



# Petroleum Act 1998

## 1998 CHAPTER 17

An Act to consolidate certain enactments about petroleum, offshore installations and submarine pipelines. [11th June 1998]

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

### PART I

#### PETROLEUM

#### 1 Meaning of “petroleum”

In this Part of this Act “petroleum”—

- (a) includes any mineral oil or relative hydrocarbon and natural gas existing in its natural condition in strata; but
- (b) does not include coal or bituminous shales or other stratified deposits from which oil can be extracted by destructive distillation.

#### 2 Rights to petroleum vested in Her Majesty

- (1) Her Majesty has the exclusive right of searching and boring for and getting petroleum to which this section applies.
- (2) This section applies to petroleum (including petroleum in Crown land) which for the time being exists in its natural condition in strata in Great Britain or beneath the territorial sea adjacent to the United Kingdom.
- (3) For the purposes of subsection (2), “Crown land” means land which—
  - (a) belongs to Her Majesty or the Duchy of Cornwall;
  - (b) belongs to a government department; or

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(c) is held in trust for Her Majesty for the purposes of a government department.

(4) Subsection (1) is subject to paragraph 4 of Schedule 3 and subsection (2) is subject to paragraph 5(3) of that Schedule.

### **3 Licences to search and bore for and get petroleum**

(1) The Secretary of State, on behalf of Her Majesty, may grant to such persons as he thinks fit licences to search and bore for and get petroleum to which this section applies.

(2) This section applies to—

- (a) petroleum to which section 2 applies; and
- (b) petroleum with respect to which rights vested in Her Majesty by section 1(1) of the Continental Shelf Act 1964 (exploration and exploitation of continental shelf) are exercisable.

(3) Any such licence shall be granted for such consideration (whether by way of royalty or otherwise) as the Secretary of State with the consent of the Treasury may determine, and upon such other terms and conditions as the Secretary of State thinks fit.

(4) Subsection (1) is subject to paragraph 4 of Schedule 3.

### **4 Licences: further provisions**

(1) The Secretary of State shall make regulations prescribing—

- (a) the manner in which and the persons by whom applications for licences under this Part of this Act may be made;
- (b) the information to be included in or provided in connection with any such application;
- (c) the fees to be paid on any such application;
- (d) the conditions as to the size and shape of areas in respect of which licences may be granted;
- (e) model clauses which shall, unless he thinks fit to modify or exclude them in any particular case, be incorporated in any such licence.

(2) Different regulations may be made for different kinds of licence.

(3) Any such regulations shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(4) As soon as practicable after granting a licence under section 3, the Secretary of State shall publish notice of the fact in the London Gazette stating—

- (a) the name of the licensee; and
- (b) the situation of the area in respect of which the licence has been granted,

and, if that area or any part of it is in Scotland, the Secretary of State shall also publish the notice in the Edinburgh Gazette.

(5) Any information which the Commissioners of Inland Revenue possess in connection with petroleum won by virtue of a licence granted under section 3—

- (a) may be disclosed by the Commissioners to the Secretary of State, or to an officer of his who is authorised by him to receive such information, in connection with provisions of the licence relating to royalty payments; but

- (b) shall not be disclosed by a person to whom it is disclosed under paragraph (a) except—
  - (i) as authorised by the licence;
  - (ii) to a person to whom it could have been disclosed under paragraph (a);
  - or
  - (iii) for the purposes of proceedings (which may be arbitration proceedings) in connection with the licence.

## **5 Existing licences**

- (1) In this section, the “current model clauses” means, in relation to any paragraph of Schedule 1, the model clauses which, immediately before the commencement of this Act, would be incorporated in a licence granted under section 2 of the Petroleum (Production) Act 1934 if the licence, when granted, had incorporated the model clauses mentioned in that paragraph.
- (2) The reference in subsection (1) to the model clauses which, immediately before the commencement of this Act, would be incorporated in a licence is a reference to those model clauses as they would then have effect but as if any reference (however expressed) in a model clause to an enactment repealed and re-enacted by this Act were, or (where the context requires) included, a reference to the corresponding provision of this Act.
- (3) For the purposes of subsection (2), any provision of a model clause which would have effect (or would have a particular effect) only in relation to a licence of a description of which none is in force immediately before the commencement of this Act shall be treated as not then having effect (or as not then having that effect).
- (4) The Secretary of State shall, in an order made before the commencement of this Act, reproduce the current model clauses in relation to each paragraph of Schedule 1.
- (5) Subject to subsections (7) and (8), any licence granted under section 2 of the Petroleum (Production) Act 1934 which—
  - (a) is in force immediately before the commencement of this Act; and
  - (b) when granted, incorporated any of the model clauses mentioned in any paragraph of Schedule 1,shall on the commencement of this Act have effect as if it incorporated, in place of the relevant model clauses, the current model clauses reproduced in relation to that paragraph in the order under subsection (4).
- (6) For the purposes of subsection (5), the relevant model clauses, in relation to any licence, are the model clauses which the licence incorporates immediately before the commencement of this Act other than any model clause which—
  - (a) was incorporated into the licence when it was granted; and
  - (b) is not within any paragraph of Schedule 1.
- (7) Where immediately before the commencement of this Act any such licence incorporates model clauses subject to any amendment or modification, or with the omission of any model clause, the current model clauses reproduced under subsection (4) shall have effect in relation to that licence—
  - (a) subject to the same amendment or modification; or
  - (b) as the case may be, with the omission of the model clause corresponding to the model clause omitted from the licence.

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- (8) Where before the commencement of this Act model clauses (the “substitute model clauses”) set out in any regulations made under section 6 of the Petroleum (Production) Act 1934 have been substituted for the model clauses originally incorporated in any licence granted under section 2 of that Act, the licence shall be treated for the purposes of this section as if, when granted, it had incorporated the substitute model clauses.
- (9) It is hereby declared that any provision incorporated in a licence by virtue of subsection (5) may be altered or deleted by an instrument under seal executed by the Secretary of State and the licensee or, as respects Scotland, by an instrument subscribed by the Secretary of State and the licensee in accordance with the Requirements of Writing (Scotland) Act 1995.
- (10) Where any provision is replaced by virtue of subsection (5)—
- (a) a reference in any document to that provision (or which immediately before the commencement of this Act is to be construed as a reference to that provision) shall, except so far as the nature of the document or context otherwise requires, be construed as a reference to the replacement; and
  - (b) anything done under or for the purposes of that provision shall, except where the context otherwise requires, be treated as having been done under or for the purposes of the replacement.
- (11) The order to be made under subsection (4) shall be made by statutory instrument, shall be laid before Parliament after being made and shall come into force on the commencement of this Act.

## **6 Repayments for development**

- (1) Where any person has paid to the Secretary of State a sum by way of royalty under the terms of a licence granted under section 3, the Secretary of State may with the approval of the Treasury repay to him the whole or a part of that sum if the Secretary of State considers it expedient to do so for the purpose of facilitating or maintaining the development of the petroleum resources of the United Kingdom.
- (2) Where for any chargeable period for the purpose of a licence granted under section 3 any person has been required to deliver petroleum to the Secretary of State under the terms of that licence, subsection (1) shall have effect as if for that period that person had paid to the Secretary of State by way of royalty such sum, or (where he has been required to deliver some but not all of the petroleum which he could have been required to deliver) such additional sum, as he would have been required to pay under the terms of the licence if he had not been required to deliver the petroleum.
- (3) Any repayment and right to a repayment under this section shall be disregarded for the purposes of income tax, corporation tax and petroleum revenue tax.

## **7 Ancillary rights**

- (1) Subject to the provisions of this section, the Mines (Working Facilities and Support) Act 1966 shall apply (in England and Wales and Scotland) for the purpose of enabling a person holding a licence under this Part of this Act to acquire such ancillary rights as may be required for the exercise of the rights granted by the licence.
- (2) In its application for the purposes of this section, the Mines (Working Facilities and Support) Act 1966 shall have effect as if—

- (a) references to a person having a right to work minerals included references to a person holding a licence under this Part of this Act;
  - (b) references to minerals included references to petroleum; and
  - (c) references to the working of minerals included references to the getting, carrying away, storing, treating and converting of petroleum.
- (3) Without prejudice to the generality of subsection (1) of section 2 of the Mines (Working Facilities and Support) Act 1966, that Act shall have effect for the purposes of this section as if the ancillary rights mentioned in that subsection included—
- (a) a right to enter upon land and to sink boreholes in the land for the purpose of searching for and getting petroleum; and
  - (b) a right to use and occupy land for—
    - (i) the erection of such buildings;
    - (ii) the laying and maintenance of such pipes; and
    - (iii) the construction of such other works,as may be required for the purpose of searching and boring for and getting, carrying away, storing, treating and converting petroleum.
- (4) Where an application is made to the court under the Mines (Working Facilities and Support) Act 1966 by virtue of this section—
- (a) in deciding—
    - (i) whether to grant any right applied for; or
    - (ii) what terms and conditions, if any, should be imposed upon the grant of such a right,the court shall have regard, among other considerations, to the effect on the amenities of the locality of the proposed use and occupation of the land in respect of which the right is applied for;
  - (b) in determining the amount of any compensation to be paid in respect of the grant of any right, an additional allowance of not less than 10 per cent. shall be made on account of the acquisition of the right being compulsory;
  - (c) the costs in connection with the application incurred by the applicant shall not be ordered to be paid by any person from whom a right is sought to be obtained; and
  - (d) the costs in connection with the application incurred by each person from whom a right is sought to be obtained shall be ordered to be paid by the applicant unless the court is satisfied that an unconditional offer in writing was made by the applicant to that person of a sum as compensation equal to or greater than the amount of any compensation awarded to him by the court.

## **8 Power to inspect plans of mines**

- (1) For the purpose of ascertaining on behalf of the Secretary of State the position of the workings, actual and prospective, of any mines or abandoned mines through or near which it is proposed to sink any borehole for the purpose of searching for or getting petroleum, any officer appointed by the Secretary of State shall have the same powers with respect to the production and inspection and the taking of copies of relevant documents as may under section 20 of the Health and Safety at Work etc. Act 1974 be exercised by an inspector acting for the purpose mentioned in subsection (1) of that section.
- (2) For the purposes of subsection (1)—

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- (a) “relevant documents” means plans, sections, drawings or other similar documents which, by virtue of paragraph 16 of Schedule 3 to that Act of 1974, are required to be kept;
- (b) “an inspector” means an inspector appointed under section 19 of that Act; and
- (c) subsections (2) and (3) of section 19 of that Act shall be disregarded.

## **9 Supplementary**

- (1) Nothing in this Part of this Act shall be construed as imposing any liability on any person where in the course of mining or other lawful operations petroleum is set free.
- (2) Nothing in this Part of this Act shall be construed as conferring, or as enabling the Secretary of State to confer, on any person, whether acting on behalf of Her Majesty or not, any right which he does not enjoy apart from this Part of this Act to enter on or interfere with land.
- (3) The issue of an authorisation within the meaning of Part III of this Act shall be deemed not to derogate from a licence granted under section 3 which is for the time being in force.

## **PART II**

### **OFFSHORE ACTIVITIES**

## **10 Application of criminal law etc**

- (1) Her Majesty may by Order in Council provide that, in such cases and subject to such exceptions as may be prescribed by the Order, any act or omission which—
  - (a) takes place on, under or above an installation in waters to which this section applies or any waters within 500 metres of any such installation; and
  - (b) would, if taking place in any part of the United Kingdom, constitute an offence under the law in force in that part,shall be treated for the purposes of that law as taking place in that part.
- (2) Her Majesty may by Order in Council provide that, in such cases and subject to such exceptions as may be prescribed by the Order, a constable shall on, under or above any installation in waters to which this section applies or any waters within 500 metres of such an installation have all the powers, protection and privileges which he has in the area for which he acts as constable.
- (3) Subsection (2) is without prejudice to any other enactment or rule of law affording any power, protection or privilege to constables.
- (4) Where a body corporate is guilty of an offence by virtue of an Order in Council under this section and that offence is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate or any person who was purporting to act in any such capacity, he as well as the body corporate shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

- (5) Where the affairs of a body corporate are managed by its members, subsection (4) shall apply in relation to acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.
- (6) Proceedings for anything that is an offence by virtue of an Order in Council under this section may be taken, and the offence may for all incidental purposes be treated as having been committed, in any place in the United Kingdom.
- (7) The waters to which this section applies are—
- (a) the territorial sea adjacent to the United Kingdom;
  - (b) waters in an area designated under section 1(7) of the Continental Shelf Act 1964; or
  - (c) waters in an area specified under subsection (8).
- (8) Her Majesty may from time to time by Order in Council specify any area which—
- (a) is in a foreign sector of the continental shelf; and
  - (b) comprises any part of a cross-boundary field,
- as an area as respects which the powers conferred by this section and section 11 are exercisable.
- (9) In this section—
- “cross-boundary field” means a field that extends across the boundary between waters falling within paragraph (a) or (b) of subsection (7) and a foreign sector of the continental shelf;
  - “field” means a geological structure identified as such by Order in Council under subsection (8).
- (10) This section applies to installations notwithstanding that they are for the time being in transit.
- (11) A statutory instrument containing an Order in Council under this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.

