



Wytch Farm Environmental Statement 2006



Our HSSE Commitment

The BP North Sea Strategic Performance Unit is committed to continual improvement in health, safety, security and environmental performance in pursuit of:

"no accidents, no harm to people, no damage to the environment".

Working safely is a legal requirement and a condition of employment and we must not tolerate unsafe acts, behaviours or conditions. We expect all who work for and with BP to display this intolerance.

The following principles define our approach to HSSE. We will:

- Comply with all BP's rules, standards, procedures and safe practices. These exist to protect us, protect the environment and to safeguard the integrity of our operations.
- Seek to prevent pollution and reduce the environmental impact of our activities by establishing and meeting annual environmental objectives and targets.
- Monitor our performance by conducting regular HSSE performance reviews.
- Communicate our HSSE expectations and performance openly and effectively.
- Meet all applicable legislative and regulatory requirements.
- Assure compliance through an effective SPU Management System aligned to "getting HSSE right".

We expect everyone to work safely and contribute to establishing a safe workplace. In particular, any task that deviates from plan must be stopped until the risks have been re-assessed and an appropriate new plan developed.

No job is so important that it cannot be completed safely.

Dave Blackwood
Business Unit Leader

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Business Unit Leader

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Verification Statement

In accordance with the terms of reference provided, RSK have independently reviewed the BP Wytch Farm Environmental Statement 2006. RSK consider that the statement provides an accurate reflection of the environmental performance and management by BP at Wytch Farm. During our review we found no statements or data that could not be substantiated. Verification was made through discussions and data reviews.



Introduction

This is Wytch Farm's Environmental Statement for 2006. It provides information about our environmental impacts and the environmental performance of our activities.

The challenge of protecting the environmentally sensitive areas surrounding Wytch Farm has been achieved through clearly focused environmental management. The use of an externally assessed Environmental Management System (EMS) has helped Wytch Farm to achieve continual improvements in environmental performance.

Wytch Farm is certified to ISO 14001. The Standard requires us to regularly review our environmental performance through internal and external audits. This verified statement outlines the performance of Wytch Farm during 2006. From 2007 Wytch Farm will become part of BP North Sea's ISO 14001 Environmental Management system certificate and Wytch Farm data and performance will be reported in the North Sea Statement.

In 2007, as a result of changes in legislation Wytch Farm will receive a PPC permit which will set out emissions limits and conditions which Wytch Farm will have to meet.

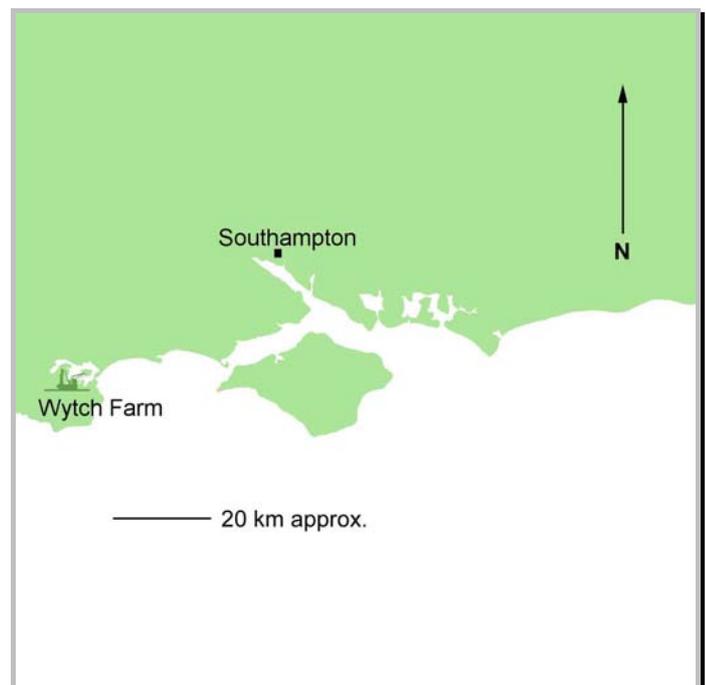
Wytch Farm Site Summary

Wytch Farm is located in Dorset, on the southern shores of Poole Harbour. The area is a sensitive landscape that incorporates a number of conservation designations. Crude oil is extracted from the Wytch Farm, Wareham and Kimmeridge Oilfields. Oil and well fluids from the Wytch Farm and Wareham Oilfields are brought to the Gathering Station for processing via a network of underground flowlines. Oil from Kimmeridge is transported to the Gathering Station by road tankers. At the Gathering Station water and gases are separated from the oil. The water is re-injected into the reservoirs and sales gas is exported to the national system.

