

Richard Harrington MP
Parliamentary Under-Secretary of State
Department for Business, Energy and Industrial Strategy
1 Victoria Street
Westminster
SW1H 0ET

20 September 2017

Dear Minister,

I am writing to you regarding the insufficient progress that is being made to minimise the liabilities landowners will face as a result of shale gas operations taking place on their land. As shale gas moves towards commercial operations these risks will only increase and I would urge you to ensure measures are put in place in the near future.

The CLA (Country Land & Business Association) is the membership organisation representing rural businesses and landowners in England and Wales. In recent years exploratory shale gas development has become a significant new land use in some areas and directly impacts on our members some of whom own the land on and around which shale gas developments will take place. The CLA has not taken a position either for or against the development of shale gas but has focused on positive engagement with both Government and industry to understand the potential implications from development of these resources on landowners, to inform our members and ensure any risks are properly addressed.

In locations where shale gas development takes place it is vitally important that landowners are properly protected from liability associated with development by third parties both during and after the exploration and production phases have been completed. There are currently two areas where this is not the case.

First, there is no clear mechanism to properly address the risk of an operator becoming insolvent and being unable to fulfil its licence obligations to properly abandon a well. Although this risk may be small the consequences are significant as it would leave landowners facing significant costs to make a well safe to ensure it did not cause damage both to their land and wider environmental damage.

The second concern is in regard to post abandonment and surrender of a licence when liability for the well falls to government. There does not seem to be any clear on-going mechanism for inspection or monitoring of wells in the longer term to ensure well integrity is maintained. Our members take a long-term view of land management and will continue to run businesses using land with shale gas developments on them long after an operator has abandoned a site. It is therefore critical that the right protections are in place to ensure the long-term integrity of wells to ensure these businesses continue to have the confidence to invest.

We have consistently raised these concerns for over four years meeting with numerous Energy Ministers and officials as well as industry all of whom have acknowledged this to be an area in

need of addressing. I enclose copies of letters sent to the CLA as far back as 2014 from two previous Energy Ministers acknowledging the issue as a priority and offering assurance that the issue was being addressed. Yet to date no solution to these issues has been provided despite the continued growth of the shale gas industry.

It is greatly concerning that despite the acknowledged risk, government continues to encourage industry to increase the number of sites in development without an adequate solution to these liabilities being in place. For a government whose stated objective is to establish a world leading shale gas industry in the UK the lack of clarity on these important issues is frustrating.

I hope you are able to provide me with the reassurance that the Government will move these vital issues forward with urgency and provide adequate protection in the long term.

Yours sincerely,

A handwritten signature in black ink that reads "Tim Breitmeyer". The signature is written in a cursive, slightly slanted style.

Tim Breitmeyer
Deputy President