## **11 Application of civil law**

- (1) Her Majesty may by Order in Council—
- (a) provide that, in such cases and subject to such exceptions as may be prescribed by the Order, questions arising out of acts or omissions taking place on, under or above waters to which this section applies in connection with any activity mentioned in subsection (2) shall be determined in accordance with the law in force in such part of the United Kingdom as may be specified in the Order; and
  - (b) make provision for conferring jurisdiction with respect to such questions on courts in any part of the United Kingdom so specified.
- (2) The activities referred to in subsection (1) are—
- (a) activities connected with the exploration of, or the exploitation of the natural resources of, the shore or bed of waters to which this section applies or the subsoil beneath it; and
  - (b) without prejudice to the generality of paragraph (a), activities carried on from, by means of or on, or for purposes connected with, installations to which subsection (3) applies.

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- (3) This subsection applies to any installation which is or has been maintained, or is intended to be established, for the carrying on of any of the following activities, namely—
- (a) the exploitation or exploration of mineral resources in or under the shore or bed of waters to which this section applies;
  - (b) the storage of gas in or under the shore or bed of such waters or the recovery of gas so stored;
  - (c) the conveyance of things by means of a pipe, or system of pipes, constructed or placed on, in or under the shore or bed of such waters; and
  - (d) the provision of accommodation for persons who work on or from an installation which is or has been maintained, or is intended to be established, for the carrying on of an activity within paragraph (a), (b) or (c) or this paragraph.
- (4) The fact that an installation has been maintained for the carrying on of an activity within subsection (3) shall be disregarded for the purposes of that subsection if, since it was so maintained, it has been outside waters to which this section applies or has been maintained for the carrying on of an activity not falling within that subsection.
- (5) Any jurisdiction conferred on a court under this section shall be without prejudice to any jurisdiction exercisable apart from this section by that or any other court.
- (6) This section applies to installations notwithstanding that they are for the time being in transit.
- (7) A statutory instrument containing an Order in Council under this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (8) The waters to which this section applies are—
- (a) tidal waters and parts of the sea in or adjacent to the United Kingdom up to the seaward limits of the territorial sea;
  - (b) waters in an area designated under section 1(7) of the Continental Shelf Act 1964;
  - (c) waters in an area specified under section 10(8); and
  - (d) in relation to installations which are or have been maintained, or are intended to be established, in waters within paragraph (a), (b) or (c), waters in a foreign sector of the continental shelf which are adjacent to such waters.

## 12 Prosecutions

- (1) Subject to subsection (2), this subsection applies to—
- (a) any offence alleged to have been committed on, under or above an installation in waters to which section 10 applies or any waters within 500 metres of such an installation; and
  - (b) any offence committed on or as respects an aircraft which is not registered in the United Kingdom which is an offence created by virtue of paragraph 6(5) of Part III of Schedule 13 to the Civil Aviation Act 1982.
- (2) Subsection (1) does not apply to any offence to which subsection (5) applies nor to any offence under, or under any provision which has effect under—
- (a) the Customs and Excise Acts 1979, or any enactment to be construed as one with those Acts or any of them;



- (b) except where it is created by virtue of paragraph 6(5) of Part III of Schedule 13 to the Civil Aviation Act 1982, that Act or any enactment to be construed as one with that Act;
  - (c) the Pilotage Act 1987;
  - (d) the Value Added Tax Act 1994 or any enactment to be construed as one with that Act;
  - (e) the Merchant Shipping Act 1995; or
  - (f) Part III or IV of this Act.
- (3) No proceedings for an offence to which subsection (1) applies shall be instituted—
- (a) in England and Wales, except by or with the consent of the Director of Public Prosecutions unless prosecution of the offence there requires the consent of the Attorney General;
  - (b) in Northern Ireland, except by or with the consent of the Director of Public Prosecutions for Northern Ireland unless prosecution of the offence there requires the consent of the Attorney General for Northern Ireland.
- (4) Section 3 of the Territorial Waters Jurisdiction Act 1878 (restriction on prosecutions) shall not apply to any proceedings for an offence to which subsection (1) or (5) applies.
- (5) This subsection applies to—
- (a) any offence under section 23 of the Petroleum Act 1987 (safety zones); and
  - (b) any offence under any provision made under the Mineral Workings (Offshore Installations) Act 1971 which has effect by virtue of—
    - (i) paragraph (1) of regulation 6 (savings) of the Offshore Safety (Repeals and Modifications) Regulations 1993; or
    - (ii) paragraph (1) of regulation 6 (savings) of the Offshore Safety (Repeals and Modifications) Regulations (Northern Ireland) 1993.

## 13 Interpretation of Part II

In this Part of this Act—

“foreign sector of the continental shelf” has the meaning given by section 48(1); and

“installation” includes any floating structure or device maintained on a station by whatever means.

## PART III

### SUBMARINE PIPELINES

## 14 Construction and use of pipelines

- (1) No person shall—
- (a) execute in, under or over any controlled waters any works for the construction of a pipeline; or
  - (b) use a controlled pipeline of which the construction was begun on or after 1st January 1976,
- except in accordance with an authorisation given in writing by the Secretary of State.

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(2) In this Part of this Act—

“controlled pipeline” means so much of any pipeline as is in, under or over controlled waters; and

“controlled waters” means the territorial sea adjacent to the United Kingdom and the sea in any area designated under section 1(7) of the Continental Shelf Act 1964.

## 15 Authorisations

(1) Schedule 2 (applications for and issue of authorisations) shall have effect.

(2) The Secretary of State shall not issue an authorisation to a person other than a body corporate.

(3) Any authorisation in respect of a controlled pipeline may contain such terms as the Secretary of State thinks appropriate including in particular terms as to—

- (a) the duration of the authorisation, including the method of ascertaining its duration;
- (b) the persons or kinds of persons who are authorised to execute the works in question or to use the pipeline or are so authorised if the Secretary of State consents to the execution of the works or the use of the pipeline by them;
- (c) in the case of a works authorisation—
  - (i) the route of the pipeline;
  - (ii) the boundaries within which any works may be executed in pursuance of the authorisation;
  - (iii) the design and capacity of the pipeline or of part of it; and
  - (iv) the steps to be taken to avoid or reduce interference by the pipeline with fishing or with other activities connected with the sea or the sea bed or subsoil;
- (d) the things authorised to be conveyed by the pipeline;
- (e) the steps to be taken to ensure that funds are available to discharge any liability for damage attributable to the release or escape of any thing from the pipeline;
- (f) the transactions relating to the pipeline which are not to be entered into, and the other things relating to the pipeline which are not to be done, without the consent of the Secretary of State;
- (g) the persons who may be permitted to acquire an interest in the pipeline and who may not be permitted to retain such an interest;
- (h) the operation of the pipeline, including the methods by which it is to be operated and the persons by whom it may be operated;
- (i) the information to be provided in respect of the pipeline; and
- (j) the giving by the Secretary of State, with respect to matters specified in the authorisation, of directions which shall have effect as terms of the authorisation.

(4) Unless the Secretary of State considers that there are special circumstances by reason of which the duration of an authorisation should be limited, an authorisation shall provide for its duration to be unlimited subject to the following provisions of this Part of this Act.

(5) Subsection (6) applies where a works authorisation contains a term (the “variation term”) requiring that—

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- (a) the capacity of the controlled pipeline to which it relates or of any part of the pipeline shall be greater than that proposed in the application for the authorisation; or
  - (b) any of the route of the pipeline shall be different from that so proposed.
- (6) Where this subsection applies, the Secretary of State may, subject to section 17(7), serve a notice in accordance with subsection (7) on—
- (a) the holder of the authorisation; and
  - (b) any other person who made representations to the Secretary of State that the capacity should be greater than that proposed as mentioned in subsection (5) or that any of the route should be different from that so proposed.
- (7) A notice under subsection (6) shall—
- (a) specify the sums or the method of determining the sums which the Secretary of State considers should be paid to the holder by the other person for the purpose of defraying so much of the cost of constructing the pipeline as is attributable to the variation term;
  - (b) require the other person to make, within a specified period, arrangements which the Secretary of State considers are appropriate to ensure that those sums will be paid to the holder if he constructs the pipeline or a relevant part of it in accordance with the variation term or satisfies the Secretary of State that he will so construct it;
  - (c) provide that the holder may, if those arrangements are not made by the other person within the specified period, elect in the specified manner that—
    - (i) the variation term shall have effect with such modifications as are specified with a view to eliminating the consequences of the representations of the other person; and
    - (ii) the provisions included in the notice by virtue of paragraph (d) shall cease to have effect; and
  - (d) authorise the holder, if he satisfies the Secretary of State that the pipeline or a relevant part of it has been or will be constructed in accordance with the variation term, to recover those sums from the other person.
- (8) In subsection (7), “specified” means specified in the notice.

## **16 Compulsory modifications of pipelines**

- (1) If in the case of a controlled pipeline it appears to the Secretary of State, on the application of a person other than the owner of the pipeline—
- (a) that the capacity of the pipeline can and should be increased by modifying apparatus and works associated with the pipeline; or
  - (b) that the pipeline can and should be modified by installing in it a junction through which another pipeline may be connected to the pipeline,
- then, subject to section 17(8), the Secretary of State may, after giving the owner of the pipeline an opportunity of being heard about the matter, serve on the owner and the applicant a notice in accordance with subsection (2).
- (2) A notice under subsection (1) shall—
- (a) specify the modifications which the Secretary of State considers should be made in consequence of the application;

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- (b) specify the sums or the method of determining the sums which the Secretary of State considers should be paid to the owner by the applicant for the purpose of defraying the cost of the modifications;
  - (c) require the applicant to make, within the period specified for the purpose in the notice, arrangements which the Secretary of State considers appropriate to secure that those sums will be paid to the owner if he carries out the modifications or satisfies the Secretary of State that he will carry them out;
  - (d) require the owner, if the applicant makes those arrangements within that period, to carry out the modifications within a period specified for the purpose in the notice; and
  - (e) authorise the owner, if he satisfies the Secretary of State that he has carried out or will carry out the modifications, to recover those sums from the applicant.
- (3) References in subsections (1) and (2) to modifications include, in the case of modifications of any apparatus and works, references to changes in, substitutions for and additions to the apparatus and works.
- (4) For the purposes of section 14(1) a notice under subsection (1) of this section requiring a person to carry out modifications authorises him to carry out the modifications; but nothing in Schedule 2 shall apply to such a notice.

## **17 Acquisition of rights to use pipelines**

- (1) Subsections (2) and (3) apply where a person applies to the Secretary of State for a notice under this section securing to the applicant a right to have conveyed, by a controlled pipeline of which he is not the owner, quantities specified in the application of things which are of a kind so specified and which the pipeline is designed to convey.
- (2) The Secretary of State shall—
- (a) give notice to the owner of the pipeline and the applicant that he proposes to consider the application; and
  - (b) after the expiry of 21 days beginning with the date on which notice under paragraph (a) was served, but before considering the application, give them an opportunity of being heard with respect to the application.
- (3) Where the Secretary of State is satisfied that, if he served a notice under this section the pipeline in question could be operated in accordance with the notice without prejudicing its efficient operation for the purpose of conveying, on behalf of its owner, the quantities of permitted substances which the owner requires or may reasonably be expected to require, the Secretary of State may serve such a notice on the owner and the applicant.
- (4) In subsection (3), “permitted substances” means the things which may be conveyed by the pipeline in accordance with an authorisation (or, if no authorisation for the use of the pipeline is required by section 14(1), means the things which the pipeline is designed to convey).
- (5) A notice under this section may contain such provisions as the Secretary of State considers appropriate for any of the following purposes—
- (a) to secure to the applicant, without prejudicing the efficient operation of the pipeline for the purpose mentioned in subsection (3), the right to have conveyed by the pipeline the quantities specified in the application of the things so specified;

- (b) to secure that the exercise of the right is not prevented or impeded;
  - (c) to regulate the charges which may be made for the conveyance of things by virtue of the right; and
  - (d) to secure to the applicant the right to have a pipeline of his connected to the pipeline by the applicant or owner.
- (6) Such a notice may also authorise the owner to recover from the applicant payments by way of consideration for any right mentioned in subsection (5)(a) or (d) of amounts specified in the notice or determined in accordance with the notice.
- (7) Before serving a notice under section 15(6) on a person other than the holder of the relevant authorisation, the Secretary of State shall give that person an opportunity to make an application under subsection (1) in respect of the proposed pipeline to which the authorisation relates; and subsections (1) to (6) shall have effect for this purpose as if references to a pipeline and the owner of it were references to the proposed pipeline and the proposed owner of it.
- (8) Before serving a notice under section 16(1) on a person other than the owner of the relevant pipeline, the Secretary of State shall give that person particulars of the modifications which he proposes to specify in the notice and an opportunity to make an application under subsection (1) in respect of the pipeline; and subsections (1) to (6) shall have effect for this purpose as if references to a pipeline were references to the pipeline as it would be with those modifications.
- (9) The use of a pipeline by any person in accordance with a right secured to him by virtue of this section is not a contravention of section 14(1); but a person to whom a right is so secured may not assign the right to any other person.

