



PRESALL UNDERGROUND GAS STORAGE FACILITY, LANCASHIRE

**Infrastructure Planning Commission (IPC) Application
Reference Number: EN030001**

**STATEMENT OF COMMON GROUND BETWEEN HALITE
ENERGY GROUP LIMITED AND LANCASHIRE COUNTY
COUNCIL ON THE TOPIC OF RELEVANT PLANNING
HISTORY**

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Date:	June 2012
Version Number:	Final

PLANNING ACT 2008

**Underground Gas Storage Facility Preesall, Lancashire
In respect of an application for a Development Consent Order
By Halite Energy Group Limited
Application Reference: EN030001**

**STATEMENT OF COMMON GROUND BETWEEN HALITE ENERGY GROUP
LIMITED, LANCASHIRE COUNTY COUNCIL AND WYRE BOROUGH COUNCIL
ON THE TOPIC OF RELEVANT PLANNING HISTORY**

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STATEMENT OF COMMON GROUND: RELEVANT PLANNING HISTORY

1. This Statement of Common Ground (SOCG) is made between Barton Willmore LLP on behalf of Halite Energy Group Limited (Halite) and Lancashire County Council (LCC) and Wyre Borough Council (WBC) in relation to Halite's application for a Development Consent Order (DCO) for an Underground Gas Storage (UGS) facility at Preesall (the 'Project'). This SOCG sets out the agreed relevant planning history of the Preesall site as it relates to UGS.
2. Halite's review of the planning history is set out in Section 2 of the Planning and Sustainability Statement (Doc Ref 9.1.1). The planning history referred to below constitutes that which is deemed most relevant by Halite, LCC and WBC.
3. It is agreed that the Preesall site has along planning history. Exploration and extraction of salt began at Preesall in the 1870's and continued over a hundred years into the early 1990's. In the 1880's, the Fleetwood Salt Company extracted salt by allowing water into a shaft into the salt deposit and then pumping the brine solution to the surface. Salt extraction was uncontrolled in that no salt was retained between the cavern roof and the mudstones above. This has led to the collapse of some caverns and has left others in various states of instability. It is agreed that the location of the Preesall salt mine, the location and historical development of the existing brine wells are shown on Figures 5.1 and 5.2 and the drawings in Appendix A and B of the Geological Summary Report (IPC Doc Ref 9.2.2). It is agreed that the mine and the brine wells were created in the shallower reserves to the east of the area now proposed for caverns by Halite.
4. It is agreed that in the 1890's rock salt mining began in the salt body which were approximately 140 metres below the surface. A second mine level at 275 metres was subsequently opened and at its peak produced 140,000 tones of rock salt per annum. The mine has subsequently closed, the dry workings allowed to flood and the surface development removed.
5. It is agreed that in the 1960s, ICI developed one of the first modern salt solution caverns in the world using gas padding to preserve the salt roof. This was done

by injecting sufficient gas into the cavern to form a gas ceiling during the washing so the roof salt does not dissolve. This sought to ensure cavern integrity and stability and prevents surface subsidence. Using this technique, ICI washed many subsequent caverns at Preesall. It is agreed that Appendix A of the Geological Summary Report provides an historical time line of the development of the existing caverns at Preesall.

6. It is agreed that the Halite application does not propose the use of any of the existing caverns at Preesall for the storage of gas. However, it is proposed that one of the existing caverns (cavern 123) would be used for the disposal of drilling wastes.

2003 Planning Application

7. It is agreed that in November 2003, Canatx Gas Storage Limited (CGS) submitted a planning application for an underground gas storage facility to Lancashire County Council as the relevant Local Planning Authority (LPA ref 02/03/1455). An appeal against non-determination was lodged in October 2004. In December 2004, the LPA resolved to object to the proposal on eleven grounds mainly relating to the lack of information on geological and ecological issues, unacceptable impacts of traffic, visual grounds and perceived fear. The appeal was subsequently withdrawn and substituted by an appeal against non-determination in connection with the 2005 planning application referred to below.

2004 Hazardous Substances Consent Application

8. It is agreed that in August 2004 an application for Hazardous Substance Consent was submitted for the storage of 2 million tonnes of natural gas (LPA Ref HSC/04/01). The application was refused by the Development Control Committee of Lancashire County Council in December 2004 and against which an appeal was lodged.

2005 Planning Applications

9. It is agreed that in November 2005, CGS submitted two applications (LPA Ref 02/04/1415 & HSC/05/01) to Lancashire County Council for:-
- a) Planning permission for development of a natural gas storage facility (initially for 2 million tonnes revised to 1.2 million tonnes) including up to 20 well heads to create underground salt caverns by solution mining, the construction of above ground compressor station, a booster pump station, associated pipelines, septic tanks and vehicular access track, the construction of brine/seawater/communication pipes below the Wyre Estuary, the construction of a seawater pump station, brine discharge pipeline and associated outfall to the Irish Sea; and
 - b) Hazardous Substances Consent for the underground storage of (initially 2 million tonnes revised to 1.2 million tonnes of natural gas.
10. It is agreed that CGS subsequently appealed against the non-determination of the applications and in July 2005, the Planning Appeal was recovered by the Secretary of State for determination. LCC resolved to object to the planning application on eleven grounds mainly relating to the lack of information on geological and ecological issues, unacceptable impacts of traffic, visual grounds and perceived fear. It also resolved to object to the application for Hazardous Substances Consent in view of the lack of information relating to geology. Following a Public Inquiry which closed in May 2006, in accordance with the recommendations of the Inspector, the Secretary of State dismissed the Appeals and refused planning permission and Hazardous Substances Consent (APP/HSC/05/07) by letter dated 16 October 2007. The Secretary of State concluded that the Gas Storage Facility would not be compliant with the Development Plan nor national planning policies in a number of respects. These included:-
- lack of robust geological modelling;

