunlin platform and the particular challenges that Fairfield Energy would be facing when assessing the different decommissioning options available. The

participants were also asked to 'brainstorm' the issues that were of particular concern that they would like Fairfield Energy to explore further.

A number of organisations were unable to attend the engagement workshop in Aberdeen (e.g. Greenpeace). Individual meetings were subsequently held with these organisations.



The independent facilitator developed

a report of the meeting: Decommissioning Dunlin Alpha - Report of a stakeholder consultation workshop held on 21 January 2010, which is available on the Fairfield Energy Dunlin decommissioning website at:

(http://www.fairfield-energy.com/pages/view/dunlin-stakeholder-engagement).

The main focus of the initial stakeholder meeting was to set out the key facts relating to the Dunlin Alpha platform and also to understand some of the main issues of concern to stakeholders as Fairfield Energy began the review of potential decommissioning options for the CGB. Table 4.1b below summarises some of the main concerns raised by stakeholders at the Aberdeen meeting and how these have been, and are being, addressed by Fairfield Energy in the technical studies and options assessments that have been ongoing since January 2010.

Area	Concerns Raised	Addressed
Marine Environment	Access to CGB cells	Cells Access Report (Ref. 5)
	Best practice in handling drill cuttings	OSPAR Recommendation 2006/5 (Ref. 10)
	Record of what went into the cells	Cells Contents Impacts Assessment Report (Ref. 4)
	Contingency for leakage from cells	As above
	Ongoing monitoring	Decommissioning Programme
	Removal of cell contents	Not possible – see Cells Access Report (Ref. 5)
	Degradation and erosion of GBS	Cells Contents Report (Ref. 4) and In Situ Decommissioning Report (Ref. 7)

Dunlin Alpha Decommissioning	Stakeholder Engagement Summary Report	Page 9 of 17
First issued January 2012		



Area	Concerns Raised	Addressed
	Clean up	Cells Contents Report / Decommissioning Programme
	Balancing costs of decommissioning and environmental protection	Comparative Assessment Report (Ref. to come)
	Cumulative impacts of leaving structures in place	Acknowledged
	Seabed survey data	Environmental Impact Assessment
	Heavy metals contents	Cells Contents Report (Ref. 4)
Other Users of the Sea	Navigation aids	In Situ Decommissioning Report (Ref. 7)
	Long term liability/residual liability fund	Comparative Assessment Report (Ref. to come)
	Funding of UK Fisheries Legacy	Comparative Assessment Report (Ref. to come)
	Every remaining structure makes life difficult for fishermen	Acknowledged
	Dangers of cutting down to -55m below sea level	Taken into account when assessing different options
	FishSafe updating requirements	Acknowledged
	Long term concern that structures left in place will crumble away	In Situ Decommissioning Report (Ref. 7)
	Loss of access	Acknowledged
Technical	Link to safety issue	Decommissioning Programme
	Risks – health & safety / technology	Decommissioning Programme
	Reuse and recycling options (e.g. wind farms, emergency response base etc)	CGB Re-use Report – May 2010 (Ref. 2)
	Look at alternative decommissioning options	See Refloat Report – August 2011 (Ref. 3)
Stakeholder Engagement	Feedback to stakeholders/keeping informed	Ongoing

Table 4.1b. Concerns raised at January 2010 stakeholder meeting and responses

Dunlin Alpha Decommissioning	Stakeholder Engagement Summary Report	Page 10 of 17
First issued January 2012		



4.2 Cell contents expert discussion group

One of the main issues raised by stakeholders in January 2010 was the contents of the CGB's 81 individual cells in the base of the structure. The concerns voiced by the stakeholders focused on the options for sampling the cells and what might happen in the event of a major structural failure, as well as the impact of the eventual leakage of the contents into the marine environment as the cells degrade over time.

