

**CUADRILLA RESOURCES
LIMITED**



APPENDIX - A

UK ONSHORE PETROLEUM LICENSING SYSTEM

&

GOVERNING PLANNING POLICIES

Cuadrilla Resources Limited
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Beaconsall Hydrocarbon Exploration Site
Planning Application [July 2010].
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UK ONSHORE PETROLEUM LICENSING SYSTEM

Petroleum Licensing Procedure and Policy

Petroleum rights in the United Kingdom were nationalised by the Petroleum Production Act of 1934 and as amended by the Oil & Gas (Enterprise) Act 1982. Presently such rights are in the custody of the Department of Energy and Climate Change (DECC) which governs their licensing out to the public in the form of fixed term licences.

A new system of licensing was introduced on the 30th June, 1995, involving the Petroleum Exploration and Development Licence (PEDL) which covers all aspects of petroleum industry activities from exploration to production, as is described briefly below.

The New PEDL System

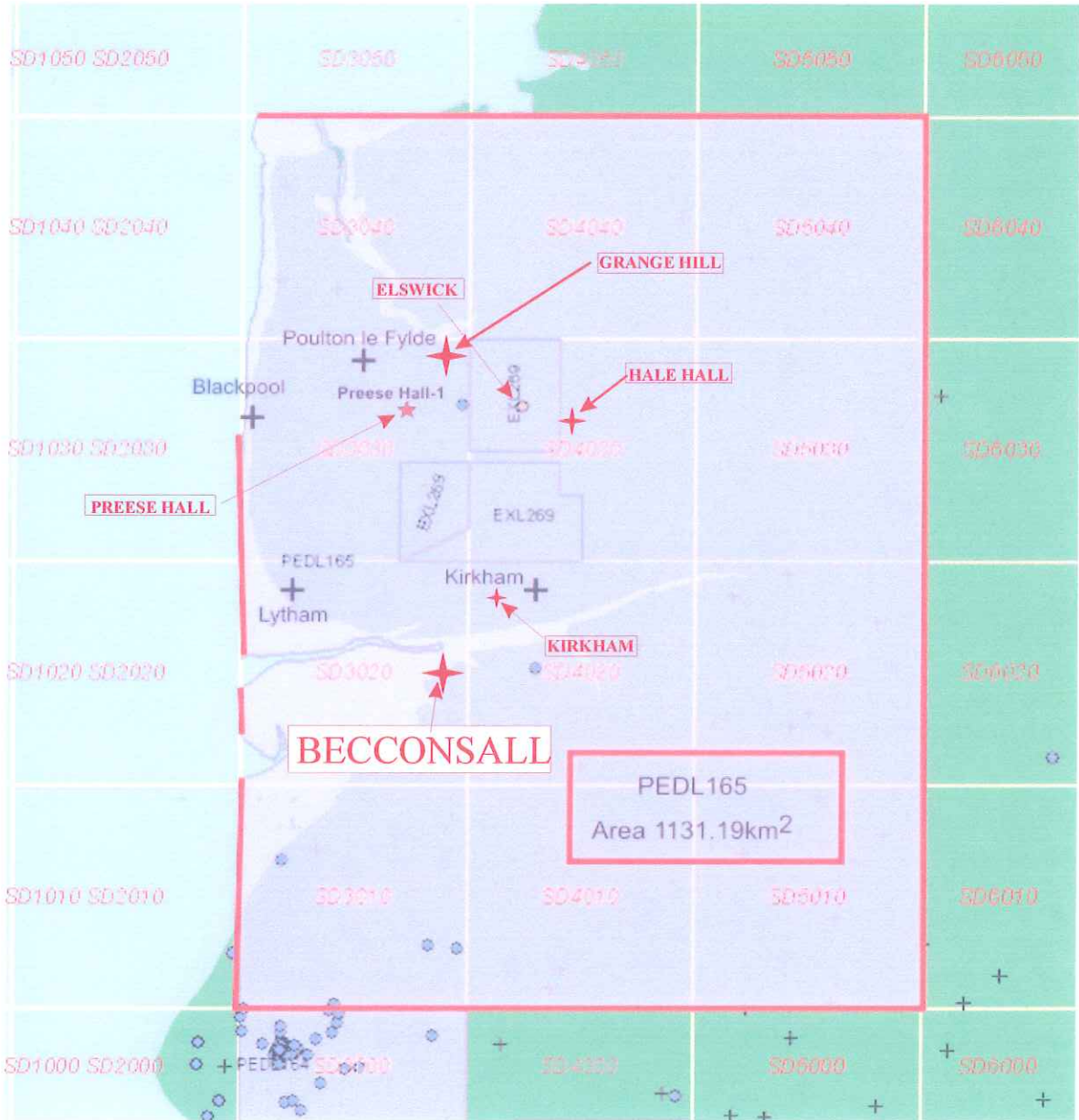
It involves a comprehensive licence allowing all forms of petroleum industry activity previously governed by the three different Licence formats of Exploration Licence (EXL), Appraisal Licence (AL) and Development Licence (DL). An initial six year period carries a work obligation and requires a mandatory 50% acreage surrender at the end of that period or at any earlier time.