## **18 Termination of authorisations**

- (1) An authorisation shall cease to be in force at the earliest of the following—
- (a) where the duration of the authorisation is not expressed to be unlimited, the time at which that duration expires as specified by or ascertained under the terms of the authorisation;
  - (b) the time (if any) agreed in writing by the holder and the Secretary of State as the time at which the authorisation is to cease to be in force; and
  - (c) the time specified in a notice under subsection (2) or (6).
- (2) If it appears to the Secretary of State that the execution of works authorised by a works authorisation has not been begun at the expiry of the period specified in subsection (3), he shall serve on the holder a notice stating that the authorisation is to cease to be in force at a time specified in the notice.
- (3) The period referred to in subsection (2) is—
- (a) the period of three years beginning with the date when the authorisation is expressed to come into force; or
  - (b) such longer period beginning with that date as the Secretary of State has, on the application of the holder, specified in a notice served under this paragraph on the holder during the period mentioned in paragraph (a).
- (4) For the purpose of subsection (2), the Secretary of State shall disregard the execution of any of the works which he considers should be disregarded for that purpose.
- (5) The Secretary of State shall not serve a notice under subsection (3)(b) unless—

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- (a) he is satisfied that notice of the application under that provision has been served on—
    - (i) the persons on whom, in accordance with Schedule 2, notice of the application for the authorisation was served or such of them as the Secretary of State considers appropriate in the circumstances; and
    - (ii) such other persons, if any, as he considers appropriate in the circumstances; and
  - (b) he has considered any written representations about the application under subsection (3)(b) made during such a period as he considers reasonable by any of the persons on whom notice of the application was served in accordance with paragraph (a).
- (6) Subject to subsections (7) and (8), if the Secretary of State considers that the holder of an authorisation—
- (a) has contravened a term of the authorisation; or
  - (b) has contravened any provision of a notice which, under section 16 or 17, was served on him in his capacity as the owner of the pipeline (or the proposed owner of the proposed pipeline) to which the authorisation relates,
- the Secretary of State may serve on the holder a notice stating that the authorisation is to cease to be in force at a time specified in the notice.
- (7) The Secretary of State shall not serve a notice under subsection (6) without first giving the holder of the authorisation an opportunity to make written representations to him.
- (8) The Secretary of State shall not serve a notice under subsection (6) in consequence of a contravention if the Secretary of State considers that—
- (a) having regard to the nature and consequences of the contravention and to any previous contravention, it would be unreasonable to terminate the authorisation in consequence of the contravention; and
  - (b) the holder has taken adequate steps to prevent similar contraventions in future.
- (9) When an authorisation ceases to be in force the Secretary of State shall publish in the London and Edinburgh and Belfast Gazettes, or in such of them as he considers appropriate, a notice stating that it has ceased to be in force.

## **19 Vesting of pipelines on termination or subsequent issue of authorisations**

- (1) When an authorisation ceases to be in force the controlled pipeline to which it relates shall, by virtue of this subsection, be transferred to and vest in the Secretary of State free from encumbrances, except that nothing in this subsection prejudices—
  - (a) any interest belonging to the Crown Estate or to Her Majesty in right of the Duchy of Lancaster or to the Duchy of Cornwall; or
  - (b) any right conferred by a notice relating to the pipeline under section 17.
- (2) Where the Secretary of State proposes to issue an authorisation to any person in respect of a pipeline vested in the Secretary of State by virtue of subsection (1) he may agree with that person, on terms which may include provision for that person to make payments to the Secretary of State, that the authorisation is to include a statement that subsection (3) applies to the authorisation.
- (3) Where an authorisation includes such a statement the pipeline to which the authorisation relates shall, by virtue of this subsection and at the time specified in the authorisation, be transferred to and vest in the holder of the authorisation subject to

any interest or right then subsisting in respect of the pipeline by virtue of paragraph (a) or (b) of subsection (1).

## **20 Inspectors etc**

- (1) The Secretary of State may appoint, as inspectors to assist him in the execution of this Part of this Act, such number of persons appearing to him to be qualified for the purpose as he considers appropriate from time to time; and the Secretary of State may make, to or in respect of any person so appointed, such payments by way of remuneration or otherwise as the Secretary of State determines with the approval of the Minister for the Civil Service.
- (2) The Secretary of State may by regulations make provision with respect to—
  - (a) the powers and duties of—
    - (i) inspectors appointed under subsection (1); and
    - (ii) any other persons acting on the directions of the Secretary of State in connection with the execution of this Part of this Act; and
  - (b) the facilities to be accorded to such inspectors and other persons.
- (3) For the purpose of enforcing regulations made under subsection (2), an inspector appointed under subsection (1) shall have the same powers under section 38 of the Health and Safety at Work etc. Act 1974 (institution of proceedings in England and Wales) as he would have if he were an inspector appointed by the Health and Safety Executive under section 19 of that Act who is authorised to act for the purposes of the regulations.
- (4) In the application of this section to Northern Ireland, subsection (3) shall have effect as if—
  - (a) the references to sections 19 and 38 of the Health and Safety at Work etc. Act 1974 were references to Articles 21 and 35, respectively, of the Health and Safety at Work (Northern Ireland) Order 1978; and
  - (b) the reference to the Health and Safety Executive were a reference to the Department of Economic Development.
- (5) A statutory instrument containing regulations under subsection (2) shall be subject to annulment in pursuance of a resolution of either House of Parliament.

## **21 Enforcement**

- (1) Any person who—
  - (a) contravenes any provision of section 14(1); or
  - (b) contravenes any provision of a notice under section 16 or 17 served on him in his capacity as the owner of the pipeline to which the notice relates in a case where no authorisation for the use of the pipeline is required by section 14(1); or
  - (c) makes a statement which he knows is false in a material particular, or recklessly makes a statement which is false in a material particular, for the purpose of inducing the Secretary of State—
    - (i) to issue any authorisation; or
    - (ii) to agree under section 18(1)(b) that an authorisation is to cease to be in force; or
    - (iii) to specify a period under section 18(3)(b); or

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- (iv) not to serve a notice under section 18(6),  
 shall be guilty of an offence and liable on summary conviction to a fine not exceeding the statutory maximum or on conviction on indictment to a fine.
- (2) If a person executes any works in contravention of section 14(1) the Secretary of State may at any time serve on him a notice requiring him to remove such of the works as are specified in the notice as works to be removed.
- (3) The recipient of a notice under subsection (2) shall comply with the notice within the period specified in the notice; and if he fails to do so the Secretary of State may comply with the notice on his behalf and recover from him any expenses reasonably incurred in doing so.
- (4) If a person executes any works in contravention of section 14(1) and the Secretary of State considers that it is urgently necessary to do such things in relation to the works as he could have required that person to do by a notice under subsection (2), the Secretary of State may do those things and recover from that person any expenses reasonably incurred in doing so.
- (5) The fact that any thing is done or omitted—
- (a) by the recipient of a notice under subsection (2) for the purpose of complying with the notice; or
  - (b) by the Secretary of State under subsection (3) or (4),
- shall not relieve him from liability for any damage which is attributable to the act or omission and for which he would have been liable had the act or omission not been authorised by this section; but the Secretary of State shall be entitled to recover from the person who executed the works in question the amount of any damages which, in consequence of the works, are paid by the Secretary of State by virtue of this subsection.

## 22 Criminal proceedings

- (1) Proceedings for an offence under section 21(1) or created by regulations made under this Part of this Act (a “relevant offence”) may be taken, and the offence may for all incidental purposes be treated as having been committed, in any place in the United Kingdom.
- (2) Proceedings for a relevant offence alleged to have been committed in, under or over controlled waters shall not be instituted in England and Wales except—
- (a) by the Secretary of State or by a person authorised in that behalf by the Secretary of State; or
  - (b) by or with the consent of the Director of Public Prosecutions.
- (3) Proceedings for a relevant offence alleged to have been committed in, under or over controlled waters shall not be instituted in Northern Ireland except—
- (a) by the Secretary of State or by a person authorised in that behalf by the Secretary of State; or
  - (b) by or with the consent of the Director of Public Prosecutions for Northern Ireland.
- (4) Subsections (2) and (3) do not apply to proceedings for an offence created by regulations made under section 20.



- (5) In proceedings for a relevant offence an averment in the information, complaint or indictment that anything was done or situated in, under or over controlled waters shall, unless the contrary is proved, be sufficient evidence of the matter stated in the averment.
- (6) Where a relevant offence committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate or any person who was purporting to act in any such capacity, he as well as the body corporate shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.
- (7) In subsection (6), in relation to a body corporate which—
- (a) is established by or under any enactment for the purpose of carrying on under public ownership any industry or part of an industry or undertaking; and
  - (b) is a body whose affairs are managed by its members,
- “director” means a member of the body corporate.
- (8) In any proceedings for—
- (a) an offence under paragraph (a) of subsection (1) of section 21 of executing works or using a pipeline otherwise than in accordance with the terms of the relevant authorisation; or
  - (b) an offence under paragraph (b) of that subsection of contravening any provision of a notice,
- it shall be a defence to prove that the accused used all due diligence to comply with those terms or, as the case may be, with that provision.
- (9) Section 3 of the Territorial Waters Jurisdiction Act 1878 (restriction on prosecutions) shall not apply to any proceedings for a relevant offence.

## **23 Civil liability for breach of statutory duty**

- (1) Breach of a duty imposed on any person by regulations made under this Part of this Act which state that this subsection applies to such a breach shall be actionable so far, and only so far, as the breach causes personal injury.
- (2) References in—
- (a) the Fatal Accidents Act 1976; and
  - (b) Article 3(1) of the Fatal Accidents (Northern Ireland) Order 1977,
- to a wrongful act, neglect or default shall include references to any such breach which is so actionable.
- (3) Nothing in subsections (1) and (2) prejudices any action which lies apart from the provisions of those subsections.
- (4) A defence to a charge which is available by virtue of section 25(3)(c) shall not be a defence in any civil proceedings whether they are brought by virtue of this section or otherwise.
- (5) For the purposes of subsection (1) any such regulations as are mentioned in that subsection shall bind the Crown, and references in those regulations to employees shall for those purposes include persons in the service of the Crown; but nothing in this subsection—

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- (a) confers any right of action on a person as a member of the armed forces of the Crown; or
  - (b) authorises proceedings against Her Majesty in her private capacity or in right of the Duchy of Lancaster or against the Duke of Cornwall.
- (6) In subsection (1) “personal injury” includes any disease, any impairment of a person’s physical or mental condition and any fatal injury.

## **24 Application of Part III**

- (1) Where no initial or terminal point of a pipeline is situated in the United Kingdom or controlled waters, the pipeline shall be disregarded for the purposes of this Part of this Act except this subsection and subsection (2).
- (2) The Secretary of State may by order provide that specified provisions of this Part of this Act shall apply, subject to such modifications (if any) as are specified, to the whole or any part of a pipeline of a kind mentioned in subsection (1); but an order under this subsection shall contain only such provisions as the Secretary of State considers are consistent with the jurisdiction which belongs to the United Kingdom under international law.
- (3) The Secretary of State may in regulations provide that specified provisions of this Part of this Act shall not apply to a pipeline of a specified kind or shall not apply to such a pipeline while any specified condition is satisfied.
- (4) In this section “specified”, in relation to an order or regulations, means specified in the order or, as the case may be, the regulations.
- (5) A statutory instrument containing an order under subsection (2) or regulations under subsection (3) shall be subject to annulment in pursuance of a resolution of either House of Parliament.

