

EU's methane regulation and potential consequences for inactive wells at NCS

20th October 2022

Ann-Cathrin Vaage, Offshore Norge

PROPOSAL FOR METHANE REGULATION LAUNCHED BY THE EU COMMISSION DECEMBER 2021



Reducing methane emissions from oil, gas and coal

- improve the accuracy of methane emissions reported
- increase the accuracy of measurements of methane emissions
- reduce methane emissions across the energy supply chain
- provide incentives for the reduction of methane emissions related to fossil energy imported to the EU



Brussels, 15.12.2021
COM(2021) 805 final
2021/0423 (COD)

Proposal for a

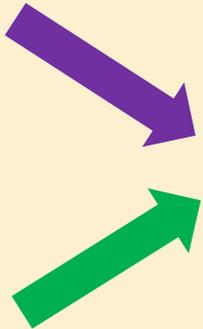
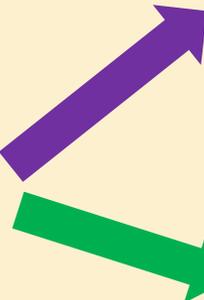
**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
on methane emissions reduction in the energy sector and amending Regulation (EU)
2019/942**

(Text with EEA relevance)

{SEC(2021) 432 final} - {SWD(2021) 459 final} - {SWD(2021) 460 final}



Trilogue negotiations



EU methane strategy

Proposal for EU methane regulation



2020

2021

2022

2023

Proposal from the EU Commission:

Article 1

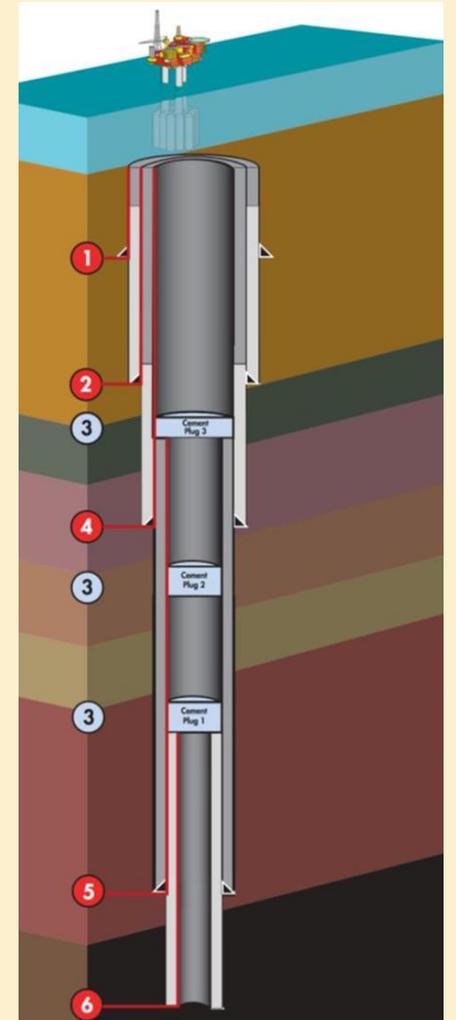
This Regulation applies to:

- (a) oil and fossil gas upstream exploration and production, fossil gas gathering and processing;
- (b) gas transmission, distribution, underground storage and liquid gas (LNG) terminals operating with fossil and/or renewable (bio-or synthetic) methane;
- (c) operating underground and surface coalmines, closed and abandoned underground coal mines.

