**New Onshore Oil & Gas Exploration Licence – East Yorkshire**

I am writing to you concerning the Government’s announcement today about the UK 14th Round for onshore oil and gas exploration licenses. As you may be aware it has been announced that my company, Cuadrilla Resources, along with its business partner GDF SUEZ E&P UK Ltd (part of the ENGIE group) will in due course be offered a licence to explore for shale gas in the area of East Yorkshire outlined in the attached map, part of which is covered by your parish council.

Cuadrilla Resources is a British company which aims to lead best practice for unconventional hydrocarbon exploration in Europe.  We take our responsibilities with regards to safety, environmental protection and working with local communities very seriously

We are pleased to learn that we will be offered this new exploration licence and we welcome the potential for exploration in Yorkshire and the associated benefits of new jobs and economic growth we believe this will bring.  We have not yet been formally offered this licence so we will not be commencing any work in the near future.    At the point at which we are formally awarded the licence any activity will largely centre on desktop studies and potentially acquiring some seismic data.  This will provide us with a detailed insight into the geology deep underneath the licence areas and help in the assessment of locations for potential future exploration sites.

Any future proposed exploration sites would be the subject of planning applications to the local authority, applications to the Environment Agency and HSE for regulatory approvals, an Environmental Impact Assessment where potential fracking is involved along with extensive public consultation and other community engagement.

 On the matter of community benefit, the shale gas industry, through its representative body UK Onshore Oil & Gas (UKOOG) has agreed with Government to pay £100,000 to the community local to each exploration site where it has been granted full planning and regulatory permissions to hydraulically fracture an exploration well. Cuadrilla has committed to going further than this by paying £100k per hydraulically fractured well.  For example Cuadrilla applied for planning permission for up to four exploration wells at its proposed Preston New Road site, in Lancashire, which would mean a payment of up to £400,000 for the local community (£100,000 per exploration well that is hydraulically fractured).  Payments would be made in instalments of £100,000, paid as the drilling of each exploration well commences. For a potential future production phase, 1% of revenues (not profit) will be paid out to communities.

Our first priority will be to talk with the local communities and their elected representatives.  We would therefore welcome the opportunity to meet with you and discuss our plans in more detail.

 We recognise that some members of the public will have concerns and we have a responsibility to communicate with the local community regularly and transparently about any proposed work and future operations and to reassure them that onshore exploration and fracking can and will be done safely, securely and in an environmentally responsible way.  A community helpline has already been set up for people in Yorkshire who may have early questions about onshore oil and gas exploration.  The number is:  0800 1303 884.

 Yours sincerely

Francis Egan, CEO, Cuadrilla Resources