Thereafter follows a six year period carrying a renewed work obligation, and that period can in turn be followed by a further twenty year Licence period.

Activities under all Licence formats are subject to planning consent, and the approval where appropriate, of the Health and Safety Executive, including both the Mines and Quarries and the Factories Inspectorate sections, the Environment Agency, English Nature, and H M Inspectorate of Pipelines.



CUADRILLA RESOURCES LIMITED
BECCONSALL EXPLORATION SITE
LICENCE ACREAGE



NOT TO SCALE

FIGURE 04
01.02. 2010

PLANNING POLICIES

POLICY 1: BALANCING THE POLICIES OF THE LANCASHIRE MINERALS AND WASTE LOCAL PLAN

In considering any planning proposal for minerals or waste development, regard will be given to all relevant policies of the Local Plan. Where the provisions of any relevant policies as they apply to any particular development are in conflict, the effects of those policies will be balanced against each other in assessing the proposal.

POLICY 2: QUALITY OF LIFE

Proposals for minerals or waste developments will be permitted only if it is demonstrated to the satisfaction of the mineral and waste planning authority that all material impacts, by reason of traffic, visual impact, noise, dust, blasting, landfill gas, pollution, odour or other factors leading to loss of or damage to amenity which would adversely affect people, can be eliminated or reduced to acceptable levels and in assessing proposals account will be taken of the extent to which those factors can be controlled in accordance with current best site practice and recognised standards.

POLICY 3: BUFFER ZONES

In order to minimise the impact of proposed minerals or waste developments, buffer zones of an appropriate distance will be required between the development and the following: a) existing or permitted dwellings in a town, village or settlement, consisting of 20 or more closely grouped dwellings; b) other sensitive land-uses; c) an area allocated in a local plan for residential or other sensitive land-uses. The width of the buffer zone will be determined having regard to the potential impact of the development and the nature of the site or the existence of physical features capable of reducing the impact of development.

POLICY 4: CUMULATIVE IMPACTS

Proposals for minerals or waste developments will only be permitted if the cumulative material effects of the proposals and any other similar former, existing or proposed developments in the vicinity of the proposed site would be acceptable when assessed against the criteria as set out in Policy 2.

POLICY 5: ENVIRONMENTAL AND OTHER BENEFITS

In assessing proposals for minerals or waste developments account will be taken of the economic, environmental and social benefits to which the development may reasonably be expected to give rise.

POLICY 6: PLANNING GAIN

In assessing proposals for minerals or waste developments the planning authority will where appropriate seek such additional public or environmental benefits as are:

- i) necessary; ii) relevant; iii) directly related to the proposed development;
- iv) fairly and reasonably related in scale and kind to the proposed development;
- v) reasonable in all other respects. 4.28 Where benefits are secured as a planning obligation

POLICY 7: OPEN COUNTRYSIDE AND LANDSCAPE

Proposals for minerals or waste developments in the open countryside will be permitted only if: i) they are in scale and keeping with the features of the Landscape Character Tracts within which they are sited; and ii) they would not have an unacceptable adverse impact on the local character of the landscape and would safeguard key landscape features. Restoration proposals should aim to re-create the local character of the landscape, and have regard to the potential to improve the landscape.

POLICY 8: TREES, WOODLAND AND HEDGEROWS

Proposals for minerals and waste developments will not be permitted which cause the significant loss of or damage to existing trees, woodland or hedgerows, which have landscape or amenity value, unless it can be demonstrated that there are material considerations which outweigh the loss of the trees, woodlands or hedgerows. Where developments are permitted which involve the loss of woodlands, trees or hedgerows, measures will be required to provide appropriate replacement plantings commensurate with the landscape and amenity value of the trees, woodlands or hedgerows which will be lost.

POLICY 9: AGRICULTURAL LAND

Proposals for minerals or waste developments will not be permitted where best and most versatile agricultural land will be irreversibly damaged, unless it is demonstrated that there is an overriding need for the mineral or waste development which cannot be met from an alternative acceptable site or source of supply or that other exceptional circumstances are present.

Proposals for minerals or waste developments which affect best and most versatile agricultural land will be permitted where it can be demonstrated that:

- i) the site can be restored to a condition equivalent to the original quality of the agricultural land by the end of the aftercare period; or ii) in instances where amenity or forestry after use may be appropriate, the methods used in restoration and aftercare would enable the land to retain its longer term potential as an agricultural resource.