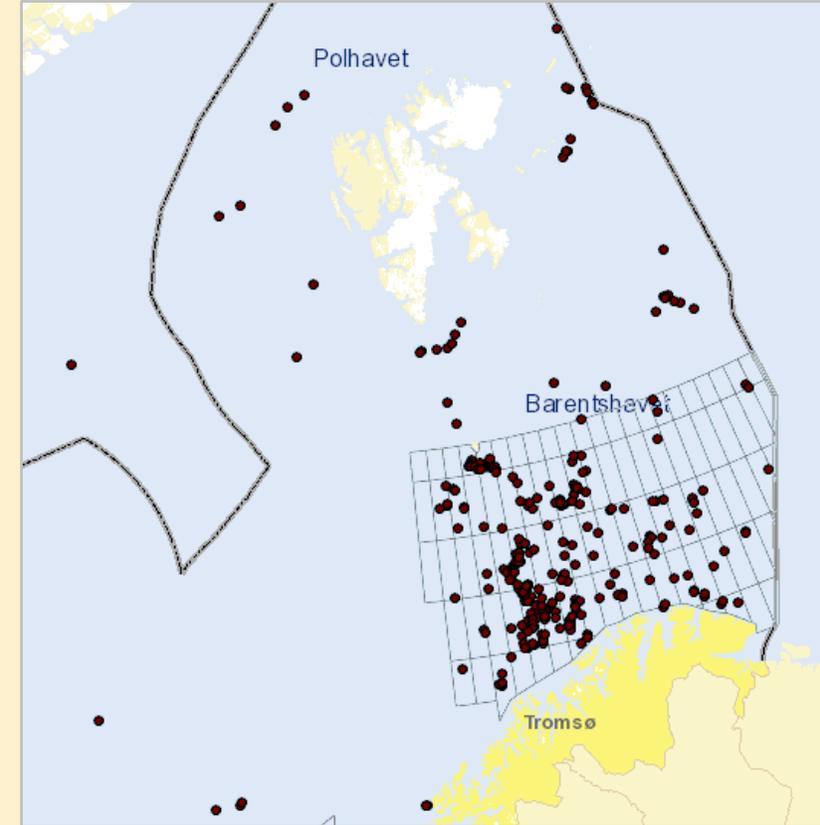
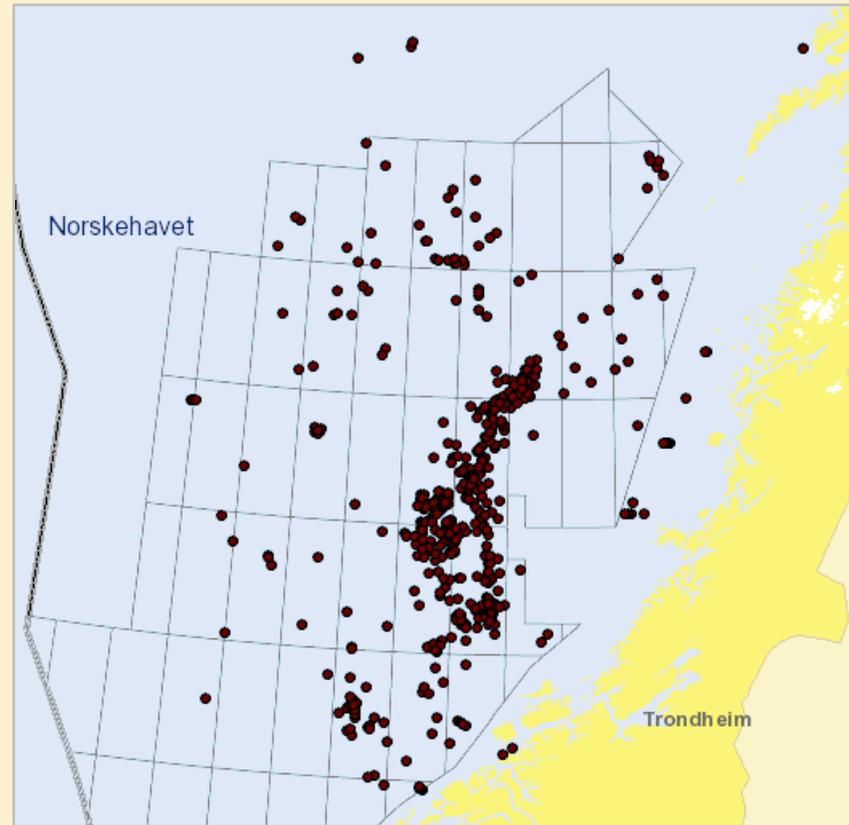
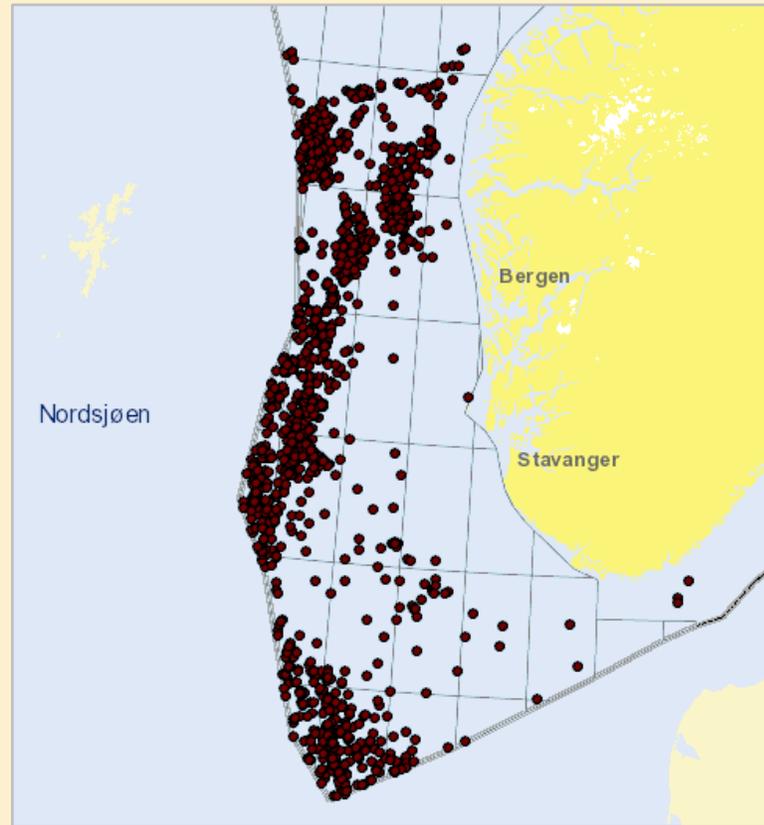
Article 18