In order to address this issue thoroughly, Fairfield Energy commissioned METOC (now Intertek METOC) to carry out a detailed environmental study into both the contents of the cells and their potential environmental impacts on the marine environment (Ref. 4)

With agreement from the wider group of stakeholders, representatives from among them were asked by Fairfield Energy to form an Expert Discussion Group (see Appendix II for list of participants) to look at the cells contents issue. To this end, a meeting was convened on 14 September 2010 in Southampton at the National Oceanography Centre to review the proposed scoping report for the cell contents and environmental impact assessment. As with the previous workshop in Aberdeen, independent facilitators were asked by Fairfield Energy to run the session. Although seven organisations were invited to participate, three were unable to attend on the day. Andrew Acland, the independent facilitator, followed up with each organisation to ensure their views were taken into account.

The participants are shown in Table 4.2:

Organisation
DECC*
JNCC
Greenpeace*
CEFAS
National Oceanography Centre, Southampton
Scarborough Centre for Coastal Studies
SEPA*

Table 4.2. Participants at September 2010 stakeholder meeting in Southampton

The main aims of the Expert Group Discussion were:

- To consider the preliminary results of the cells inventory evaluation, pathways and potential environmental impact
- To identify any further factors that should be risk assessed
- To identify any further environmental receptors

Dunlin Alpha Decommissioning	Stakeholder Engagement Summary Report	Page 11 of 17
First issued January 2012		

^{*} These participants were unable to attend on the day.



 To review with experts approaches, methods, priorities, uncertainties, and possible approaches to management and mitigation of risks and consequences

A full report of the workshop was compiled by the facilitator and published on the Dunlin Decommissioning site. (See http://www.fairfield-energy.com/pages/view/dunlin-stakeholder-engagement).

Early on, Fairfield advised stakeholders that it would not be possible to access the sealed cells in order to take samples as attempt to do this would affect the structural integrity of the CGB. If it were possible to access the cells, it would be necessary to take a great number of samples since the distribution of contents in the large cells volume would be different. In order to support this position, Fairfield Energy carried out a study into the feasibility of accessing the legs and the cells (Ref. 5), which was published on the Dunlin website.

The views from the Expert Discussion Group participants were taken into account by Intertek METOC as it worked towards finalising the Cells Contents Impact Assessment (Ref. 4). The study was completed in May 2011 and issued to all stakeholders for comment. The study was also published on the Dunlin website.

At the end of each of the stakeholder workshops in January and September 2010, the independent facilitator Andrew Ackland conducted an evaluation process of the workshop. He summarised the evaluations as follows:

"Both workshops were well received with participants commending in particular the openness and transparency of Fairfield's approach. A number of participants in the January 2010 stakeholder engagement workshop in Aberdeen would have liked the re-use options to have been developed in more detail, but there was also recognition that the decommissioning process was still at a very early stage. The September 2010 Expert Discussion Group in Southampton, held in response to suggestions made at the earlier workshop, was more technical in nature and less well attended but contributed to a shared understanding of the issues around cell contents and the challenges involved in resolving them. Participants assessed both workshops overall to be valuable, well structured and well facilitated."

Dunlin Alpha Decommissioning	Stakeholder Engagement Summary Report	Page 12 of 17
First issued January 2012		



4.3 Ongoing engagement

Following the first stakeholder workshop in January 2010, engagement with all stakeholders has been ongoing. A number of studies were commissioned, some on advice from stakeholders. for example, the CGB Re-use (Ref. 2) and Cell Contents Reports (Ref. 4), and have been the basis for further engagement with stakeholders.

There are a number of key milestones which the engagement process will focus on, although the aim is to have an ongoing dialogue through until the Dunlin platform is decommissioned.

Table 4.3 summarises the main decommissioning milestones.

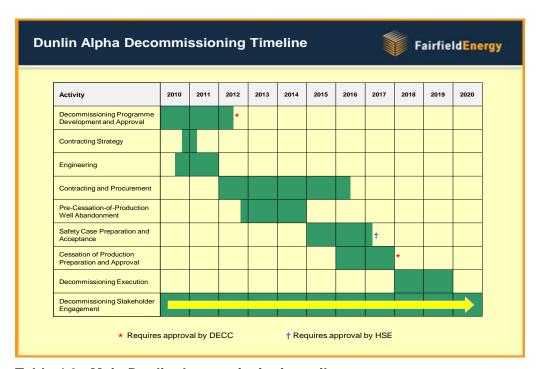


Table 4.3. Main Dunlin decommissioning milestones

4.4 OSPAR contracting party consultation process

Under the OSPAR Convention, OSPAR Decision 98/3 acknowledges that some platforms, for example large concrete gravity base platforms, cannot be removed (Ref. 8). In these circumstances the platform operator is allowed to apply for an exemption, know as a derogation, to leave the structure wholly or partly in place. The Dunlin A CGB qualifies for such a derogation.

