

Chrysaor Production (U.K.) Limited
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By email to calum.haig@energysecurity.gov.uk

Dear Sirs

THE VPI IMMINGHAM LLP (LAND AT ROSPER ROAD) COMPULSORY PURCHASE ORDER 2024
Objection on behalf of Chrysaor Production (U.K.) Limited

- 1.1 Chrysaor Production (U.K.) Limited (a Harbour Energy Company, henceforth “Harbour”) confirms that it has a land interest in the area shaded pink on the Compulsory Purchase Order (“CPO”) map and further details are provided below. Accordingly, it is directly affected by the proposed Order.

Background

- 1.2 Harbour, in partnership with bp, is developing the Viking CCS Project, which will transport compressed and conditioned Carbon Dioxide (CO₂) from Immingham to storage in depleted gas reservoirs in the Southern North Sea. The Viking CCS Project comprises two main components:
- (a) The Viking CCS Pipeline: This onshore transportation system includes a buried 55.5-kilometre, 24-inch diameter pipeline from facilities at Immingham (described in more detail at paragraph 1.6(a), below) to facilities at Theddlethorpe. Here, it will connect to the existing 36-inch Lincolnshire Offshore Gas Gathering System (“LOGGS”) offshore pipeline and continue to the Mean Low Water Springs (“MLWS”) tide mark. The Development Consent Order (“DCO”) application for the Viking CCS Pipeline completed examination on 26th September 2024, and we await the Secretary of States decision expected late March 2025;
 - (b) An Offshore Pipeline System: The existing 36-inch LOGGS pipeline, repurposed for this project, extends beyond the MLWS mark for approximately 120km. Additionally, a new 28 km, 36-inch pipeline extension and a Not Permanently Attended Installation (NPAI) will be developed to inject CO₂ into the depleted gas reservoirs under the Southern North Sea.
- 1.3 Harbour is dedicated to addressing the dual challenge of increasing energy supply to meet growing demand while reducing greenhouse gas emissions. We are committed to transitioning to a lower-carbon economy and minimising the environmental impact of our operations globally. Our strategy includes leveraging Harbour’s existing skills and infrastructure for CO₂ transport and storage, forming the basis for the Viking CCS Project. This project will provide unique access for industries in the Humber region to export CO₂ to the 300 million tonnes of verified CO₂ storage capacity in the depleted Viking gas fields of the Southern North Sea. The Viking CCS Pipeline aims to transport up to 10 million tonnes per annum (mtpa) of CO₂ by 2030 and 15 mtpa by 2035, aligning with the UK government’s Net Zero target by 2050.
- 1.4 The Viking CCS Project has Track 2 status under the Department for Energy Security and Net Zero’s CCUS cluster programme and is in receipt of government support as part of that process.
- 1.5 VPI Immingham LLP (“VPI”), along with Phillips 66 Limited (“P66”), is a proposed ‘anchor emitter’ for the Viking CCS Project. Harbour anticipates that the VPI power project will be sequenced to the Viking CCS Project as providing the means for transporting and storing that CO₂ produced by the VPI power plant.

Harbour is therefore strongly supportive of the VPI project to develop a post-combustion carbon capture plant.

- 1.6 Harbour has been working closely with VPI to manage the interface between the VPI carbon capture project and the Viking CCS Pipeline. The parties have a strong working relationship, and are currently negotiating an agreement to manage those interfaces. Harbour considers that such an agreement could manage potential conflict between the CPO being promoted by VPI and the powers within the DCO, if granted.
- 1.7 However, the interface agreement between the parties has not yet completed and therefore for the reasons set out below Harbour objects to the CPO as currently promoted.

Land interest

- 1.8 The P66 Humber refinery project has committed to work exclusively with Viking CCS and is one of two capture projects (the other being the VPI Immingham power project, together forming the Humber Zero partnership) proposed as anchor emitters, with CO₂ to be conveyed via the planned new Viking CCS Pipeline.
- 1.9 In August 2024, Harbour entered into an Agreement for Lease with Phillips 66 Limited (“P66”) as freehold owner after extensive negotiations over two years, referring to the land subject to the proposed CPO under HMRC land registry title HS299803 for:
 - (a) Main Site Lease: To house a post-combustion carbon capture facility for the reception, compression, venting, preparation for transportation, storage, and/or usage of CO₂, along with ancillary facilities;
 - (b) Temporary Site Lease: To be used as a construction compound and for the storage and laydown of equipment, machinery, vehicles, general welfare facilities, site offices, portacabins, and parking.
- 1.10 The agreement for these leases provide Harbour with access to lands that are required for the Viking CCS project and which are fundamental to its delivery.

Objection

- 1.11 In the event that the CPO was confirmed and the powers exercised by VPI, this would extinguish the Agreement for Lease that Harbour has entered into with P66.
- 1.12 Whilst the parties are negotiating an interface agreement, as noted above that agreement has not yet completed. Harbour is concerned that if the CPO is successful, it could force Harbour into another lengthy negotiation with VPI to reach an Agreement for Lease on potentially less favourable terms, which may affect project delivery. Such a delay to the delivery of the Viking CCS Pipeline would not be in the public interest.
- 1.13 If terms were unacceptable, Harbour would have to consider using its own compulsory acquisition powers (and temporary possession powers) pursuant to the DCO (assuming it is granted in due course), which would apply over part of the land that this CPO is being promoted over. This potential clash of compulsory acquisition powers is a good illustration of the need for this situation to be resolved by negotiation and not by compulsion.
- 1.14 Harbour considers that its concerns can be addressed through entering into an interface agreement with VPI that provides a suitable legal certainty that it will maintain the rights necessary to develop the Viking CCS Pipeline. However, pending completion of that agreement, Harbour hereby objects to the CPO and urges that VPI and P66 resolve the final terms on the Agreement for Lease. Harbour remains committed

to maintaining a positive and collaborative relationship with VPI. Harbour believe that continued cooperation and dialogue will benefit all parties involved and support the successful development of critical infrastructure projects like the Viking CCS Project including the HumberZero capture projects.

Yours faithfully

Paul Davis

Paul Davis
Onshore Development Manager – Viking CCS