Additionally, gas processing results in fuel gas that is used on-site for power generation. Liquefied Petroleum Gas (LPG) is also produced and distributed by road from the Gathering Station. The oil that remains from these separation processes is exported to Hamble Oil Terminal, on the Eastern Shores of Southampton Water, via the 90 km Purbeck to Southampton Pipeline.

Wytch Farm is part of BP's North Sea Operations and it is one of several mature assets. As the Oilfield matures the production of oil and gas will decline and the proportion of water produced with the oil will increase. It therefore takes more energy to extract each barrel of oil.

Over the past few years, Wytch Farm has led technological advances in extended reach and infill drilling. Both processes have enabled us to access new areas of the reservoirs.



2006 Environmental Review

The objectives and targets at Wytch Farm have been selected based on the environmental risks at Wytch Farm, the commitments within BP North Sea Health, Safety, Security and Environment policy and the requirements of ISO 14001. We aim to achieve continual improvements in environmental performance.

2006 Target	Performance Measures	Performance
Energy Conservation and emissions to air		
Install power factor correction unit on Wellsite M to improve energy efficiency of drilling	Installation complete	Completed
Complete energy strategy ¹ for Wytch Farm	Strategy complete	Completed
Greenhouse Gas emissions ² (direct, equity share) not to exceed 78,000 tonnes	Tonnes emitted	74,386 tonnes (Gross 106,940 tonnes)
Pollution Prevention and Control		
Complete NORM ³ store upgrade	NORM store designed & installed to comply with Environment Agency requirements	Ongoing
Study options for regeneration of molecular sieve	Study completed	Ongoing
Review options for pipeline integrity for field life	Review completed	Completed
Complete IPPC Application	Application completed	Completed
Waste Management		
Waste Segregation Plan to be rolled out at Wytch Farm	Plan implemented and rolled out to staff	Completed
Land Management and Biodiversity		
Develop next 5 year management plan for BP Conservation Area	Plan agreed with regulators	Ongoing
Hold biodiversity open day	Event held	Completed
Communication and Awareness		
Hold conservation work event for staff	Event held	Completed
Natural Resources, Products and Procurement		
Review material selection process for oily rag recycling	Review complete	Not completed

¹ Energy Strategy – this sets the context and direction for improving energy management at Wytch Farm and includes a commitment to identify energy saving projects and raise awareness of energy management.

² Greenhouse gas total = Methane (converted to CO₂ equivalent) plus carbon dioxide emissions

³ NORM = Naturally Occurring Radioactive Materials

Focus for Environmental Management in 2006

Drilling Programme & Production - Production of approximately 25,000 barrels of oil per day was achieved in 2006. The drilling programme included a new well drilled from surface and side tracking off previously drilled wells in the Sherwood and Bridport reservoirs. The hydraulic workover rig completed its programme of work in the first half of the year.

Furzebrook Rail Terminal Decommissioning - The decommissioning of Furzebrook Rail Terminal commenced during the year with the removal of the storage tanks and pipework. The storage tanks and pipe work were cleaned prior to dismantling to allow the steel to be sent for recycling. A ground survey was undertaken to confirm that there was no ground contamination arising from historical activities on site.

Drill Cuttings Re-injection - We have provided an onsite facility for drill cuttings disposal. This reduces reliance on the need for transporting the cuttings offsite for treatment and disposal.