POLICY 10: AREAS OF OUTSTANDING NATURAL BEAUTY - MINERALS DEVELOPMENT

Proposals for minerals development within Areas of Outstanding Natural Beauty, either for new workings or for site extensions, will be subject to the most rigorous examination. They will only be permitted in exceptional circumstances and when it can be demonstrated that the development would be in the public interest, subject to the following considerations: i) there is an overriding need for the mineral which cannot be met at reasonable cost by an alternative acceptable site or source of supply; and ii) the impact of permitting or refusing the development on the local economy; and iii) the extent to which any detrimental effects on the environment and landscape could be moderated; and iv) it is demonstrated that high environmental standards will be maintained

throughout operations; and v) in the case of existing quarries the extent to which the proposal would enhance the local landscape. Where it can be clearly demonstrated that the proposed development satisfies i)-v) above, the restoration and afteruse of the site, within the agreed aftercare period, should contribute to the conservation of the natural beauty of the area.

POLICY 13: GREEN BELTS AND MINERALS DEVELOPMENT

Proposals for minerals development within Green Belts will only be permitted if:

- i) they do not adversely affect the openness of the Green Belt; and
- ii) it is demonstrated that high environmental standards will be maintained throughout operations; and
- iii) the restoration of the site will contribute to the achievement of objectives for the use of land within Green Belts.

POLICY 15: INTERNATIONALLY IMPORTANT NATURE CONSERVATION SITES

(a) Proposals for waste development will not be permitted if they would materially affect an internationally designated nature conservation site (Special Protection Area, Special Area of Conservation or Ramsar site) or a site not yet so designated but included in a list submitted to the EC Commission, either as a potential Special Protection Area under the Directive on the Conservation of Wild Birds or as a candidate Special Area of Conservation under the Habitats Directive; (b) Proposals for minerals development which would adversely affect any of the sites mentioned in (a) above will be subject to the most rigorous examination and permitted only in exceptional circumstances and when it can be demonstrated that the development would be in the public interest.

POLICY 16: NATIONALLY IMPORTANT NATURE CONSERVATION SITES – MINERALS DEVELOPMENT

Proposals for minerals development which would be likely to adversely affect the special interest of a Site of Special Scientific Interest, a National Nature Reserve or a limestone pavement subject to a Limestone Pavement Order will be subject to the most rigorous examination and will not be permitted unless it can be demonstrated that exceptional circumstances exist which outweigh the conservation considerations reflected in the designation and that the development would be in the public interest.

POLICY 18: LOCALLY IMPORTANT NATURE CONSERVATION SITES

Proposals for minerals or waste developments will not be permitted where they are likely to destroy or damage a County Biological or County Geological Heritage Site or Local Nature Reserve unless it can be demonstrated that there are material factors which outweigh the conservation considerations reflected in the designation.

POLICY 19: MITIGATING ADVERSE IMPACTS

Where in exceptional cases planning permission is granted for proposals for minerals or waste developments under Policies 15, 16 and 18, it will be a requirement that measures are taken to make good, so far as possible, the loss or damage to the nature conservation interest affected by the development.

POLICY 20: WILD FLORA AND FAUNA

Proposals for minerals or waste developments will not be permitted which may destroy, or have a significant adverse effect on:

- i) badgers and species listed in schedules 1 (Birds), 5 (Animals) and 8 (Plants) of the Wildlife and Countryside Act 1981 (as amended); or
- ii) species listed in Annex 1 of the EC Directive on the Conservation of Wild Birds and in Annexes II and IV of the EC Directive on the Conservation of Natural Habitats and of Wild Flora and Fauna; unless it can be demonstrated that there are material factors which outweigh the special protection afforded to the species affected and their habitats and that adequate steps will be taken to secure the protection of the species involved.

POLICY 21: WILDLIFE CORRIDORS

Where proposals for minerals or waste developments affect watercourses, wildlife corridors identified in district local plans or other land with demonstrable nature conservation interest, that interest will be taken into account in reaching a decision. Where such development is permitted, mitigating measures to provide appropriate replacement habitat of commensurate nature conservation value and/or translocation of species will be sought.

POLICY 22: WATER RESOURCE AVAILABILITY

Proposals for minerals or waste developments will not be permitted where there will be an unacceptable detrimental impact on groundwater levels or the existing or future yield of groundwater or surface water resources in terms of: existing water abstraction; river flows; lake, pond or reservoir levels; water table levels or natural aquatic habitats.

POLICY 23: WATER RESOURCE PROTECTION

Proposals for minerals or waste developments will not be permitted where there will be an unacceptable risk to the quality of groundwater resources, or to the quality of surface or coastal waters.

