

## Regulator Warns North Sea Operators over Delays in Oil Well Decommissioning

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The North Sea Transition Authority (NSTA) has issued a stark warning to oil and gas operators, urging immediate action to clear a growing backlog of decommissioned wells in the North Sea. According to the industry regulator, over 500 wells remain unplugged, with delays risking a further £4 billion in taxpayer and industry costs, on top of the already projected £41 billion bill.

Decommissioning is a legal obligation that falls on operators once oil and gas wells reach the end of their productive life. The NSTA's recent investigation revealed hundreds of wells that have missed scheduled plugging deadlines. If left unresolved, this backlog could exceed 1,000 wells by the end of the decade, leading to a significant spike in costs and logistical challenges.

Pauline Innes, Director of Supply Chain and Decommissioning at the NSTA, stated: "The stark reality is that operators are running out of time to get to grips with the backlog as more contractors consider taking their rigs abroad. This damages the supply chain's ability to meet demand and remain cost competitive."

The concern is that as vessels and skilled workers leave the UK continental shelf for opportunities elsewhere, the costs of decommissioning will continue to climb. Innes affirmed that while the regulator is willing to assist operators in fulfilling their obligations, it "will get tough on those who continually delay."

Only 103 wells were fully decommissioned in 2024, with work started on 223. However, the industry needs to decommission around 300 wells annually to meet its targets and prevent additional backlogs.

Industry body Offshore Energies UK (OEUK) attributed some of the delays to political and regulatory instability. Ricky Thomson, Decommissioning Manager at OEUK, highlighted factors such as the Energy Price Levy and pauses in environmental assessments as major causes of project delays and rising costs.

“Policy instability has introduced significant uncertainty for the sector,” Thomson said. “However, the industry remains committed to delivering safe, efficient decommissioning, which is essential to the UK’s economy, environment, and long-term energy future.”

The regulator’s message is clear: delays not only risk financial burdens for taxpayers but also threaten to undermine the UK’s domestic energy capabilities and its capacity to maintain a skilled offshore workforce. Without immediate action and clearer policy direction, the UK could fall further behind in its decommissioning commitments, with long-term implications for cost, safety, and energy transition objectives.