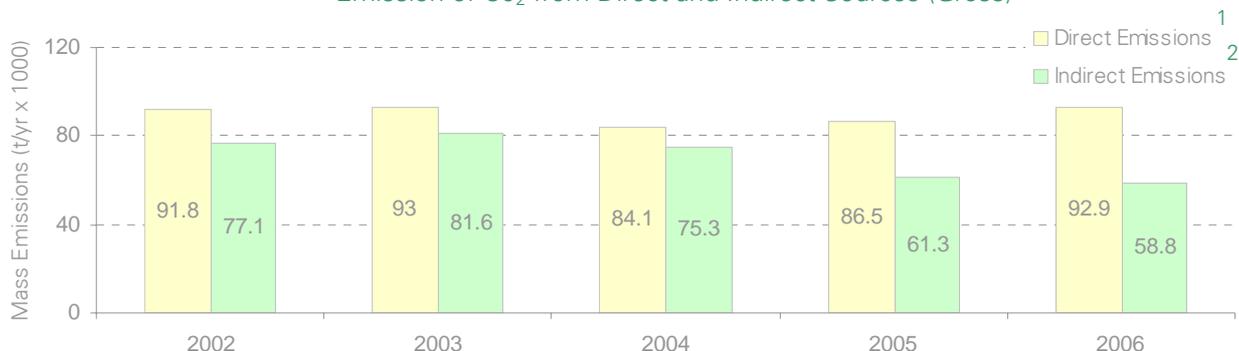
PPC - Pollution Prevention and Control - The application to the Environment Agency for permitting Wytch Farm activities under the Pollution, Prevention and Control (England and Wales) Regulations 2000 was submitted in August 2006.

Carbon Dioxide (CO₂) and Carbon Monoxide (CO)

The management of flaring and operating efficiency has maintained the baseline levels of carbon dioxide emitted from Wytch Farm. There has been a slight increase this year due to two flaring events associated with integrity issues at the Gathering Station and Wellsite M.

Emissions of carbon monoxide in 2006 were 183 tonnes.

Emission of CO₂ from Direct and Indirect Sources (Gross)



¹Direct Emissions are from flaring, gas turbines, diesel usage and other plant.

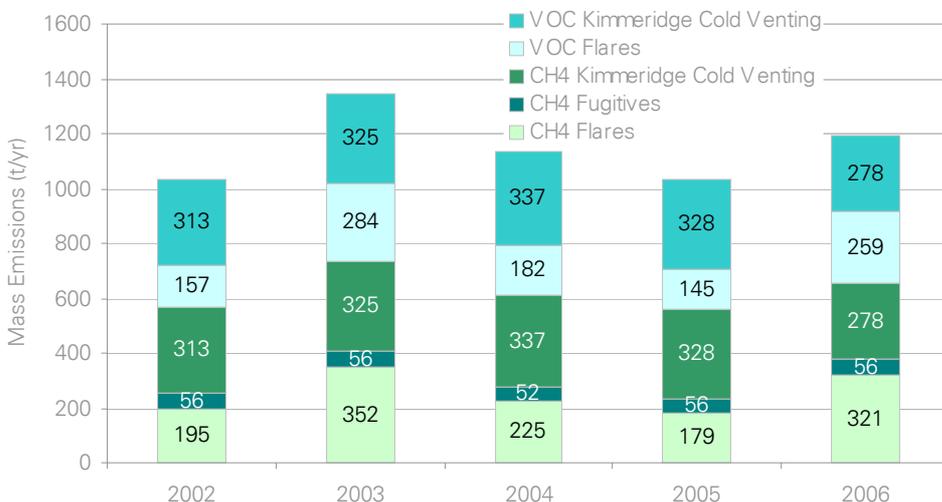
²Indirect Emissions are from imported electricity

Hydrocarbons

Methane (CH₄) and Volatile Organic Compounds (VOCs)

The higher flaring at the Gathering Station has increased emissions of methane and VOCs in 2006. VOCs continue to be cold vented from the Kimmeridge wellsite.

Note: This graph excludes small amount of VOCs from diesel use and gas turbines (4 tonnes for 2007).

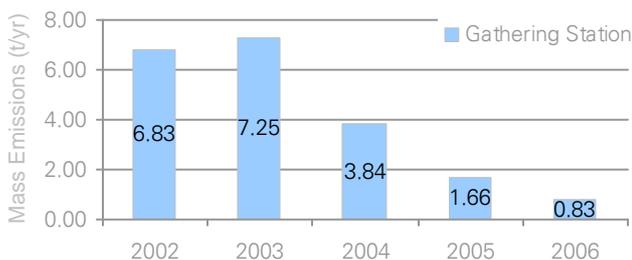


Emissions of Methane and VOCs (Gross)

Ozone Depleting Substances

Hydrochlorofluorocarbons (HCFCs)

HCFCs are used in the refrigeration system that forms part of the gas processing plant at the Gathering Station. The total inventory is around 25 tonnes. During 2006 we replaced a single batch of HCFC that corresponded to a loss of 0.83 tonnes.