As decommissioning study work progressed, it has become clear that a derogation to OSPAR Decision 98/3 would be required for the CGB, in consultation with DECC, and in accordance with the DECC Guidance Notes (Ref. 9)

Fairfield Energy took the view that it would be helpful to approach some of the OSPAR Contracting Parties with interest in decommissioning with the aim of providing an overview of the Dunlin platform and the main reasons why a derogation case would be necessary. Therefore, in September 2010, a number

Dunlin Alpha Decommissioning	Stakeholder Engagement Summary Report	Page 13 of 17
First issued January 2012		



of the Contracting Parties were approached with the aim of setting up meetings to discuss the decommissioning issues.

Table 4.4 summarises the key meetings which have taken place to date:

Date and location of meeting	OSPAR Contracting Party
17 November 2010 – Oslo	Norway
25 January 2011 – Paris	France
21 March 2011 – Rijswijk	The Netherlands
23 May 2011 – Aberdeen	United Kingdom
14 July 2011 – Hamburg	Germany

Table 4.4. Meetings with OPSAR contracting parties

At each of the meetings, a presentation was given providing an overview of Fairfield Energy and the key facts on the Dunlin Alpha platform. The main challenges facing the company were also set out. Each of the Contracting Parties set out their primary areas of concern and expectations for an application for derogation from the UK's government.

4.5 Other bi-lateral meetings

4.5.1 Centre for Environment, Fisheries and Aquaculture Science (CEFAS)

Fairfield Energy held an initial meeting with CEFAS on 25 March 2010 to discuss options for assessing the cells contents and drill cuttings. This meeting stimulated thought which assisted with the development of the cells contents analysis scope of work, and the potential value of toxicological testing with a synthetic sludge. The meeting also considered data requirements to enable a meaningful analysis of drill cuttings to be undertaken.

As reported above CEFAS were participants in the cell contents Expert Discussion Group and attended the meeting of 14 September 2010 where there was further discussion on the merits of an experimental toxicological programme and the potential wide range of uncertainty in any results.

A subsequent meeting was arranged on 29 April 2011 to discuss the findings of the Intertek Metoc cells contents report. The meeting concluded that the analysis undertaken by Intertek Metoc was thorough and that a toxicological programme was unlikely to reduce the range of uncertainty in the cells contents.

4.5.2 Scottish Fishermen's Federation (SFF)

Following SFF attendance at the 21 January 2010 stakeholder consultation, meetings were held with SFF on 8 June 2010, 12 May 2011 and 7 October 2011 to brief the fishing industry's representatives on progress of the decommissioning options for the CGB. The findings of the Intertek Metoc report

Dunlin Alpha Decommissioning	Stakeholder Engagement Summary Report	Page 14 of 17
First issued January 2012		



were also discussed together with the industry's experience with aids to navigation currently installed on derogated CGB structures.

4.5.3 Greenpeace

Fairfield Energy has held Meetings with Greenpeace UK on 3 February 2010, 4 March 2011 and 11 November 2011.

The initial meeting was to provide a briefing on the company's approach to Dunlin decommissioning as Greenpeace was unable to attend the Aberdeen stakeholder meeting held on 21 January 2010. Greenpeace was subsequently consulted on the scope of the cells contents study (Ref. 4) and provided constructive comment on the draft report at the meeting held on the 4 March 2011.

The draft In Situ Decommissioning Report (Ref. 7) was discussed with Greenpeace on the 11 November prior to the document being made available on the Dunlin website.