## **25 Orders and regulations**

- (1) Before making any regulations under this Part of this Act, the Secretary of State shall consult such organisations in the United Kingdom as he considers are representative of persons who will be affected by the regulations.
- (2) In making regulations under section 20, the Secretary of State shall have regard to the extent of the jurisdiction which belongs to the United Kingdom under international law.
- (3) Any regulations under this Part of this Act may provide—
  - (a) for the creation of offences which, subject to paragraph (b), are punishable on summary conviction by a fine not exceeding the statutory maximum and on conviction on indictment by imprisonment for a term not exceeding two years and a fine;
  - (b) for the maximum punishment for an offence created by the regulations to be less than that authorised by paragraph (a) and for such an offence to be punishable only on summary conviction; and
  - (c) for the matters which are to be a defence to a charge of an offence created by the regulations.
- (4) Regulations under this Part of this Act—

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- (a) may be limited so as to apply only in prescribed cases or may exclude prescribed cases from the application of the regulations;
  - (b) may provide for a case to be excluded from the application of the regulations only so long as conditions specified in the regulations are satisfied.
- (5) The Health and Safety Executive may, by directions given to such persons as it considers appropriate, provide for any such regulations not to apply in a case specified in the directions so long as conditions so specified are satisfied.
- (6) In its application to Northern Ireland, subsection (5) shall have effect as if the reference to the Health and Safety Executive were a reference to the Department of Economic Development for Northern Ireland.
- (7) Any order or regulations under this Part of this Act—
- (a) may make different provision for different circumstances; and
  - (b) may include such incidental, supplemental and transitional provision as the Secretary of State considers appropriate in connection with the order or regulations.
- (8) Without prejudice to the generality of paragraph (b) of subsection (7), provision that may be included in regulations by virtue of that paragraph includes provision for the payment of fees in respect of consents and certificates required by the regulations.
- (9) Section 14 of the Interpretation Act 1978 (implied power to amend) shall not apply in relation to the power conferred by section 24(2).
- (10) Any power conferred by this Part of this Act to make an order or regulations shall be exercisable by statutory instrument.

## **26 Meaning of “pipeline”**

- (1) Except where the context otherwise requires, in this Part of this Act “pipeline” means a pipe or system of pipes (excluding a drain or sewer) for the conveyance of any thing, together with any apparatus and works associated with such a pipe or system.
- (2) For the purposes of this Part of this Act the apparatus and works associated with such a pipe or system are—
- (a) any apparatus for inducing or facilitating the flow of any thing through, or through a part of, the pipe or system;
  - (b) any apparatus for treating or cooling any thing which is to flow through, or through part of, the pipe or system;
  - (c) valves, valve chambers and similar works which are annexed to, or incorporated in the course of, the pipe or system;
  - (d) apparatus for supplying energy for the operation of any apparatus or works mentioned in paragraphs (a) to (c);
  - (e) apparatus for the transmission of information for the operation of the pipe or system;
  - (f) apparatus for the cathodic protection of the pipe or system; and
  - (g) any structure used or to be used solely for the support of a part of the pipe or system.

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- (3) The Secretary of State may by order provide that a part of a pipeline specified in the order shall be treated for the purposes of this Part of this Act, except this subsection, as a pipeline.

## 27 Meaning of “owner”

- (1) For the purposes of this Part of this Act “owner” in relation to a pipeline, and “proposed owner” in relation to a proposed pipeline, mean the person for the time being designated as the owner of the pipeline, or as the case may be as the proposed owner of the proposed pipeline, by an order made by the Secretary of State.
- (2) An order designating a person as the proposed owner of a proposed pipeline may also provide for him to be designated as the owner of the pipeline in question at a time determined by or under the order.
- (3) Before designating a person under subsection (1) or (2), the Secretary of State shall give the person an opportunity of being heard with respect to the matter.
- (4) Where a person for the time being designated under subsection (1) or (2) requests the Secretary of State in writing to cancel the designation, the Secretary of State shall—
- (a) consider the request; and
  - (b) if he considers it appropriate to do so, give the person an opportunity of being heard in connection with the request.

## 28 Interpretation of Part III

- (1) Except where the context otherwise requires, in this Part of this Act the following expressions have the following meanings—
- “authorisation” means an authorisation required by section 14;
  - “construction”, in relation to a pipeline, includes placing, and cognate expressions shall be construed accordingly;
  - “controlled pipeline” and “controlled waters” have the meanings given to them by section 14;
  - “enactment” includes an enactment of the Parliament of Northern Ireland or of the Northern Ireland Assembly;
  - “heard” means heard on behalf of the Secretary of State by a person appointed by him for the purpose;
  - “holder”, in relation to an authorisation, means the person to whom the authorisation was issued;
  - “notice” means notice in writing;
  - “pipeline”, in relation to an application for a works authorisation, means the proposed pipeline in respect of which the application is made;
  - “prescribed” means prescribed by regulations; and
  - “works authorisation” means an authorisation—
    - (a) for works for the construction of a pipeline; or
    - (b) for such works and for the use of the pipeline.
- (2) For the purposes of this Part of this Act, works at any place in, under or over controlled waters for the purpose of determining whether the place is suitable as part of the site of a proposed pipeline and the carrying out of surveying operations for the purpose

of settling the route of a proposed pipeline are not works for the construction of a pipeline.

- (3) Any reference in this Part of this Act to a contravention of a provision of this Part or regulations made or directions given under this Part includes a reference to a failure to comply with that provision.
- (4) Subsections (1) to (3) of section 49 of the Pipe-lines Act 1962 (service of documents) have effect as if—
  - (a) references to that Act included references to this Part of this Act; and
  - (b) in subsection (3), after “arrangements agreed” there were inserted “or in accordance with regulations under Part III of the Petroleum Act 1998”.
- (5) In the application of subsection (4) to Northern Ireland, section 49(1) to (3) of the Pipe-lines Act 1962 shall have effect as if it extended to Northern Ireland.
- (6) Except so far as this Part of this Act otherwise expressly provides, nothing in this Part of this Act—
  - (a) confers a right of action in any civil proceedings (other than proceedings for recovery of a fine) in respect of any contravention of this Part of this Act or an order or regulations made under it;
  - (b) affects any restriction imposed by or under any other enactment, whether public, local or private; or
  - (c) derogates from any right of action or other remedy (whether civil or criminal) in proceedings instituted otherwise than under this Act.
- (7) Subsection (6) is subject to section 18 of the Interpretation Act 1978 (duplicated offences).

## PART IV

### ABANDONMENT OF OFFSHORE INSTALLATIONS

#### 29 Preparation of programmes

- (1) The Secretary of State may by written notice require—
  - (a) the person to whom the notice is given; or
  - (b) where notices are given to more than one person, those persons jointly,to submit to the Secretary of State a programme setting out the measures proposed to be taken in connection with the abandonment of an offshore installation or submarine pipeline (an “abandonment programme”).
- (2) A notice under subsection (1) shall either specify the date by which the abandonment programme is to be submitted or provide for it to be submitted on or before such date as the Secretary of State may direct.
- (3) A notice under subsection (1) may require the person to whom it is given to carry out such consultations as may be specified in the notice before submitting an abandonment programme.
- (4) An abandonment programme—
  - (a) shall contain an estimate of the cost of the measures proposed in it;

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- (b) shall either specify the times at or within which the measures proposed in it are to be taken or make provision as to how those times are to be determined;
  - (c) if it proposes that an installation or pipeline be left in position or not wholly removed, shall include provision as to any continuing maintenance that may be necessary.
- (5) A person who submits an abandonment programme to the Secretary of State under this section shall at the same time pay to him such fee in respect of his expenditure under this Part of this Act as may be determined in accordance with regulations under section 39.
- (6) The Secretary of State may exercise his powers under this section notwithstanding that an abandonment programme has previously been submitted for the installation or pipeline in question, but only if he rejected that programme under section 32 or has withdrawn his approval of it under section 35.

### **30 Persons who may be required to submit programmes**

- (1) A notice under section 29(1) shall not be given to a person in relation to the abandonment of an offshore installation unless at the time when the notice is given he is within any of the following paragraphs—
- (a) the person having the management of the installation or of its main structure;
  - (b) a person to whom subsection (5) applies in relation to the installation;
  - (c) a person outside paragraphs (a) and (b) who is a party to a joint operating agreement or similar agreement relating to rights by virtue of which a person is within paragraph (b);
  - (d) a person outside paragraphs (a) to (c) who owns any interest in the installation otherwise than as security for a loan;
  - (e) a company which is outside paragraphs (a) to (d) but is associated with a company within any of those paragraphs.
- (2) A notice under section 29(1) shall not be given to a person in relation to the abandonment of a submarine pipeline unless at the time when the notice is given he is within any of the following paragraphs—
- (a) a person designated as the owner of the pipeline by an order made by the Secretary of State under section 27;
  - (b) a person outside paragraph (a) who owns any interest in the whole or substantially the whole of the pipeline, otherwise than as security for a loan;
  - (c) a company which is outside paragraphs (a) and (b) but is associated with a company within one of those paragraphs.
- (3) The Secretary of State may by written notice require a person appearing to the Secretary of State to be within any of the paragraphs of subsection (1) or (2) to give him, within such time as may be specified in the notice, the name and address of every other person whom the recipient of the notice believes to be within any of those paragraphs in relation to the installation or pipeline concerned.
- (4) A person who without reasonable excuse fails to comply with a notice under subsection (3) shall be guilty of an offence.
- (5) This subsection applies to a person in relation to an offshore installation if—
- (a) he has the right to exploit or explore mineral resources in any area, or to store gas in any area and to recover gas so stored; and

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- (b) any activity mentioned in subsection (6) is carried on from, by means of or on the installation,  
or if he had such a right when any such activity was last so carried on.
- (6) The activities referred to in subsection (5) are—
- (a) the exploitation or exploration of mineral resources, or the storage or recovery of gas, in the exercise of the right mentioned in subsection (5)(a);
  - (b) the conveyance in the area so mentioned, by means of a pipe or system of pipes, of minerals got, or gas being stored or recovered, in the exercise of that right; and
  - (c) the provision of accommodation for persons who work on or from an installation which is or has been maintained, or is intended to be established, for the carrying on of an activity falling within paragraph (a) or (b) or this paragraph.
- (7) The fact that an installation has been maintained for the carrying on of an activity within subsection (6) shall be disregarded for the purposes of paragraph (c) of that subsection if, since it was so maintained, the installation—
- (a) has been outside relevant waters or, where it was so maintained in a part of a foreign sector of the continental shelf adjacent to those waters, the area consisting of those waters and that part; or
  - (b) has been maintained for the carrying on of an activity which is not within that subsection.
- (8) For the purposes of this section, one company is associated with another if one of them controls the other or a third company controls both of them; and one company controls another if it possesses or is entitled to acquire—
- (a) one half or more of the issued share capital of the company;
  - (b) such rights as would entitle it to exercise one half or more of the votes exercisable in general meetings of the company;
  - (c) such part of the issued share capital of the company as would entitle it to one half or more of the amount distributed if the whole of the income of the company were in fact distributed among the shareholders; or
  - (d) such rights as would, in the event of the winding up of the company or in any other circumstances, entitle it to receive one half or more of the assets of the company which would then be available for distribution among the shareholders,
- or if it has the power, directly or indirectly, to secure that the affairs of the company are conducted in accordance with its wishes.
- (9) In determining whether, by virtue of subsection (8), one company controls another, the first-mentioned company shall be taken to possess—
- (a) any rights and powers possessed by a person as nominee for it; and
  - (b) any rights and powers possessed by a company which it controls (including rights and powers which such a company would be taken to possess by virtue of this paragraph).

### **31 Section 29 notices: supplementary provisions**

- (1) Subject to subsection (3), the Secretary of State shall not give a notice under section 29(1) in relation to an offshore installation to a person within paragraph (d)

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or (e) of section 30(1) if the Secretary of State has been and continues to be satisfied that adequate arrangements (including financial arrangements) have been made by a person or persons within paragraph (a), (b) or (c) to ensure that a satisfactory abandonment programme will be carried out.

- (2) Subject to subsection (3), the Secretary of State shall not give a notice under section 29(1) in relation to a submarine pipeline to a person within paragraph (b) or (c) of section 30(2) if the Secretary of State has been and continues to be satisfied that adequate arrangements (including financial arrangements) have been made by a person or persons within paragraph (a) to ensure that a satisfactory abandonment programme will be carried out.
- (3) Subsections (1) and (2) shall not apply if there has been a failure to comply with a notice under section 29(1) or if the Secretary of State has rejected a programme submitted in compliance with such a notice.
- (4) The Secretary of State shall not give a notice to a person under section 29(1) without first giving him an opportunity to make written representations as to whether the notice should be given.
- (5) Where the Secretary of State has given a notice under section 29(1) in relation to an installation or a pipeline, he may at any time before the programme required by it is submitted withdraw the notice or give (subject to the preceding provisions of this section) a further notice under section 29(1) (whether in substitution for or in addition to any notice already given); and if he does so he shall inform the recipients of any other notices which have been given in relation to that installation or pipeline and not withdrawn.
- (6) Neither the withdrawal of a notice given under section 29(1) nor the giving of a further notice shall relieve the recipient of any other notice of his duty to submit a programme (jointly, in a case where more than one notice is given and not withdrawn, with the recipients of the other notices).

## **32 Approval of programmes**

- (1) The Secretary of State may either approve or reject a programme submitted to him under section 29.
- (2) If he approves a programme, the Secretary of State may approve it with or without modifications and either subject to conditions or unconditionally.
- (3) Before approving a programme with modifications or subject to conditions, the Secretary of State shall give the persons who submitted the programme an opportunity to make written representations about the proposed modifications or conditions.
- (4) If he rejects a programme, the Secretary of State shall inform the persons who submitted it of his reasons for doing so.
- (5) The Secretary of State shall act without unreasonable delay in reaching a decision as to whether to approve or reject a programme.