- 2. By ... [18 months of the date of entry into force of this Regulation], **equipment for measurement of methane emissions shall be installed on all inactive wells.**

Offshore Norge position: Monitoring of inactive wells is an integrated part of the national risk based plugging requirements - and should not be included in the EU methane regulation.



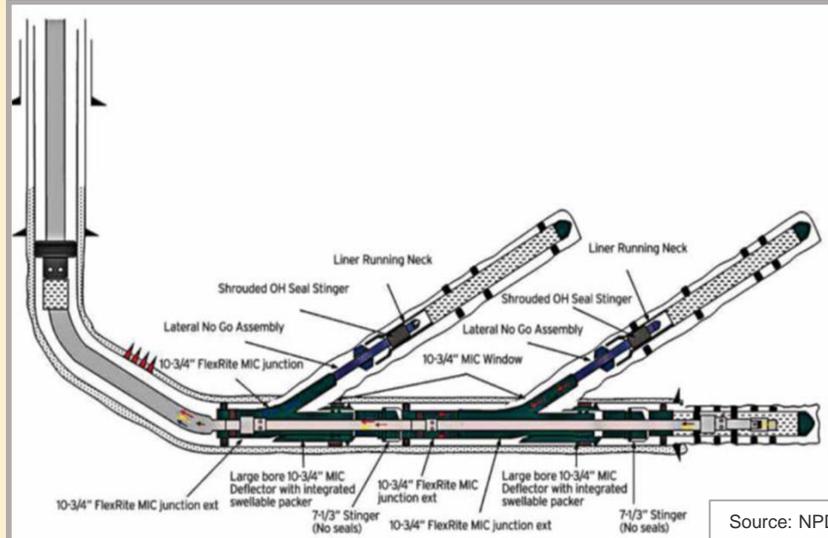
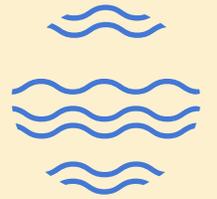
There are thousands of wells at the NCS



Source: NPD FactMap, wellbores all

Terms and definitions (NORSOK D-010):

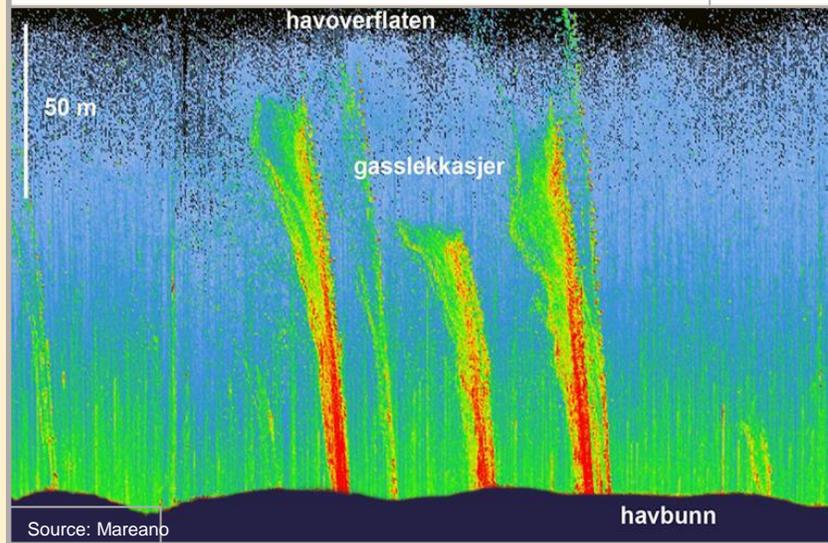
- **permanently abandoned** - well status where a well is permanently plugged and will not be re-entered again
- **temporary abandonment with monitoring** - well status, where the well is abandoned, and the primary and secondary well barriers are continuously monitored and routinely tested
- **temporary abandonment without monitoring** - well status, where the well is abandoned, and the primary and secondary well barriers are not continuously monitored and not routinely tested



