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"INDEPENDENT JOURNALISM ON UK FRACKING, ONSHORE OIL AND GAS AND THE REACTIONS TO IT"

Driller seeks land access for Somerset surveys and prepares for stock market listing

BY RUTH HAYHURST ON FEBRUARY 8, 2019

Landowners on the edge of the Mendip hills in Somerset have been approached by an oil and gas explorer, who wants to test for hydrocarbons.

Gerwyn Williams, of South Western Energy, is looking to carry out initial surveys in advance of drilling. The news emerged as one of Mr Williams' companies is preparing to list on the main London Stock Exchange.

"Walkover survey"

Mr Williams told DrillOrDrop that he had written and spoken to "a few landowners" near the Somerset coast.

In one letter, which appeared online, the company asked for permission to do a "walkover survey" on land near Bleadon, south east of Weston-Super-Mare.

The letter, signed by Mr Williams, said:

"The initial exploration process does not include any drilling or fracking but a walkover test using a small team that can carry equipment. It is not intrusive and would take about three hours to complete.

"Following the results of this test we would have a much clearer picture of the presence of hydrocarbons or otherwise. This work does not need planning permission."

The company offered a short-term rental agreement for the land, potentially followed by a longer lease for drilling and production:

"Initially we would like to gain a temporary licence from you to carry out a walkover test. If this test proves positive, we would like to reach an agreement with you to drill a well and negotiate a long-term production-related rent payable to you which will represent a long-term stable income for you if production is successful."

The letter concluded:

"Given the current international political situation, you will appreciate that security of national energy supply is a matter of national importance and I would therefore really appreciate your cooperation in this matter."

Frack Free North Somerset has established that at least two landowners in the parish of Bleadon had been contacted by the company. The group said both had declined the rental offer. A large, but unspecified rental fee had been mentioned, the group said.

The issue is likely to be discussed next week at the meeting of Bleadon parish council (Monday 11 February 2019) and by Frack Free North Somerset at its planning meeting (Tuesday 12 February 2019).

Company's commitments

This is the first public information for more than two years about South Western Energy's plans for Somerset. To keep licences, PEDL320, 321 and 344, the company must drill three wells by July 2021.

The Oil and Gas Authority identified the target hydrocarbon in the licences as shale gas. And in 2016, Mr Williams told the **BBC**:

"We know quite a lot about the geology in Somerset and we feel it can produce gas. I'm not going to give up until we see gas being produced from the areas we've been working on."

But Gerwyn Williams told DrillOrDrop this week:

"The surveys are looking for the presence of oil. We know there is oil there because it was mined in the past. It is heavy oil and it is difficult to get out of the ground."

Asked about shale gas, Mr Williams said:

"I would not rule it out in the future."

Mr Williams said the tests were not seismic surveys, which use sound waves to build up pictures of the geology of an area.

He said the company had ideas of where it wanted to carry out the tests but when we asked about the locations he said:

“I cannot tell you. It is very confidential”.

He also said the company was developing technology, which he said, would “do away with the need for exploratory drilling”. He said:

“We think this [exploratory drilling] is a waste of time. It just upsets people. We are going straight to production. We are going to revolutionise the industry.”

Asked how this would work, Mr Williams replied:

“I cannot tell you.”

He said he had not submitted any planning applications to Somerset County Council. A Freedom of Information request last year confirmed there had not been pre-application discussions with the council but the company had been invited to brief officers and councillors about its plans.

Richard Lawson, of Frack Free North Somerset, said

“The central thing that will, or should, kill this attempt to extract is that it is actually on the Mendip Hills, which are fissured limestone.

So any drilling, particularly fracking, will inevitably contaminate the interconnected waterways that run through the limestone, importantly to Banwell, where Weston super Mare derives much of its water, and to the tourist areas of Cheddar, Wookey and Wells.

“A plan to frack in Keynsham, on the other end of the Mendips, was abandoned because it would contaminate the Roman Baths at Bath.”

Stock market listing

Mr Williams is listed with Companies House as a director of at least 20 businesses.

He and his family own Transgas Limited, the parent company of South Western Energy. He is also a director and shareholder of Infinity Energy.

In October 2017, Infinity Energy **announced** that negotiations were ongoing to acquire Transgas Limited. Just under a year later, Infinity Energy **confirmed** the discussions were “advanced” to “acquire a stake in Transgas Limited by means of a “share for share” transaction”.

In the meantime, in February 2018, Infinity Energy, which is incorporated in Luxembourg, **announced** it intended to apply for a standard listing on the London Stock Exchange. It **cancelled** its membership of the junior AIM market in April 2018

Other operations

In September 2016, South Western Energy **pulled out** of exploration licences in Wiltshire and the Forest of Dean. At the time, Mr Williams cited low energy prices but campaigners against the industry said they thought local opposition was important.

Other of Mr Williams’ companies relinquished two licences in south Wales in 2016. Four licences in Kent were relinquished in 2015 when the Environment Agency indicated that it was unlikely to grant environmental permits for coalbed methane drilling.

In England, South Western Energy continues to hold two licences in Dorset.

Ends