POLICY 24: FLOOD RISK

Proposals for minerals or waste developments will not be permitted where:

- i) there will be an unacceptable risk from flooding (including tidal inundation) affecting the site of the development; or
- ii) the proposal will create an unacceptable risk of flooding elsewhere, unless appropriate flood alleviation measures are provided.

POLICY 25: COASTAL PROTECTION/OPEN COASTLINE

Proposals for minerals or waste developments in coastal locations will only be permitted where it can be demonstrated that: i) a coastal location is required; and ii) there will be no adverse effect on the natural or historic landscape, nature conservation value or recreational value of the coastal area; and iii) there would be no direct risk from flooding, erosion or land instability; and iv) the development would not increase the risk of flooding, erosion or land instability elsewhere.

POLICY 26: NATIONALLY IMPORTANT ARCHAEOLOGICAL SITES

There will be a presumption in favour of the physical preservation of scheduled ancient monuments or other nationally important archaeological remains and their settings. Proposals for minerals or waste developments which would have an unacceptable adverse impact on a scheduled ancient monument or other nationally important archaeological remains and their settings will not be permitted unless it can be demonstrated that there is a need for the minerals or waste development which cannot be met from a less damaging alternative site or source of supply.

POLICY 27: OTHER ARCHAEOLOGICAL SITES

Proposals for minerals or waste developments which will destroy, damage or materially adversely affect other archaeological remains of known importance will not be permitted unless it can be demonstrated that there are material factors which outweigh the archaeological conservation considerations. In assessing proposals the relative importance of the archaeological remains and the potential for the mitigation of the effects of the development will be taken into account.

POLICY 28: ARCHAEOLOGICAL ASSESSMENT

Where proposals for minerals or waste developments affect sites of known or potential archaeological importance the applicant will be required to provide an archaeological assessment of the site, and a field evaluation where necessary, prior to the determination of the planning application.

POLICY 29: ARCHAEOLOGICAL INVESTIGATIONS

Where, under the provisions of Policies 26 and 27 preservation of remains *in-situ* is not appropriate, proposals for minerals or waste developments will only be permitted if provision is made for an appropriate level of investigation and recording of the archaeological remains adversely affected by the proposals to be carried out and made before the development commences.

POLICY 30: HERITAGE

Proposals for minerals or waste developments which would have an unacceptable adverse impact on:

- a) The special architectural or historic interest of a listed building or its setting; or
- b) the character or appearance of a Conservation Area or its setting; or
- c) the special interest of a Historic Park or Garden;

will not be permitted save in the most exceptional circumstances and where it can be demonstrated that there is a need for the minerals or waste development which cannot be met from a less damaging alternative site or source of supply.

POLICY 31: PUBLIC RIGHTS OF WAY

Proposals for minerals or waste developments which would have an unacceptable adverse impact on the amenity and recreational value of a Public Right of Way will not be permitted unless:

- i) adequate arrangements are made in advance of the development first commencing, to protect the existing route or provide acceptable alternatives, both during and after working; or
- ii) it can be demonstrated that there is a need for the minerals or waste development which cannot be met from a less damaging alternative site or source of supply.

POLICY 34: TRAVEL MINIMISATION

Proposals for minerals and waste developments will be considered having regard to the need to ensure where appropriate that the number and length of heavy commercial vehicle trips are minimised.

POLICY 37: STRATEGIC ROAD NETWORK

Proposals for minerals or waste developments will be permitted only if they would not: (a) give rise to any unacceptable traffic or road safety problems on the strategic road network or on the access routes between the site and that network; and (b) give rise to unacceptable effects on amenity by reason of the use of those access routes by the traffic which they are likely to generate.

In considering proposals particular regard will be had to:

- i) the location and layout of the access from the site to the public highway;
- ii) the ability of the local road network to accommodate the weight, volumes and movements of the generated traffic;
- iii) the impact of the traffic movements on residential amenity.

POLICY 66: OIL AND NATURAL GAS PRODUCTION

Proposals for the commercial production of oil and natural gas will be permitted only where:

- i) the extraction activities (including plant and machinery to be used, timing and method of gas flaring, noise levels, disposal of mud and drilling residues, onsite storage and screening) are satisfactory; and
- ii) it can be demonstrated that any risk from subsidence, pollution from oil spillages or hazard from gas or oil "blow-outs" can be kept to acceptable levels; and
- iii) transport arrangements, including any pipelines, are acceptable; and
- iv) the site can be satisfactorily reclaimed.

POLICY 67: ONSHORE FACILITIES

Proposals for the development of onshore facilities to accept the production from offshore oil and gas developments will be treated on their merits in the light of the policies of the development plan in particular the policy protecting the open coastline Policy 25.