

EXECUTIVE COUNCIL

PUBLIC

Title:	Land set aside: Hydrocarbons development
Paper Number:	174/24
Date:	07 November 2024
Responsible Director:	Director of Natural Resources
Report Author:	Claire Young (Administration Manager and Project Support)
Portfolio Holder:	MLA Teslyn Barkman
Reason for paper:	This paper is submitted to Executive Council: For policy decision (including budgetary policy)
Publication:	Yes
Previous papers:	49/22, 75/20
List of Documents:	N/A

1. Recommendations

Honourable Members are recommended:

- (a) To approve the renewal of the moratorium on the allocation of the tract of land in the Gordon Lines area of Stanley reserved for the oil industry until 31 December 2026

2. Additional Budgetary Implications

- 2.1 None

3. Executive Summary

- 3.1 A tract of unallocated FIG land is currently reserved in the Gordon Lines industrial area for future oil and gas support requirements, with a moratorium on allocation which is currently due to expire on 31st December 2024. The tract is located north of the Airport Road to the east of Boxer Bridge Road.
- 3.2 It is proposed to continue to reserve the tract for future Sea Lion onshore support facilities, and to maintain the current moratorium until 31 December 2026.

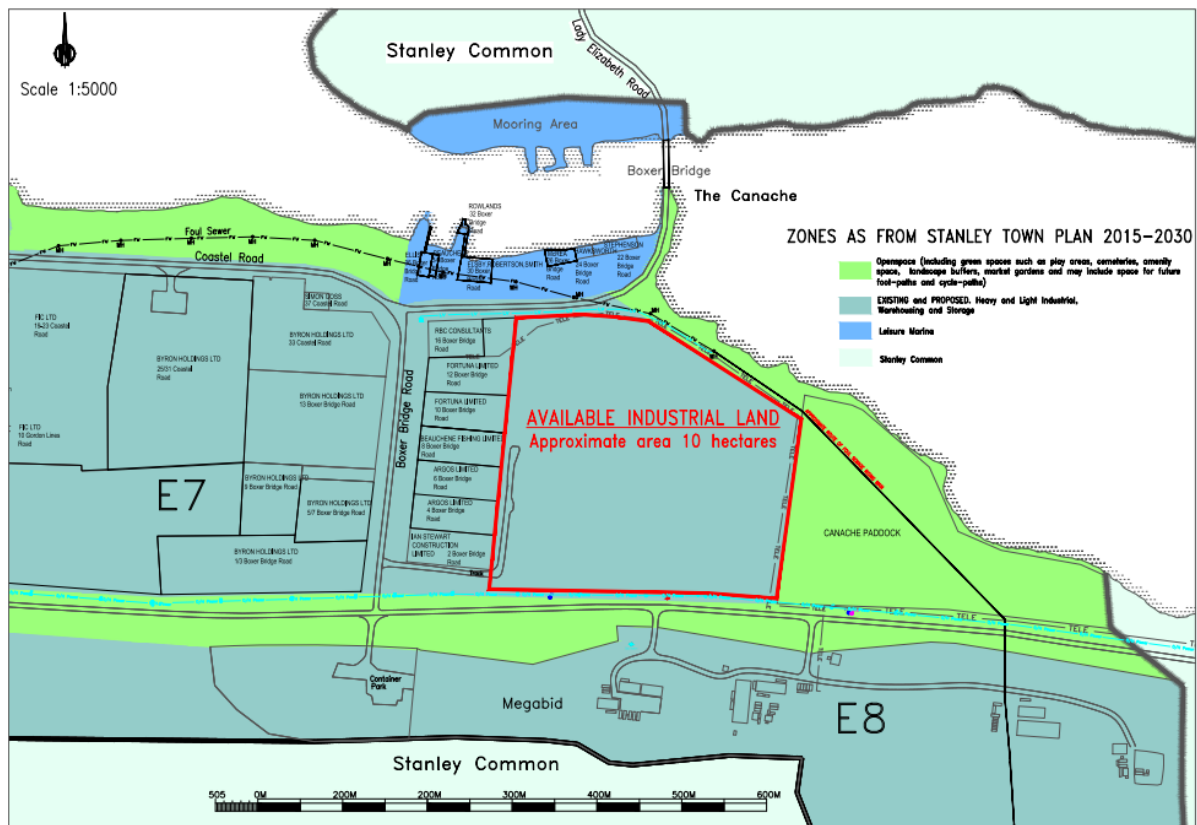
3.3 This extension is set at 2 years in line with the approved length of production licences.