### **33 Failure to submit programmes**

- (1) If a notice under section 29(1) is not complied with, or if the Secretary of State rejects a programme submitted in compliance with such a notice, the Secretary of State may himself prepare an abandonment programme for the installation or pipeline concerned.
- (2) With a view to exercising his powers under subsection (1) of this section, the Secretary of State may by written notice require any of the persons to whom notice was given under section 29(1) to provide him, within such time as may be specified in the notice, with such records and drawings and such other information as may be so specified.
- (3) A person who without reasonable excuse fails to comply with a notice under subsection (2) shall be guilty of an offence.
- (4) The Secretary of State may recover from any of the persons to whom a notice was given under section 29(1) any expenditure incurred by the Secretary of State in preparing an abandonment programme under this section, and any fee that would have been payable on the submission of a programme by those persons.
- (5) A person liable to pay any sum to the Secretary of State by virtue of subsection (4) shall also pay interest on that sum for the period beginning with the day on which the Secretary of State notified him of the sum payable and ending with the date of payment.
- (6) The rate of interest payable in accordance with subsection (5) shall be a rate determined by the Secretary of State as comparable with commercial rates.
- (7) Where the Secretary of State prepares an abandonment programme under this section, he shall inform the persons to whom notice was given under section 29(1) of its terms; and when he has done so, the following provisions of this Part of this Act shall have effect as if the programme had been submitted by those persons and approved by the Secretary of State.

### **34 Revision of programmes**

- (1) Where the Secretary of State has approved a programme submitted to him under section 29—
  - (a) either he or the persons who submitted it acting together may propose an alteration to the programme or to any condition to which it is subject; and
  - (b) either he or any of those persons may propose that any person who by virtue of section 36 has a duty to secure that the programme is carried out shall cease to have that duty, or that a person who does not already have that duty shall have it (either in addition to or in substitution for another person).
- (2) In the case of a proposal of the kind mentioned in subsection (1)(b), any person who would if the proposed change were made have a duty to secure that the programme is carried out must be a person who—
  - (a) if the programme relates to an offshore installation, is within paragraph (a), (b), (c), (d) or (e) of section 30(1) when the proposal is made, or has been within one of those paragraphs at some time since the giving of the first notice under section 29(1) in relation to the installation; and
  - (b) if the programme relates to a submarine pipeline, is within paragraph (a), (b) or (c) of section 30(2) when the proposal is made, or has been within one of those paragraphs at some time since the giving of the first notice under section 29(1) in relation to the pipeline.

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- (3) The Secretary of State shall not propose that a person who is or has been within paragraph (d) or (e) (but no other paragraph) of section 30(1) or paragraph (b) or (c) (but not paragraph (a)) of section 30(2) shall have a duty to secure that a programme is carried out unless it appears to the Secretary of State that a person already under that duty has failed or may fail to discharge it.
- (4) A proposal under subsection (1) shall be made by written notice given—
- (a) if the proposal is the Secretary of State's, to each of the persons by whom the programme was submitted; and
  - (b) in any other case, to the Secretary of State;
- and a person giving notice to the Secretary of State shall at the same time pay to him such fee in respect of his expenditure under this Part of this Act as may be determined in accordance with regulations under section 39.
- (5) Where the Secretary of State has made a proposal under subsection (1)(a), he shall give an opportunity to make written representations about it to each of the persons who submitted the programme.
- (6) Where a proposal has been made under subsection (1)(b), the Secretary of State shall give an opportunity to make written representations about it to every person (other than one who made the proposal) who will if the proposed change is made—
- (a) have a duty to secure that the programme is carried out; or
  - (b) cease to have that duty.
- (7) The Secretary of State shall determine whether a change proposed under subsection (1) is to be made and shall then give notice of his determination, and of his reasons for it, to—
- (a) every person who, before the determination was made, had a duty to secure the carrying out of the programme; and
  - (b) any person who has that duty as a result of the determination.
- (8) Where the Secretary of State determines that a change proposed in accordance with this section shall be made, this Part of this Act shall thereafter have effect as if the programme had been approved by the Secretary of State after being submitted under section 29 with the alterations, or as the case may be by the persons, specified in the determination.

### **35 Withdrawal of approval**

- (1) The Secretary of State may at the request of one or more of the persons who submitted an abandonment programme withdraw his approval of the programme.
- (2) If a request under subsection (1) is made by some but not all of the persons who submitted the programme, the Secretary of State shall give the others an opportunity to make written representations as to whether his approval should be withdrawn.
- (3) The Secretary of State shall after determining whether to withdraw his approval of an abandonment programme give notice of his determination to each of the persons who submitted the programme.

### **36 Duty to carry out programmes**

Where an abandonment programme is approved by the Secretary of State, it shall be the duty of each of the persons who submitted it to secure that it is carried out and that any conditions to which the approval is subject are complied with.

### **37 Default in carrying out programmes**

- (1) If an abandonment programme approved by the Secretary of State is not carried out or a condition to which the approval is subject is not complied with, the Secretary of State may by written notice require any of the persons who submitted the programme to take such remedial action as may be specified in the notice within such time as may be so specified.
- (2) A person who fails to comply with a notice given to him under subsection (1) shall be guilty of an offence unless he proves that he exercised due diligence to avoid the failure.
- (3) If a notice under subsection (1) is not complied with, the Secretary of State may carry out the remedial action required by the notice, and may recover any expenditure incurred by him in doing so from the person to whom the notice was given.
- (4) A person liable to pay any sum to the Secretary of State by virtue of subsection (3) shall also pay interest on that sum for the period beginning with the day on which the Secretary of State notified him of the sum payable and ending with the date of payment.
- (5) The rate of interest payable in accordance with subsection (4) shall be a rate determined by the Secretary of State as comparable with commercial rates.

### **38 Financial resources**

- (1) At any time after the Secretary of State has given a notice under section 29(1) to any person and before he has approved an abandonment programme for the installation or pipeline concerned, he may by written notice require that person within such time as may be specified in the notice—
  - (a) to provide such information relating to the financial affairs of that person; and
  - (b) to supply copies of such documents relating to those affairs,as may be so specified.
- (2) In order to satisfy himself that a person who has a duty to secure that an abandonment programme is carried out will be capable of discharging that duty, the Secretary of State may at any time by written notice require that person, within such time as may be specified in the notice—
  - (a) to provide such information; and
  - (b) to supply copies of such documents,as may be so specified.
- (3) A person who—
  - (a) without reasonable excuse fails to comply with a notice under subsection (1) or (2); or

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- (b) in purported compliance with such a notice provides information which he knows to be false in a material particular or recklessly provides information which is false in a material particular,  
shall be guilty of an offence.
- (4) If the Secretary of State is not satisfied that a person will be capable of discharging the duty imposed on him by section 36, he may by written notice, after consulting the Treasury, require that person to take such action as may be specified in the notice within such time as may be so specified.
- (5) The Secretary of State shall not give notice to a person under subsection (4) without first giving him an opportunity to make written representations as to whether the notice should be given.
- (6) A person who fails to comply with a notice under subsection (4) shall be guilty of an offence unless he proves that he exercised due diligence to avoid the failure.

### **39 Regulations**

- (1) The Secretary of State may make regulations relating to the abandonment of offshore installations and submarine pipelines.
- (2) Without prejudice to the generality of subsection (1), regulations under this section may—
  - (a) prescribe standards in respect of the dismantling, removal and disposal of installations and pipelines;
  - (b) prescribe standards and safety requirements in respect of anything left in the water in cases where an installation or pipeline is not wholly removed;
  - (c) make provision for the prevention of pollution;
  - (d) make provision for inspection, including provision as to the payment of the costs of inspection;
  - (e) make provision as to the determination of the amount of any fees that are payable to the Secretary of State under this Part of this Act.
- (3) Regulations under this section may include provision making it an offence, in such cases as may be prescribed in the regulations, to contravene the regulations.
- (4) Where regulations under this section create an offence, they shall make provision as to the mode of trial and punishment of offenders; but—
  - (a) any provision as to punishment on summary conviction shall not authorise a fine exceeding the statutory maximum or imprisonment; and
  - (b) any provision as to punishment on conviction on indictment shall not authorise imprisonment for a term exceeding two years.
- (5) Before making regulations under this section the Secretary of State shall consult organisations in the United Kingdom appearing to him to be representative of those persons who will be affected by the regulations; and he shall not make regulations relating to the amount of any fees without the consent of the Treasury.
- (6) Regulations under this section shall be made by statutory instrument, which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

#### **40 Offences: penalties**

A person guilty of an offence under section 30, 33, 37 or 38 shall be liable—

- (a) on summary conviction, to a fine not exceeding the statutory maximum;
- (b) on conviction on indictment, to imprisonment for a term not exceeding two years, or to a fine, or to both.

#### **41 Offences: general**

- (1) Proceedings for an offence under section 30, 33, 37 or 38 or under regulations made under section 39 shall not be instituted in England and Wales except—
  - (a) by the Secretary of State or by a person authorised in that behalf by the Secretary of State; or
  - (b) by or with the consent of the Director of Public Prosecutions.
- (2) Proceedings for an offence under section 30, 33, 37 or 38 or under regulations made under section 39 shall not be instituted in Northern Ireland except—
  - (a) by the Secretary of State or by a person authorised in that behalf by the Secretary of State; or
  - (b) by or with the consent of the Director of Public Prosecutions for Northern Ireland.
- (3) Where an offence committed by a body corporate under section 30, 33, 37 or 38 or under regulations made under section 39 is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate or any person who was purporting to act in any such capacity, he as well as the body corporate shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.
- (4) Where the affairs of a body corporate are managed by its members, subsection (3) shall apply in relation to acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.
- (5) If an offence under section 37 or under regulations made under section 39 is committed outside the United Kingdom, proceedings for the offence may be taken, and the offence may for all incidental purposes be treated as having been committed, in any place in the United Kingdom.
- (6) Section 3 of the Territorial Waters Jurisdiction Act 1878 (restriction on prosecutions) shall not apply to proceedings for an offence to which subsection (1) of this section applies.

#### **42 Validity of Secretary of State's acts**

- (1) If any person is aggrieved by any of the acts of the Secretary of State mentioned in subsection (2) and desires to question its validity on the ground that it was not within the powers of the Secretary of State or that the relevant procedural requirements had not been complied with, he may within 42 days of the day on which the act was done make an application to the court under this section.
- (2) The acts referred to in subsection (1) are—
  - (a) the giving of a notice under section 29(1);

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- (b) the approval of a programme under section 32;
  - (c) the rejection of a programme under section 32;
  - (d) a determination under section 34;
  - (e) a determination under section 35;
  - (f) the giving of a notice under section 38(4).
- (3) If on an application under this section the court is satisfied that the act in question was not within the powers of the Secretary of State or that the applicant has been substantially prejudiced by a failure to comply with the relevant procedural requirements, the court may quash the act.
- (4) Except as provided by this section, the validity of any of the acts of the Secretary of State referred to in subsection (1) shall not be questioned in any legal proceedings whatever.
- (5) In this section “the relevant procedural requirements”—
- (a) in relation to the giving of a notice under section 29(1), means the requirements of section 31(4);
  - (b) in relation to the approval of a programme under section 32, means the requirements of section 32(3);
  - (c) in relation to the rejection of a programme under section 32, means the requirements of section 32(4);
  - (d) in relation to a determination under section 34, means the requirements of section 34(5), (6) and (7);
  - (e) in relation to a determination under section 35, means the requirements of section 35(2);
  - (f) in relation to the giving of a notice under section 38(4), means the requirements of section 38(5).
- (6) In this section, “the court” means—
- (a) in relation to England and Wales, the High Court;
  - (b) in relation to Scotland, the Court of Session;
  - (c) in relation to Northern Ireland, the High Court.

#### **43 Notices**

Any notice or other communication authorised or required to be given by this Part of this Act may be sent by post (but this is without prejudice to any other method of transmission).

#### **44 Meaning of “offshore installation”**

- (1) In this Part of this Act, “offshore installation” means any installation which is or has been maintained, or is intended to be established, for the carrying on of any activity to which subsection (2) applies.
- (2) This subsection applies to any activity mentioned in subsection (3) which is carried on from, by means of or on an installation which is maintained in the water, or on the foreshore or other land intermittently covered with water, and is not connected with dry land by a permanent structure providing access at all times and for all purposes.
- (3) The activities referred to in subsection (2) are—

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- (a) the exploitation, or the exploration with a view to exploitation, of mineral resources in or under the shore or bed of relevant waters;
- (b) the storage of gas in or under the shore or bed of relevant waters or the recovery of gas so stored;
- (c) the conveyance of things by means of a pipe, or system of pipes, constructed or placed on, in or under the shore or bed of relevant waters; and
- (d) the provision of accommodation for persons who work on or from an installation which is or has been maintained, or is intended to be established, for the carrying on of an activity falling within paragraph (a), (b) or (c) or this paragraph.