Emissions of HCFCs

Noise

Noise monitoring work has been ongoing during the year to provide assurance on compliance with requirements specified in our planning permissions.

There were no complaints regarding noise during the year.

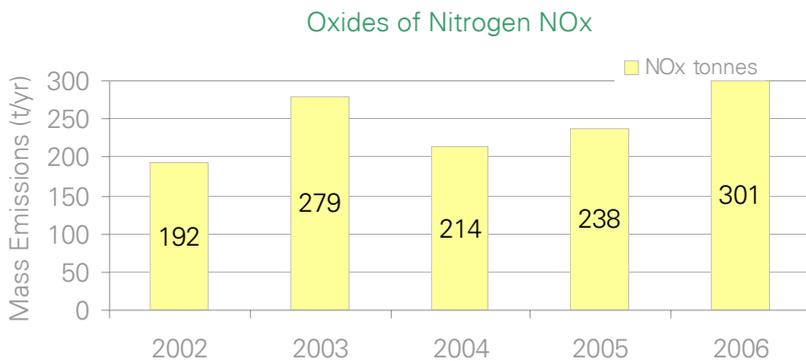
Communication

Wytch Farm received 2 justified complaints in 2006. The first was due to inconvenience caused to a local resident during our COMAH exercise. The second was due to lack of follow up to an enquiry made by a resident.

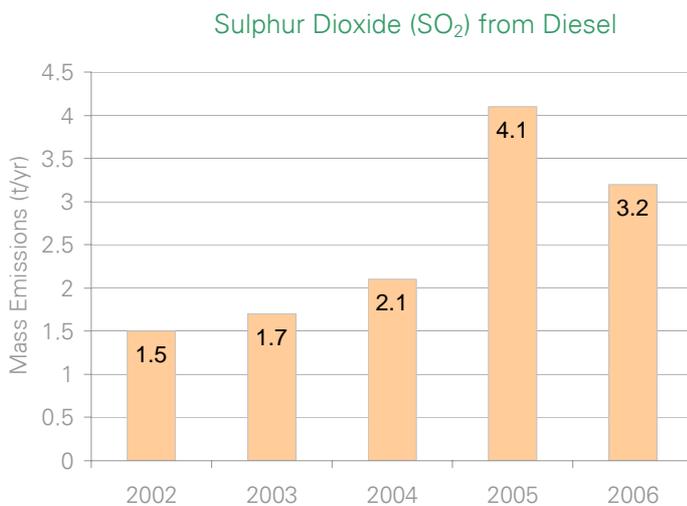
Both complaints were investigated and managed accordingly. We are committed to maintaining open communication with all our stakeholders⁴

Local and Regional Air Quality

Total emissions of oxides of nitrogen (NOx) increased largely as a result of more flaring during 2006. There were no emissions in excess our authorised IPC limit (125 mg/m³) from the gas turbines.



Sulphur dioxide emissions remain directly related to the amount of diesel used for drilling. This year saw a decrease in diesel used for drilling activity and consequently a decrease in sulphur dioxide emissions.



Periodic ambient air quality monitoring was carried out this year and this continued to indicate levels of NOx and SO₂ below UK Air Quality Limits of NOx - 16ppb and SO₂ - 8ppb (Limit value for protection of ecosystems, averaging period of a year). Hydrocarbon emissions were also monitored at our sites and we will continue to review these emissions in line with current legislation.

A programme of periodic ambient air quality monitoring will be carried out during 2007.