Greenpeace has consistently stressed the need to follow the process in OSPAR Decision 98/3 rigorously with respect to the CGB. Greenpeace also expressed an interest in the options for addressing the drill cuttings accumulations on and around the base of the CGB. Fairfield has committed to evaluating all options for the drill cuttings within the Dunlin A Environment Impact Assessment which will be prepared during 2012.

4.5.4 Northern Lighthouse Board

Fairfield Energy has also met with the Northern Lighthouse Board (NLB) in Edinburgh on 12 February 2010 to discuss the statutory requirements for aids to navigation systems on decommissioned CGB structures left in place under the provisions of OSPAR 98/3. This meeting produced a useful exchange of information and it was recognised that the NLB views would be formally sought by DECC within the statutory consultation process, following a formal application for derogation submitted by Fairfield Energy.

4.5.5 Marine Scotland

Fairfield Energy met with the science division of Marine Scotland (formerly Fisheries Research Services) on 22 March 2011. The purpose of the meeting was to discuss the cells contents study (Ref. 4) following Marine Scotland attendance at the 21 January 2010 Stakeholder Meeting.

The meeting was also attended by Intertek METOC (the independent environmental consultants commissioned by Fairfield Energy to carry out the study).

Marine Scotland discussed the range of possible environmental impact mechanisms arising from the cells contents, and examined the methodologies and assumptions applied by the Intertek METOC study.

The meeting concluded with expression of support by Marine Scotland for the method and conclusions of the cells contents study, and in particular Marine Scotland concurred with the specific conclusions of the study concerning the uncertainties of sampling techniques.

Dunlin Alpha Decommissioning	Stakeholder Engagement Summary Report	Page 15 of 17
First issued January 2012		



5. References

- 1. OSPAR Commission. http://www.ospar.org.
- Fairfield Energy, Dunlin Alpha CGB Re-use Report, 29 July 2011
 http://www.fairfield-energy.com/pages/view/dunlin-re-use-report
- 3 Fairfield Energy, Dunlin Alpha Decommissioning, Concrete Gravity Base Refloat Report, Options, Study and Conclusions, July 2010 http://www.fairfield-energy.com/pages/view/dunlin-in-situ-decommissioning
- 4. Intertek METOC, Dunlin Alpha Decommissioning, CGB Cells Contents Impact Assessment, June 2011.
 - http://www.fairfield-energy.com/pages/view/dunlin-cells-contents-impact-assessment
- Fairfield Energy, Dunlin Alpha CGB, Access to Legs and Cells Report 19 July 2011
 - http://www.fairfield-energy.com/pages/view/dunlin-access-to-legs-and-cells-report
- 6. Fairfield Energy, Dunlin Alpha CGB In Situ Deconstruction Report, Options and Conclusions, 10 October 2011
 - http://www.fairfield-energy.com/pages/view/dunlin-in-situ-deconstruction
- 7. Fairfield Energy, Dunlin Alpha CGB In Situ Decommissioning Report, 28 November 2011
- 8. OSPAR Decision 98/3. OSPAR Convention for the Protection of the Marine Environment of the North-East Atlantic. OSPAR Decision 98/3 on the Disposal of Disused Offshore Installations
 - http://www.ospar.org/documents/DBASE/DECRECS/Decisions/od98-03e.doc
- 9. DECC Guidance Notes. Decommissioning of Offshore Installations and Pipelines under the Petroleum Act 1998. UK Department of Energy & Climate Change.
 - https://www.og.decc.gov.uk/regulation/guidance/decommission.htm
- OSPAR Implementation report on Recommendation 2006/5 on a management regime for offshore cutting piles

Dunlin Alpha Decommissioning	Stakeholder Engagement Summary Report	Page 16 of 17
First issued January 2012		



Any enquiries regarding this document should be addressed to:

Dunlin Alpha - Public Consultation Fairfield Energy Mallard Court Market Square Staines Middlesex TW18 4RH United Kingdom

T: +44 (0) 1224 300 500 E: info@fairfield-energy.com

Dunlin Alpha Decommissioning	Stakeholder Engagement Summary Report	Page 17 of 17
First issued January 2012		