(4) In this Part of this Act, “relevant waters” means—

- (a) tidal waters and parts of the sea in or adjacent to the United Kingdom up to the seaward limits of the territorial sea;
- (b) waters in an area designated under section 1(7) of the Continental Shelf Act 1964; and
- (c) such inland waters as may for the time being be specified for the purposes of this paragraph by Order in Council;

but Her Majesty may by Order in Council provide that, in such cases and subject to such exceptions and modifications as may be prescribed by the Order, this Part of this Act shall have effect as if—

- (i) any reference in this Part of this Act to relevant waters included a reference to waters in any area specified under section 10(8); and
- (ii) in relation to an installation which is or has been maintained, or is intended to be established, in relevant waters, any reference in subsection (3) to relevant waters included a reference to waters in a foreign sector of the continental shelf which are adjacent to such waters.

(5) For the purposes of this section—

“inland waters” means waters within the United Kingdom other than tidal waters and parts of the sea;

“installation” includes—

- (a) any floating structure or device maintained on a station by whatever means; and
- (b) in such cases and subject to such exceptions as may be prescribed by Order in Council, any apparatus or works which are by virtue of section 26 to be treated as associated with a pipe or system of pipes for the purposes of Part III of this Act,

but, subject to paragraph (b), does not include any part of a pipeline within the meaning of that section;

“modifications” includes additions, omissions and alterations.

(6) The fact that an installation has been maintained for the carrying on of an activity falling within subsection (3) shall be disregarded for the purposes of this section if, since it was so maintained, the installation—

- (a) has been outside relevant waters or, where it was so maintained in a part of a foreign sector of the continental shelf adjacent to those waters, the area consisting of those waters and that part; or
- (b) has been maintained for the carrying on of an activity not falling within that subsection.

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- (7) Any statutory instrument containing an Order under subsection (4) shall be subject to annulment in pursuance of a resolution of either House of Parliament.

#### **45 Interpretation of Part IV**

In this Part of this Act—

- “abandonment programme” has the meaning given by section 29;
- “foreign sector of the continental shelf” has the meaning given by section 48(1);
- “offshore installation” has the meaning given by section 44;
- “relevant waters” has the meaning given by section 44(4);
- “submarine pipeline” means a pipeline within the meaning of section 26 which is in, under or over waters in—
  - (a) the territorial sea adjacent to the United Kingdom; or
  - (b) an area designated under section 1(7) of the Continental Shelf Act 1964.

### **PART V**

#### MISCELLANEOUS AND GENERAL

#### **46 Northern Ireland and Isle of Man shares of petroleum revenue**

- (1) Where petroleum is delivered to the Secretary of State under the terms of a licence granted under section 3 by virtue of subsection (2)(b) of that section, then, for the purposes of section 2 of the Miscellaneous Financial Provisions Act 1968 (Northern Ireland and Isle of Man shares of revenue from the continental shelf), the proceeds from the licence shall be taken to include the proceeds of the sale of the petroleum less—
- (a) any sums paid by the Secretary of State in respect of the petroleum or the delivery or treatment of the petroleum; and
  - (b) any expenses incurred by the Secretary of State in connection with the sale.
- (2) In this section “petroleum” has the same meaning as in Part I of this Act.

#### **47 Loans for development**

- (1) Where it appears to the Secretary of State expedient to do so for the purpose of facilitating or maintaining the development of the petroleum resources of the United Kingdom, he may with the approval of the Treasury—
- (a) make loans to an oil company on terms determined by him; or
  - (b) guarantee on such terms the repayment of the principal of and the payment of interest on loans made to an oil company by another person.
- (2) The aggregate amount for the time being outstanding in respect of the principal of loans made under subsection (1)(a) shall not exceed £50,000,000.
- (3) The aggregate amount of—
- (a) the principal sums in respect of which guarantees under subsection (1)(b) are for the time being in force; and



- (b) the payments on account of principal sums which have been made by the Secretary of State under such guarantees and not recovered by him, shall not exceed £600,000,000.
- (4) Immediately after making a loan or giving a guarantee under subsection (1), the Secretary of State shall lay a statement relating to it before each House of Parliament.
- (5) Where any sum is issued for fulfilling a guarantee given under subsection (1) the Secretary of State shall, as soon as possible after the end of each financial year (beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest thereon is finally discharged), lay before each House of Parliament a statement relating to that sum.
- (6) In subsection (1) “oil company” means a body corporate which in the opinion of the Secretary of State has as its principal object—
  - (a) the production of petroleum;
  - (b) the refining of petroleum;
  - (c) the production and refining of petroleum; or
  - (d) the supplying of petroleum in a case where any of its other objects is one of those mentioned in paragraphs (a) to (c).

#### **48 Interpretation**

- (1) In this Act “foreign sector of the continental shelf” means an area within which rights are exercisable with respect to the sea bed and subsoil and their natural resources by a country or territory outside the United Kingdom.
- (2) Any reference in this Act to the commencement of this Act shall be construed as a reference to the commencement of this Act in accordance with section 52(4).
- (3) Each of Parts II, III and IV of this Act—
  - (a) so far as it applies to individuals, applies to them whether or not they are British citizens; and
  - (b) so far as it applies to bodies corporate, applies to them whether or not they are incorporated under the law of any part of the United Kingdom.

#### **49 Transitional provisions and savings**

Schedule 3 (transitional provisions and savings) shall have effect.

#### **50 Consequential amendments**

Schedule 4 (consequential amendments) shall have effect.

#### **51 Repeals and revocations**

- (1) The enactments mentioned in Part I of Schedule 5 (which include certain enactments which are spent) shall be repealed to the extent specified in the third column of that Part of that Schedule.
- (2) The instruments mentioned in Part II of that Schedule (which include certain provisions which are spent) shall be revoked to the extent specified in the third column of that Part of that Schedule.

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## **52 Commencement**

- (1) Section 5(1) to (4) and (11) and this section shall come into force on the passing of this Act.
- (2) The provisions mentioned in subsection (3) shall come into force on such day as the Secretary of State may by order appoint, and different days may be appointed for different provisions or different purposes.
- (3) The provisions referred to in subsection (2) are—
  - in Schedule 4, paragraphs 8, 10, 11, 13, 34 and 40; and
  - in Schedule 5, the repeals of—
    - the Employment (Continental Shelf) Act 1978;
    - section 287(5) of the Trade Union and Labour Relations (Consolidation) Act 1992; and
    - section 201(5) of the Employment Rights Act 1996.
- (4) Subject to subsections (1) and (2), this Act shall come into force on such day as the Secretary of State may by order appoint.
- (5) Orders under this section shall be made by statutory instrument.

## **53 Short title and extent**

- (1) This Act may be cited as the Petroleum Act 1998.
- (2) This Act, except for sections 7 and 8, extends to Northern Ireland.

## SCHEDULES

### SCHEDULE 1

Section 5.

#### MODEL CLAUSES INCORPORATED IN LICENCES WHEN GRANTED

- 1 The model clauses (other than the model clause entitled “Right to search and bore for and get petroleum”) set out in Parts I and III of Schedule 2 to the Petroleum (Production) Regulations 1935 as amended by the Petroleum (Production) (Amendment) Regulations 1954 and the Petroleum (Production) (Amendment) Regulations 1957 (mining licences).
- 2 The model clauses (other than model clause 2) set out in Schedule 2 to the Petroleum (Production) (Continental Shelf and Territorial Sea) Regulations 1964 (production licences for areas in controlled waters).
- 3 The model clauses (other than model clause 2) set out in Schedule 3 to the Petroleum (Production) Regulations 1966 (production licences for landward areas).
- 4 The model clauses (other than model clause 2) set out in Schedule 4 to the Petroleum (Production) Regulations 1966 (production licences for seaward areas).
- 5 The model clauses (other than model clause 2) set out in Schedule 4 to the Petroleum (Production) Regulations 1966 as amended by the Petroleum (Production) (Amendment) Regulations 1971 (production licences for seaward areas).
- 6 The model clauses (other than model clause 2) set out in Part II of Schedule 2 to the Petroleum and Submarine Pipe-lines Act 1975 (production licences for seaward areas).
- 7 The model clauses (other than model clause 2) set out in Schedule 4 to the Petroleum (Production) Regulations 1976 (production licences for landward areas).
- 8 The model clauses (other than model clause 2) set out in Schedule 4 to the Petroleum (Production) Regulations 1976 as amended by the Oil and Gas (Enterprise) Act 1982 (production licences for landward areas).
- 9 The model clauses (other than model clause 2) set out in Schedule 5 to the Petroleum (Production) Regulations 1976 (production licences for seaward areas).
- 10 The model clauses (other than model clause 2) set out in Schedule 5 to the Petroleum (Production) Regulations 1976 as amended by the Petroleum (Production) (Amendment) Regulations 1978 (production licences for seaward areas).
- 11 The model clauses (other than model clause 2) set out in Schedule 5 to the Petroleum (Production) Regulations 1976 as amended by the Petroleum (Production) (Amendment) Regulations 1978 and the Petroleum (Production) (Amendment) Regulations 1980 (production licences for seaward areas).
- 12 The model clauses (other than model clause 2) set out in Schedule 5 to the Petroleum (Production) Regulations 1976 as amended by the Petroleum (Production) (Amendment) Regulations 1978, the Petroleum (Production) (Amendment)

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- Regulations 1980 and the Oil and Gas (Enterprise) Act 1982 (production licences for seaward areas).
- 13 The model clauses (other than model clause 2) set out in Schedule 4 to the Petroleum (Production) Regulations 1982 (production licences for landward areas).
- 14 The model clauses (other than model clause 2) set out in Schedule 5 to the Petroleum (Production) Regulations 1982 (production licences for seaward areas).
- 15 The model clauses (other than model clause 2) set out in Schedule 5 to the Petroleum (Production) Regulations 1982 as amended by the Petroleum Act 1987 (production licences for seaward areas).
- 16 The model clauses (other than model clause 2) set out in Schedule 8 to the Petroleum (Production) Regulations 1982 (methane drainage licences).
- 17 The model clauses (other than model clause 2) set out in Schedule 5 to the Petroleum (Production) (Landward Areas) Regulations 1984 as amended by the Petroleum Act 1987 (development licences).
- 18 The model clauses (other than model clause 2) set out in Schedule 4 to the Petroleum (Production) (Seaward Areas) Regulations 1988 (production licences for seaward areas).
- 19 The model clauses (other than model clause 2) set out in Schedule 4 to the Petroleum (Production) (Seaward Areas) Regulations 1988 as amended by the Offshore Safety Act 1992 (production licences for seaward areas).
- 20 The model clauses (other than model clause 2) set out in Schedule 4 to the Petroleum (Production) (Seaward Areas) Regulations 1988 as amended by the Offshore Safety Act 1992 and the Petroleum (Production) (Seaward Areas) (Amendment) Regulations 1995 (production licences for seaward areas).
- 21 The model clauses (other than model clause 2) set out in Schedule 4 to the Petroleum (Production) (Seaward Areas) Regulations 1988 as amended by the Offshore Safety Act 1992, the Petroleum (Production) (Seaward Areas) (Amendment) Regulations 1995 and the Petroleum (Production) (Seaward Areas) (Amendment) Regulations 1996 (production licences for seaward areas).
- 22 The model clauses (other than model clause 2) set out in Schedule 5 to the Petroleum (Production) (Seaward Areas) Regulations 1988 (exploration licences for seaward areas and landward areas below the low water line).
- 23 The model clauses (other than model clause 2) set out in Schedule 5 to the Petroleum (Production) (Seaward Areas) Regulations 1988 as amended by the Offshore Safety Act 1992 (exploration licences for seaward areas and landward areas below the low water line).
- 24 The model clauses (other than model clause 2) set out in Schedule 5 to the Petroleum (Production) (Seaward Areas) Regulations 1988 as amended by the Offshore Safety Act 1992 and the Petroleum (Production) (Seaward Areas) (Amendment) Regulations 1995 (exploration licences for seaward areas and landward areas below the low water line).
- 25 The model clauses (other than model clause 2) set out in Schedule 3 to the Petroleum (Production) (Landward Areas) Regulations 1991 (exploration licences for landward areas).

- 26 The model clauses (other than model clause 2) set out in Schedule 5 to the Petroleum (Production) (Landward Areas) Regulations 1991 (appraisal licences for landward areas).
- 27 The model clauses (other than model clause 2) set out in Schedule 6 to the Petroleum (Production) (Landward Areas) Regulations 1991 (development licences for landward areas).

## SCHEDULE 2

Section 15.