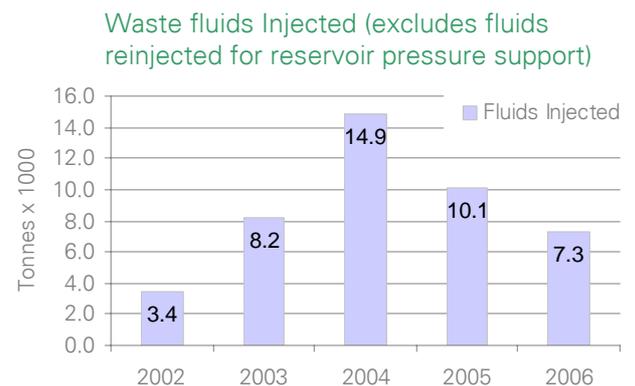
Spills and Discharges to the Environment

In 2006, two spills were reported to the Environment Agency, as listed in the table below.

Discharge from Furzebrook Rail Terminal exceeded consented chloride limit	Feb
Seawater leak on Furzey Island	August

Waste Management

Waste levels from Wytch Farm are related to the amount of activity on-site. The increase in landfilled material this year is related to the decommissioning of the Furzebrook Rail Terminal and increased drilling activity, which generates cuttings. The increase was offset by the reinjection of some of the cuttings on site.



2007 Objectives and Targets

Wytch Farm Environmental Targets	
ISSUE	OBJECTIVE
NORM	Identify alternative decontamination and disposal options for NORM
NORM	Upgrade NORM laundry facilities and create NORM store (Locations to be confirmed)
Integrity	Review leaks and seeps management and improve to comply with BP North Sea Safety Management System requirement
Integrity	Complete environmental assessment & planning application for replacement of infield pipelines
Integrity	Seawater pipeline - implement findings from investigation into pipeline leak
GHG emissions	GHG target 80,000 ¹ tonnes equity share direct emissions
GHG emissions	Improve star rating ² of energy management by one star
GHG emissions	Complete energy efficiency projects: Waste Heat Recovery Unit reliability upgrade and LPG ³ pump restage
GHG emissions	Deliver monitoring and reporting plan improvements required under EU ETS
Compliance - BP	Conduct a gap analysis against the BP Group Environmental Performance Requirements
Compliance- Waste	Revise waste management procedure in line with SMS procedure and roll out to all staff
Compliance - PPC	Deliver annual improvement plan actions on PPC permit
Land Management & Biodiversity	Complete actions on Biodiversity Action Plan for 2007

¹Target is forecast based on optimal performance of gas turbines, Kimmeridge production and increased drilling activity all of which increase emissions, together with flaring performance similar to 2006.

² The star rating system is a BP internal system for benchmarking energy management performance. The highest score under the system is 5 stars. Wytch farm is currently assessed as 1 star. A 1 star increment requires improved staff awareness and implementation of system to identify and implement energy saving projects.

³ LPG pump restage – resizing pump that pumps liquid petroleum gas to tanker loading facility, to make it more energy efficient.

Planned work for 2007

Project Legacy - continues through 2006 and 2007 to implement solutions to keep Wytch Farm running efficiently and safely until the end of field life. Project work for 2007 includes: installation of a new control room and control system to automate and optimise control of the process; planning phase of a project to replace pipelines between the wellsites and the Gathering Station; and continuation of the drilling programme. We are also in the early stages of planning work to resize major sections of the process plant to make them more suitable for low production rates. This includes a review of options to reduce greenhouse gas emissions from flaring.

Furzebrook Rail Terminal Decommissioning - The remaining process equipment and redundant buildings will be removed during 2007. BP will continue to occupy the site.

Baker Panel Report – BP Wytch Farm will be implementing applicable recommendations from the Baker Panel report into the explosion at the Texas City Refinery.

Water Injection Capacity – A new injection pump will be installed at F-site to increase the capacity for re-injecting produced water back into the reservoir as more water is being extracted.

Significant Issues at Wytch Farm

BP has a simply stated goal of 'no damage to the environment'. This challenge stimulates us to find innovative ways to manage our environmental impact at local, regional and global levels. Understanding the environmental impacts of our operations is an important step towards protecting the environment surrounding Wytch Farm. We identify our key environmental issues and risks and ensure our objectives enable us to deliver environmental improvements. An extensive programme of environmental monitoring has been established that allows us to assess, measure, and monitor any environmental impacts.

Environmental Management - The maintenance of an externally verified environmental management system gives assurance to statutory authorities and stakeholders that we are continuing to place environmental considerations at the forefront of our operations.