4. Background [and Links to Islands Plan and Directorate Business Plan/s]

4.1 The Sea Lion project will require onshore logistics and support facilities, for both the construction phase and throughout the life of the oilfield, currently estimated to have a 30-year production life. This will include both generic storage and laydown facilities, some specialist facilities such as a plant for generating drilling fluid (also known as the ‘Liquid Mud and Bulk Facility’), a suite of workshops and engineering facilities, and some hazardous storage for bulk and hazardous chemicals. An element of co-location and efficient design/layout is essential to ensure both efficient operation and public safety.

4.2 ExCo imposed a land allocation moratorium on the 2014 Gordon Lines Interim Land Policy to reserve this land to ensure that sufficient land remains available for future use directly supporting the Sea Lion Development in 2018. This was renewed in 2020, and again in 2022, with the moratorium now due to expire on 31st December 2024.

4.3 Two areas of land were initially reserved, however the western tract located north of the airport road and west of Boxer Bridge Road was released for allocation in 2022 as it was assessed as unlikely to be required for supporting Sea Lion. The second tract is located east of Boxer Bridge Road, directly south of Boxer Bridge. This area is highlighted on the map below.



4.4 The purpose of retaining this land is to support the Sea Lion project, the progress of which, was adversely affected by global economic activity compounded by Covid-19 leading Harbour Energy Plc (a merger of Premier Oil and Chrysaor Holdings) to withdraw from the Sealion project. In September 2022 Premier Oil Exploration and Production Ltd was bought by Navitas, following which the proposed Sea Lion Development concept was modified and progress recommenced. It is expected that the onshore logistical requirements will be similar to those in previous extensions.

4.5 In July 2024 Navitas submitted to FIG an Environmental Impact Assessment for the Sea Lion Field and is currently, at the time of writing, preparing to submit a Field Development Plan with the intention of progressing to financing and ultimately a final investment decision.

4.6 Due to the progress being made by Navitas and the potential for onshore work to commence within the next two years, it is recommended that the existing tract of reserved land continues to be reserved for oil development through to 31 December 2026

5. Consultation

5.1 DMR has consulted the Head of Planning and Building who stated the extension would be unlikely pose any additional risk and had no comments on this proposal.

6. Resource Implications

6.1 Financial Implications

6.1.1 None

6.2 Human Resource Implications

6.2.1 None

6.3 Other Resource Implications

6.3.1 None

7. Legal and Legislative Implications

7.1 DMR has consulted with Legal services with no comments or implications raised.

8. Equalities and Human Rights Implications

8.1 None

9. Environmental & Sustainability Implications

9.1 None

10. Camp Implications

10.1 None

11. Significant Risks

- 11.1 There are not considered to be any significant risks arising from the recommended action.

12. Communication

- 12.1 None

13. Reasons for Recommending Preferred Option

- 13.1 Failure to set aside sufficient land for hydrocarbons development projects would cause difficulties to the delivery of the Sea Lion project with detrimental impacts on the economy of the Falkland Islands.
- 13.2 A contiguous and large parcel of land will be required to develop a coordinated oil support base. Gordon Lines is a finite area that is rapidly being developed and is the only location sufficiently close to the Temporary Dock Facility to facilitate efficient oilfield support activity.