### AUTHORISATIONS UNDER SECTION 14

#### PART I

##### WORKS AUTHORISATIONS

- 1 (1) The Secretary of State may by regulations make provision as to—
- (a) the manner in which an application for a works authorisation is to be made; and
  - (b) the information to be included in or provided in connection with an application.
- (2) Without prejudice to the generality of sub-paragraph (1), regulations under this paragraph may require the payment of fees in connection with an application.
- (3) A statutory instrument containing regulations under this paragraph shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- 2 The Secretary of State shall, on receiving an application for a works authorisation—
- (a) decide whether the application is to be considered further or rejected; and
  - (b) serve notice of his decision on the applicant and—
    - (i) in the case of a decision that the application is to be considered further, shall give the applicant such directions with respect to the application as the Secretary of State considers appropriate for the purposes of paragraph 3; and
    - (ii) in the case of a decision to reject the application, shall include in the notice a statement of the reasons for the decision except any reason which in the opinion of the Secretary of State it would be against the national interest to state.
- 3 Where the Secretary of State serves on an applicant notice under paragraph 2 that the application is to be considered further, the applicant shall—
- (a) publish, in such manner as the Secretary of State directs, a notice which—
    - (i) contains such particulars of the application as the Secretary of State directs; and
    - (ii) states that representations with respect to the application may be made in writing to the Secretary of State within the period of 28 days beginning with the date on which the notice is first published in accordance with this paragraph or within such longer period beginning with that date as is specified in the notice in accordance with a direction of the Secretary of State; and

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- (iii) states where the map mentioned in sub-paragraph (b) may be inspected during the period specified in the notice under paragraph (ii);
  - (b) secure that a map of such scale and containing such particulars as the Secretary of State directs is available for inspection by the public free of charge from 10 a.m. to 4 p.m. on each weekday during the period so specified; and
  - (c) serve a copy of the notice on such persons as the Secretary of State directs; and the Secretary of State shall defer his further consideration of the application until he is satisfied that the applicant has complied with this paragraph.
- 4 (1) This paragraph applies where the Secretary of State decides that an application for a works authorisation is to be considered further and is of the opinion, either on his own initiative (except in relation to the purpose mentioned in paragraph 6(b)) or in consequence of representations made to him by the applicant or any other person,—
- (a) that the route proposed for the pipeline or part of it in the application ought to be altered in a particular manner for any of the purposes mentioned in paragraph 6; or
  - (b) that the capacity proposed for the pipeline or part of it in the application ought to be increased for any of the purposes mentioned in paragraph 6(b) or (d).
- (2) Where this paragraph applies, the Secretary of State shall, before deciding whether to issue an authorisation in consequence of the application, serve notice of his opinion—
- (a) on the applicant; and
  - (b) where the opinion relates to an alteration of the route proposed for the pipeline or part of it on—
    - (i) any persons whom the Secretary of State considers are likely to be affected by the alteration; or
    - (ii) any person appearing to the Secretary of State to represent such persons.
- (3) In any notice of his opinion served under this paragraph the Secretary of State shall state the reasons for his opinion except any reason which he considers that it would be against the national interest to state.
- 5 (1) Where under paragraph 4 the Secretary of State serves on the applicant notice of his opinion he shall give him an opportunity of being heard with respect to the opinion; and where the applicant is heard the Secretary of State may give such other persons, if any, as he thinks fit an opportunity to be heard at the hearing.
- (2) Where under paragraph 4 the Secretary of State serves on any person other than the applicant notice of his opinion, he shall state in the notice that representations in writing with respect to the opinion may be made to the Secretary of State within a period specified in the notice.
- 6 The purposes referred to in paragraph 4(1) are—
- (a) the purpose of avoiding or reducing danger to navigation, to persons engaged in and vessels and equipment used for fishing, to some structure or apparatus (which may be the pipeline) or to marine flora or fauna;
  - (b) the purpose of facilitating the use of the pipeline by persons other than the applicant where it appears to the Secretary of State that such persons desire to use the pipeline;

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- (c) the purpose of avoiding or reducing interference with fishing or the exploitation of mineral resources;
  - (d) any other purpose which the Secretary of State considers proper.
- 7 Where the Secretary of State—
  - (a) is satisfied that an applicant for a works authorisation has complied with paragraph 3; and
  - (b) has considered any representations relating to the application which were made to the Secretary of State—
    - (i) within the period specified in the notice published in respect of the application under paragraph 3(a);
    - (ii) at a hearing held under paragraph 5(1); and
    - (iii) in accordance with a notice served by the Secretary of State in respect of the application under paragraph 5(2),he shall decide whether to issue an authorisation in consequence of the application.
- 8 (1) Where the Secretary of State decides not to issue a works authorisation in consequence of an application he shall serve on—
  - (a) the applicant; and
  - (b) each person on whom a copy of notice of the application was required to be served under paragraph 3(c),a notice stating the decision and, in the case of the notice served on the applicant, stating also the reasons for the decision except any reason which the Secretary of State considers that it would be against the national interest to state.
- (2) Where the Secretary of State decides to issue a works authorisation in consequence of an application he shall—
  - (a) serve notice of the decision on—
    - (i) the applicant;
    - (ii) each person mentioned in sub-paragraph (1)(b); and
    - (iii) any other person who made representations as mentioned in paragraph 7(b)(ii) or (iii); and
  - (b) publish a copy of the notice in the London and Edinburgh and Belfast Gazettes, or in such of them as he considers appropriate, and in any other publication which he considers appropriate.
- 9 (1) Sub-paragraphs (2) and (3) apply where the Secretary of State issues a works authorisation.
- (2) The Secretary of State shall serve on the persons on whom notice in respect of the authorisation was required to be served by paragraph 8(2)(a)(ii) and (iii) a notice stating that the authorisation has been issued and containing—
  - (a) the name and address of the person to whom it was issued;
  - (b) such particulars as the Secretary of State considers appropriate of—
    - (i) the route of the pipeline;
    - (ii) its authorised capacity;
    - (iii) the things authorised to be conveyed by it; and
    - (iv) the persons authorised to use it; and
  - (c) such other information (if any) about the pipeline as the Secretary of State considers appropriate.

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- (3) The Secretary of State shall publish a copy of the notice in the London and Edinburgh and Belfast Gazettes, or in such of them as he considers appropriate, and in any other publication which he considers appropriate.

## PART II

### OTHER AUTHORISATIONS

- 10 Where the Secretary of State issues an authorisation other than a works authorisation, he shall publish in the London and Edinburgh and Belfast Gazettes or in such of them as he considers appropriate, and in any other publication which he considers appropriate, a notice stating that the authorisation has been issued and containing—
- (a) the name and address of the person to whom it was issued;
  - (b) such particulars as the Secretary of State considers appropriate of—
    - (i) the route and capacity of the relevant pipeline;
    - (ii) the things authorised to be conveyed by it; and
    - (iii) the persons authorised to use it; and
  - (c) such other information (if any) about the pipeline as the Secretary of State considers appropriate.

## SCHEDULE 3

Section 49.

### TRANSITIONAL PROVISIONS AND SAVINGS

## PART I

### GENERAL

- 1 (1) The repeal (or revocation) and re-enactment of provisions in this Act does not affect the continuity of the law.
- (2) Any subordinate legislation made or other thing done, or having effect as if made or done, under or for the purposes of any provision repealed, or revoked, and re-enacted by this Act shall, if in force or effective immediately before the commencement of the corresponding provision of this Act, have effect thereafter as if made or done under or for the purposes of that corresponding provision.
- (3) Any reference (express or implied) in this Act or any other enactment or in any instrument or document—
- (a) to any provision of this Act, or
  - (b) to things done or falling to be done under or for the purposes of any provision of this Act,
- shall (so far as the context permits) be construed as including, in relation to times, circumstances or purposes in relation to which the corresponding provision repealed, or revoked, by this Act had effect, a reference—
- (i) to that corresponding provision, or



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- (ii) to things done or falling to be done under or for the purposes of that corresponding provision,  
as the case may be.
- (4) Any reference (express or implied) in any enactment or in any instrument or document—
- (a) to any provision repealed, or revoked, and re-enacted by this Act, or
  - (b) to things done or falling to be done under or for the purposes of any such provision,
- shall (so far as the context permits) be construed as including, in relation to times, circumstances or purposes in relation to which the corresponding provision of this Act has effect, a reference—
- (i) to that corresponding provision, or
  - (ii) to things done or falling to be done under or for the purposes of that corresponding provision,
- as the case may be.
- (5) Without prejudice to the generality of sub-paragraph (4), where a power conferred by an Act is expressed to be exercisable in relation to enactments contained in Acts passed before or in the same Session as the Act conferring the power, the power is also exercisable in relation to provisions of this Act which reproduce such enactments.
- (6) Sub-paragraphs (1) to (5) have effect instead of section 17(2) of the Interpretation Act 1978 (but are without prejudice to any other provision of that Act).
- 2 The repeal by this Act of an enactment previously repealed subject to savings does not affect the continued operation of those savings.

## PART II

### SPECIFIC PROVISIONS

#### *Property in petroleum*

- 3 The repeal by this Act of section 1(1) of the Petroleum (Production) Act 1934 does not affect the vesting in Her Majesty of property in petroleum which is so vested immediately before the commencement of this Act.

#### *Existing licences*

- 4 Nothing in section 2 or 3 shall be taken to prejudice any right conferred by any licence granted under section 2 of the Petroleum (Production) Act 1934 which is in force immediately before the commencement of this Act so long as the licence remains in force.
- 5 (1) Nothing in this Act affects the validity of the licence granted on 26th March 1923 under the Petroleum (Production) Act 1918 to the Duke of Devonshire relating to an area near Hardstoft in the county of Derbyshire.
- (2) Without prejudice to the generality of paragraph 1(2), that licence shall, if in force immediately before the commencement of this Act, have effect as if granted under this Act.

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- (3) So long as that licence remains in force, section 2 shall not apply to petroleum which at the commencement of the Petroleum (Production) Act 1934 might lawfully be got under that licence.
- 6 (1) Where, immediately before the commencement of this Act—
- (a) a person is exercising a function of a kind mentioned in clause 22 of the clauses set out in Part II of Schedule 2, or Part II of Schedule 3, to the Petroleum and Submarine Pipe-lines Act 1975 in connection with a licence granted under section 2 of the Petroleum (Production) Act 1934; and
  - (b) by virtue of section 19(6) of the Petroleum and Submarine Pipe-lines Act 1975, he is deemed to be approved by the Secretary of State as respects that function in connection with that licence,
- he shall continue to be deemed to be so approved.
- (2) Any act or omission which occurred at a time before a licence was altered by virtue of section 18 of the Petroleum and Submarine Pipe-lines Act 1975 shall not be treated as contravening the provisions of the licence as so altered or as authorising the revocation of the licence if at that time it did not contravene the provisions of the licence or authorise the revocation of it.
- 7 Without prejudice to paragraph 1, any reference in any enactment to a licence under the Petroleum (Production) Act 1934 (or under section 2 of that Act) shall (except where the context otherwise requires) include a reference to a licence granted, or treated as granted, under section 3 of this Act.
- 8 (1) In relation to any time after the commencement of this Act, section 1 of the Petroleum Royalties (Relief) Act 1983 and sections 1 and 2 of the Petroleum Royalties (Relief) and Continental Shelf Act 1989 shall have effect as if each reference (whether direct or indirect) in any of those provisions to model clauses set out in—
- (a) the Petroleum and Submarine Pipe-lines Act 1975; or
  - (b) regulations made under section 6 of the Petroleum (Production) Act 1934,
- were a reference to the corresponding model clauses set out in the order under section 5.
- (2) This paragraph is without prejudice to the generality of section 5(10).
- Submarine pipelines: safety regulations etc.*
- 9 Any reference in—
- (a) section 20 to Part III of this Act; or
  - (b) section 22 or 23 to regulations made under Part III of this Act,
- includes a reference to regulations made under section 26 of the Petroleum and Submarine Pipe-lines Act 1975 which are in force immediately before the commencement of this Act.
- 10 Without prejudice to the generality of paragraph 2, the repeal of Part III of the Petroleum and Submarine Pipe-lines Act 1975 shall not affect any instrument to the extent that, immediately before the commencement of this Act, it applies section 26 of the Petroleum and Submarine Pipe-lines Act 1975.
- 11 (1) The substitution by this Act of paragraph (b) of section 1(3) of the Offshore Safety Act 1992 and the repeal by this Act of the reference in paragraph (c) of that provision to section 11(2)(a) of the Petroleum Act 1987 so far as relating to safety requirements shall not affect the power conferred by section 1(2)(b) of that Act of 1992.

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- (2) The substitution by this Act of paragraph (b) of Article 3(3) of the Offshore, and Pipelines, Safety (Northern Ireland) Order 1992 and the repeal by this Act of the reference in paragraph (c) of that provision to section 11(2)(a) of the Petroleum Act 1987 so far as relating to safety requirements shall not affect the power conferred by Article 3(2)(b) of that Order.