Communication and Training - We are committed to open communication with all our interested stakeholders. We have found that this is the best way to operate within our surroundings. Wytch Farm regularly holds liaison meetings with local regulatory authorities, employees, contractors, and the local community. At Wytch Farm we actively promote appreciation of the ecological importance of the surrounding environment.

Waste Management - The generation of waste impacts the environment; firstly as natural resources will have been used to create the material which after use is then a waste and secondly in the treatment and disposal of the waste which may lead to emissions, land take and pollution. At Wytch Farm we aim to reduce the waste generated, recycle the waste that is generated and only dispose of the waste that cannot be reused or recycled. Fluorescent tubes and lamps, toner cartridges, empty drums and most waste oils are recycled. Fluids arising from drilling activities are re-injected into the reservoir and include NORM (Naturally Occurring Radioactive Material) wastes. Sewage effluent is tankered off site for disposal at wastewater treatment works.

Land Management and Biodiversity - We recognise the importance of biodiversity issues at Wytch Farm and seek to address these issues as an integral part of the way we do business. The Wytch Farm biodiversity action plan sets objectives and measurable targets to ensure positive results for biodiversity through our operations, education, and conservation projects. We undertake surveys of vegetation and wildlife within our operational areas. This includes monitoring Nightjars and reptiles on Goathorn Peninsula and Red Squirrels on Furzey Island.

Pollution Prevention and Control - Oil and chemical spills can be highly damaging to the environment and biodiversity, and cause business loss. It is very important to us to minimise the occurrence and impact of spills. Wytch Farm operates an emergency response base that is able to deal with a wide range of pollution incidents.

Wytch Farm operates in a rural environment. Excessive noise can reduce the quality of the environment for humans and wildlife. We are required to comply with strict noise limits specified by the Mineral Planning Authority. Noise is regularly monitored to check compliance and reduction measures are carefully considered throughout our operations

Energy Use and Air Emissions

Carbon Dioxide emissions – Wytch Farm generates carbon dioxide each year by the combustion of fossil fuels. Carbon Dioxide concentrations in the atmosphere have been rising due to the combustion of fossil fuels around the world and the majority of scientific evidence links this to global climate change. Wytch Farm has a strategy that aims to use energy efficiently to reduce the quantity

of carbon dioxide that is emitted. A combination of engineering projects and changing of people's behaviours achieve this.

Methane (CH₄) and Volatile Organic Compounds (VOCs) - These gases are vented to the atmosphere at Kimmeridge wellsite, they are also produced during the incomplete combustion of fossil fuels, and small quantities are released as fugitive emissions. Methane is a greenhouse gas that has a higher Global Warming potential than carbon dioxide. We actively manage Methane and VOC emission reductions through prioritising maintenance operations to prevent leaks.

Sulphur dioxide (SO₂) and Oxides of Nitrogen (NO_x) – Sulphur dioxide and oxides of nitrogen, formed during the combustion of fossil fuels, can adversely affect local and regional air quality and impact human health. At Wytch Farm the primary contribution to sulphur dioxide emissions is from the combustion of diesel during drilling operations. Nitrogen oxide emissions are largely as a result of combustion of gas in electricity generating turbines and from combustion of gas in the flares.

Ozone Depleting Substances - A layer of ozone gas in the upper atmosphere filters ultraviolet radiation from the sun, reducing the amount of harmful radiation reaching the earth's surface. Ozone depleting substances such as chlorofluorocarbons (CFC's) and Hydrochlorofluorocarbons (HCFC's) react with the ozone and break it down removing this protective layer from our upper atmosphere. Wytch Farm has approximately 25 tonnes of HCFC's. There are systems in place to minimise the losses to atmosphere and we have a specialist contractor to identify and repair any leakages in the systems. Wytch Farm has no systems containing CFC's.

The next Statement will be issued by May 2008, covering the period January to December 2007.

Further Information

Any queries, requests for further Statements or additional information can be directed towards:

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This Statement has been compiled for the joint venture partners at Wytch Farm.

BP Exploration
Premier Consolidated
Oranje-Nassau Exploration
Maersk Oil North Sea
Talisman Energy

Please note:
Emissions from Kimmeridge are 100% BP and are not accounted for by our partners at Wytch Farm.