- inadequate understanding of risk;
 - visual harm;
 - proposed means of access; and
 - uncertainty regarding noise impact.
11. It is agreed that in addition to the above the Secretary of State also raised concerns in relation to human rights. The Secretary of State considered 'that there is insufficient information available to properly assess whether this is an acceptable location for this type of development to provide justification for affecting the rights of others'. These concerns related to the impact of increased HGV movements and noise, and health and safety risks associated with possible gas migration, subsidence or risk of a major accident.
12. It is agreed that in 2005, CGS also made a planning application (LPA Ref 05/00369/FULMAJ) to Wyre Borough Council for an interconnector gas pipeline to link the proposed Underground Gas Storage Facility to the Gas National Transmission System (NTS). The LPA resolved to grant planning permission subject to the provision and consideration of additional highway information and conditions. Although the additional information was provided, the local highway authority raised issues which required further work to be carried out and the decision could not be issued. The application remains undetermined but is now superseded by that contained within the Halite proposals.

2009 Planning Applications

13. It is agreed that in February 2009, CGS submitted a new planning application (LPA Ref 02/09/0159) and an application for Hazardous Substances Consent (LPA Ref APP/HSC/09/01) to LCC for a revised scheme which sought to overcome the concerns raised by the Secretary of State and those previously raised by the County Council. The application was for the development of an underground gas storage facility to store 1.2 million tonnes of natural gas extending over an area of 505.6 hectares. It is agreed that LCC refused the application in January 2010 for the following reasons :

1. The application contains insufficient information to:-
 - i) properly assess and ensure the geology of the area is capable of accommodating the proposed development;
 - ii) demonstrate its relationship to former solution mining activities or surface development; and
 - iii) establish there is no opportunity for migrating gas through the geology or via former mining activities;
 - iv) contrary to Policies 2 and 71 of the Lancashire Minerals and Waste Local Plan.

2. The proposed development to the east of the estuary would result in the introduction of an industrial development which by reason of its scale, design and location would be detrimental to the quality of the open character of the countryside, coastal plain, estuary landscape and Wyre Way contrary to the intentions of Policy EM1, DP7 and RDF3 of the Regional Spatial Strategy, Policies 2, 7, 25 and 31 of the Lancashire Minerals and Waste Local Plan, Policies SP14, ENV2 and TREC12 of the adopted Wyre Borough Local Plan and Policies CORE11, ENVT2 and TOUR12 of the Wyre Borough Local Plan 2001- 20016 (first Deposit Draft)

3. The applicant has failed to demonstrate that the development would not present an unacceptable risk of gas migration given the relationship of the proposal to former operations and its proximity to residential areas on the east side of the estuary and the more densely populated Fleetwood peninsula throughout its operation, decommissioning and long term aftercare management contrary to Policies 2 and 3 of the Lancashire Minerals and Waste Local Plan.

4. The failure to provide an adequate risk assessment for the proposal would result in considerable and understandable fear and distress within the local communities attributable to the nature of the proposal and the potential

consequences of any accident occurring and would be contrary to Policy 2 of the Lancashire Minerals and Waste Local Plan.

14. At the same time the planning application was refused, LCC refused the application for Hazardous Substance consent for the following reasons :

1. The application contains insufficient information to:

- i) Properly assess and ensure the geology of the area is capable of accommodating the proposed development;
- ii) Demonstrate its relationship to former solution mining activities or surface development; and
- iii) Establish there is no opportunity for migrating gas through the geology or via former mining activities;

contrary to Policies 2, and 71 of the LMWLP.

2. The applicant has failed to demonstrate that the development would not present an unacceptable risk of gas migration given the relationship of the proposal to former operations and its proximity to residential areas on the east side of the estuary and the more densely populated Fleetwood peninsula throughout its operation, decommissioning and long term aftercare management contrary to Policies 2 and 3 of the LMWLP.
3. The failure to provide an adequate risk assessment for the proposal would result in considerable and understandable fear and distress within the local communities attributable to the nature of the proposal and the potential consequences of any accident occurring and would be contrary to Policy 2 of the LMWLP.
4. The proposal would not maintain appropriate distances between establishments and areas of public use contrary to the provisions of the SEVESO II Directive and that any measures to maintain appropriate

distances could only be achieved by the closure of a section of the Wyre Way within the application boundary.

15. It is agreed that in June 2009, CGS submitted a planning application(LPA Ref 02/09/0549) to retain two mineral exploration pads, associated capped well structures and access tracks on land adjacent to the Wyre Way at Hay Nook and Bank End, Preesall. It is agreed that LCC refused the application on 27th January 2010 for the following reason:

- 'The retention of the stone and pads is contrary to Policies 7,25 and 31 of the Lancashire Minerals and Waste Local Plan, Policies SP14, ENV2 and TREC12 of the adopted Wyre Borough Local Plan and Policies CORE11, ENT2 and TOUR12 of the Wyre Local Plan 2001 – 2016 (First Deposit Draft) due to their visual impact on the coastal rural environment and on the visual amenities of users of the Wyre Way.'

It is agreed that the two mineral exploration pads have now been removed and the land restored back to agricultural use. It is agreed the wellheads have been capped and retained in situ.

This Statement of Common Ground on the topic of Planning History has been prepared by Barton Willmore, on behalf of Halite Energy Group Limited, and agreed by Lancashire County Council.

Signed _____

Adrian James

on behalf of Barton Willmore

Date: 1 - June 2012

Signed _____

Michael Green
Cabinet Member for Economic
Development, Environment and
Planning
on behalf of Lancashire County
Council

Date: 1st June 2012