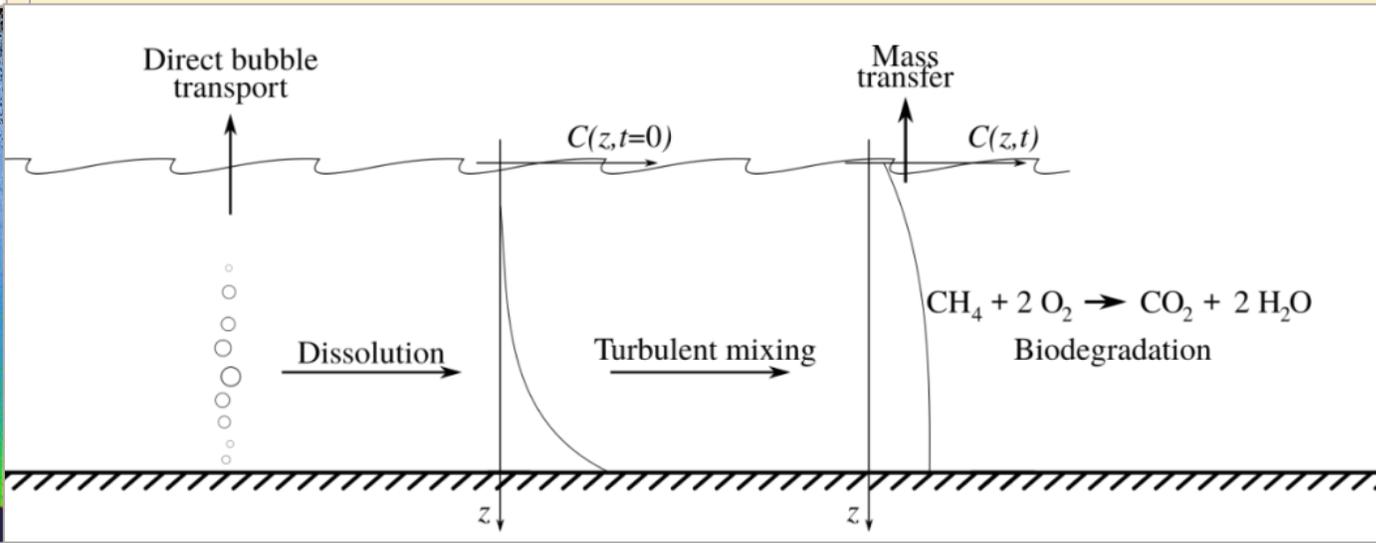
Source: NPD

Reasons for not including plugged subsea wells in the EU regulation:

1. plugging and monitoring of inactive wells are strictly regulated already
2. shallow gas occurs naturally
3. limited portion of the methane is released to the atmosphere from wells at deep water



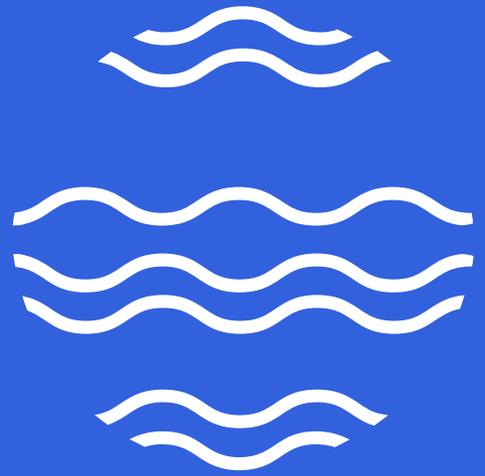
Source: Mareano



SUMMARY



- Worst case installation of methane measurement equipment will be required on all inactive wells at the NCS
- The oil and gas industry is trying to explain to the EU Commission, Council and Parliament why the EU regulation should not include subsea temporarily and permanently plugged and abandoned wells
- The EU methane regulation will most likely be finalised during 2023
- Afterwards, there will be a process to conclude whether this regulation is EEA relevant



OFFSHORE NORGE