*Submarine pipelines: authorisations granted before 1st October 1982*

- 12 Where, immediately before the commencement of this Act, an authorisation granted before 1st October 1982 under Part III of the Petroleum and Submarine Pipe-lines Act 1975 is in force in relation to any pipeline, that pipeline shall not be regarded for the purposes of section 18(6) to (8) or 19(1) as comprising any such associated apparatus as is mentioned in section 26(1)(b).

*Fatal Accidents Act 1976: deaths before 1st September 1976*

- 13 The reference in section 23(2)(a) to the Fatal Accidents Act 1976 includes a reference to the Fatal Accidents Act 1846.

SCHEDULE 4

Section 50.

CONSEQUENTIAL AMENDMENTS

*The Mining Industry Act 1926 (c. 28)*

- 1 At the end of section 23 of the Mining Industry Act 1926 (facilities to be given to National Environment Research Council) there shall be added—

“(6) In subsection (1) above, the expression “minerals” includes petroleum within the meaning of Part I of the Petroleum Act 1998.”.

*The Continental Shelf Act 1964 (c. 29)*

- 2 (1) The Continental Shelf Act 1964 shall be amended as follows.
- (2) In section 1 (exploration and exploitation of continental shelf), subsection (3) and, in subsection (8), the words from “and “petroleum”” to the end shall be omitted.
- (3) In section 6 (wireless telegraphy) and section 7 (radioactive substances) for “section 23 of the Oil and Gas (Enterprise) Act 1982” there shall be substituted “section 11 of the Petroleum Act 1998”.
- (4) At the end of section 8 (submarine cables and pipe-lines) there shall be added—
- “(1A) It is hereby declared that the reference in subsection (1) of this section to pipe-lines under the high seas includes pipe-lines under the territorial sea adjacent to the United Kingdom.”.

*The Miscellaneous Financial Provisions Act 1968 (c. 75)*

- 3 In section 2 of the Miscellaneous Financial Provisions Act 1968 (Northern Ireland and Isle of Man shares of revenue from continental shelf), in subsection (5) for the

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words following “under” there shall be substituted “section 3 of the Petroleum Act 1998 by virtue of subsection (2)(b) of that section”.

*The Prevention of Oil Pollution Act 1971 (c. 60)*

- 4 For section 23 of the Prevention of Oil Pollution Act 1971 there shall be substituted—

**“23 Power of Secretary of State to grant exemptions.**

The Secretary of State may exempt any discharge of, or of a mixture containing, oil from any of the provisions of this Act or of any regulations made thereunder, either absolutely or subject to such conditions as he thinks fit.”.

*The Finance Act 1973 (c. 51)*

- 5 In Schedule 15 to the Finance Act 1973 (territorial extension of charge to tax: supplementary provisions), in paragraphs 2, 4(1)(a) and 4A(1)(a) for “the Petroleum (Production) Act 1934” there shall be substituted “Part I of the Petroleum Act 1998”.

*The Offshore Petroleum Development (Scotland) Act 1975 (c. 8)*

- 6 In section 20 of the Offshore Petroleum Development (Scotland) Act 1975 (short title, interpretation and extent), in the definition of “petroleum” in subsection (2), for “the Petroleum (Production) Act 1934” there shall be substituted “Part I of the Petroleum Act 1998”.

*The Oil Taxation Act 1975 (c. 22)*

- 7 (1) The Oil Taxation Act 1975 shall be amended as follows.
- (2) In section 1 (petroleum revenue tax), in subsection (1) for “the Petroleum (Production) Act 1934” there shall be substituted “Part I of the Petroleum Act 1998”.
- (3) In section 12 (interpretation of Part I), in the definition of “licence” in subsection (1), for “the Petroleum (Production) Act 1934” there shall be substituted “Part I of the Petroleum Act 1998”.
- (4) In section 21 (citation, interpretation and construction), subsection (5) shall cease to have effect.
- (5) In Schedule 1 (determination of oil fields), in paragraph 1(2)(a) for “the Petroleum (Production) Act 1934” there shall be substituted “Part I of the Petroleum Act 1998”.
- (6) In Schedule 2 (management and collection of petroleum revenue tax), in paragraph 2(2)(c) for “the Petroleum (Production) Act 1934” there shall be substituted “Part I of the Petroleum Act 1998”.
- (7) In Schedule 3 (petroleum revenue tax: miscellaneous provisions), in paragraph 4 for “the Petroleum (Production) Act 1934” there shall be substituted “Part I of the Petroleum Act 1998”.

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*The Sex Discrimination Act 1975 (c. 65)*

- 8 In section 10 of the Sex Discrimination Act 1975 (employment at establishment in Great Britain), in subsection (5)—
- (a) for the words from “exploration” to “natural resources” there shall be substituted “any activity within section 11(2) of the Petroleum Act 1998”; and
  - (b) after “1964” there shall be inserted “or specified under section 10(8) of the Petroleum Act 1998”.

*The Fatal Accidents and Sudden Deaths Inquiry (Scotland) Act 1976 (c. 14)*

- 9 In section 9 of the Fatal Accidents and Sudden Deaths Inquiry (Scotland) Act 1976 (application to continental shelf), for “section 23 of the Oil and Gas (Enterprise) Act 1982” there shall be substituted “section 11 of the Petroleum Act 1998”.

*The Fair Employment (Northern Ireland) Act 1976 (c. 25)*

- 10 In section 49(3) of the Fair Employment (Northern Ireland) Act 1976 (employment at establishment in Northern Ireland)—
- (a) for the words from “the exploration” to “natural resources” there shall be substituted “any activity within section 11(2) of the Petroleum Act 1998”; and
  - (b) after “1964” there shall be inserted “or specified under section 10(8) of the Petroleum Act 1998”.

*The Race Relations Act 1976 (c. 74)*

- 11 In the Race Relations Act 1976, in sections 8(5) (employment at establishment in Great Britain) and 9(3) (exception for seamen recruited abroad)—
- (a) for the words from “exploration” to “natural resources” there shall be substituted “any activity within section 11(2) of the Petroleum Act 1998”; and
  - (b) after “1964” there shall be inserted “or specified under section 10(8) of the Petroleum Act 1998”.

*The Energy Act 1976 (c. 76)*

- 12 In section 9 of the Energy Act 1976 (liquefaction of offshore natural gas), in subsection (6) for the words from “licences” to “1964” there shall be substituted “licences granted under Part I of the Petroleum Act 1998 by virtue of section 3(2) (b) of that Act”.

*The Sex Discrimination (Northern Ireland) Order 1976 (S.I. 1976/1042 (N.I. 15))*

- 13 In Article 13(5) of the Sex Discrimination (Northern Ireland) Order 1976 (employment at establishment in Northern Ireland)—
- (a) for the words from “exploration” to “natural resources” there shall be substituted “any activity within section 11(2) of the Petroleum Act 1998”; and
  - (b) after “1964” there shall be inserted “or specified under section 10(8) of the Petroleum Act 1998”.

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*The Patents Act 1977 (c. 37)*

- 14 In section 132 of the Patents Act 1977 (application of Act), in subsection (4)—
- (a) for “section 22(5) of the Oil and Gas (Enterprise) Act 1982” there shall be substituted “section 10(8) of the Petroleum Act 1998”; and
  - (b) for “section 23(2)” there shall be substituted “section 11(2)”.

*The Gas Levy Act 1981 (c. 3)*

- 15 In section 1 of the Gas Levy Act 1981 (gas levy), in subsection (3) for the definition of “petroleum production licence” there shall be substituted—
- ““petroleum production licence” means a licence granted under section 3 of the Petroleum Act 1998;”.

*The Finance Act 1981 (c. 35)*

- 16 In section 118 of the Finance Act 1981 (licence payments other than royalties), in subsection (2)(c) for “section 41(3) of the Petroleum and Submarine Pipe-lines Act 1975” there shall be substituted “section 6(1) of the Petroleum Act 1998”.

*The Civil Jurisdiction and Judgments Act 1982 (c. 29)*

- 17 In the Civil Jurisdiction and Judgments Act 1982, in—
- (a) paragraph 9 of Schedule 5 (proceedings excluded from Schedule 4); and
  - (b) paragraph 10 of Schedule 9 (proceedings excluded from Schedule 8),
- for “section 23 of the Oil and Gas (Enterprise) Act 1982” there shall be substituted “section 11 of the Petroleum Act 1998”.

*The Petroleum Royalties (Relief) Act 1983 (c. 59)*

- 18 In section 1 of the Petroleum Royalties (Relief) Act 1983 (royalty exemption for petroleum from certain new offshore fields), in the definition of “petroleum” in subsection (3), for “the said Act of 1934” there shall be substituted “Part I of the Petroleum Act 1998”.

*The Telecommunications Act 1984 (c. 12)*

- 19 In section 107 of the Telecommunications Act 1984 (application to territorial waters and the continental shelf etc.)—
- (a) in subsection (1) for “section 23 of the Oil and Gas (Enterprise) Act 1982” there shall be substituted “section 11 of the Petroleum Act 1998”; and
  - (b) subsection (3) shall be omitted.

*The Food and Environment Protection Act 1985 (c. 48)*

- 20 After section 7 of the Food and Environment Protection Act 1985 there shall be inserted—

**“7A Application of Part II: further provisions.**

Nothing in this Part of this Act shall apply to anything done—

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- (a) for the purpose of constructing or maintaining a pipeline as respects any part of which an authorisation (within the meaning of Part III of the Petroleum Act 1998) is in force; or
- (b) for the purpose of establishing or maintaining an offshore installation within the meaning of Part IV of that Act.”.

*The Oil and Pipelines Act 1985 (c. 62)*

21 In section 6 of the Oil and Pipelines Act 1985 (interpretation), for the definition of “petroleum” there shall be substituted—

““petroleum” has the same meaning as in Part I of the Petroleum Act 1998;”.

*The Gas Act 1986 (c. 44)*

22 In section 62 of the Gas Act 1986 (exclusion of certain agreements from the Restrictive Trade Practices Act 1976), in the definition of “petroleum production licence” in subsection (6), after “the Petroleum (Production) Act 1934” there shall be inserted “, Part I of the Petroleum Act 1998”.

*The Petroleum Act 1987 (c. 12)*

23 In section 24 of the Petroleum Act 1987 (safety zones: supplementary), in subsection (1)(b) for “section 33 of the Petroleum and Submarine Pipe-lines Act 1975” there shall be substituted “section 26 of the Petroleum Act 1998”.

*The Territorial Sea Act 1987 (c. 49)*

24 In section 2 of the Territorial Sea Act 1987 (enactments and instruments not affected), in subsection (4)—

- (a) in paragraph (a), after “1934” there shall be inserted “or section 4 of the Petroleum Act 1998”; and
- (b) in paragraph (b), after “1934” there shall be inserted “or Part I of the said Act of 1998” and for “that section” there shall be substituted “either of those sections”.

*The Income and Corporation Taxes Act 1988 (c. 1)*

25 In section 502 of the Income and Corporation Taxes Act 1988 (interpretation of Chapter V of Part XII), in the definition of “oil” in subsection (1), for “the Petroleum (Production) Act 1934” there shall be substituted “Part I of the Petroleum Act 1998”.

*The Petroleum Royalties (Relief) and Continental Shelf Act 1989 (c. 1)*

26 In section 1 of the Petroleum Royalties (Relief) and Continental Shelf Act 1989 (royalty exemption: Southern Basin and landward areas), in the definition of “petroleum” in subsection (3), for “the said Act of 1934” there shall be substituted “Part I of the Petroleum Act 1998”.

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*The Capital Allowances Act 1990 (c. 1)*

- 27 (1) The Capital Allowances Act 1990 shall be amended as follows.
- (2) In section 62A (special allowance for demolition costs related to offshore machinery or plant), in subsection (3)(a) for “Part I of the Petroleum Act 1987” there shall be substituted “Part IV of the Petroleum Act 1998”.
- (3) In section 116 (oil licences etc.), in subsection (2) for “the Petroleum (Production) Act 1934” there shall be substituted “Part I of the Petroleum Act 1998”.
- (4) In section 138A (disposal of oil licences etc.), in the definitions of “overseas petroleum” and “petroleum” in subsection (4), for “the Petroleum (Production) Act 1934” there shall be substituted “Part I of the Petroleum Act 1998”.

*The Food Safety Act 1990 (c. 16)*

- 28 In section 58 of the Food Safety Act 1990 (territorial waters and the continental shelf)—
- (a) in subsection (2) for “section 23 of the Oil and Gas (Enterprise) Act 1982” there shall be substituted “section 11 of the Petroleum Act 1998”;
- (b) in the definition of “installation” in subsection (4), for “section 23” there shall be substituted “section 11”.

*The Aviation and Maritime Security Act 1990 (c. 31)*

- 29 In section 14 of the Aviation and Maritime Security Act 1990 (ancillary offences), in subsection (3) for “section 22 of the Oil and Gas (Enterprise) Act 1982” there shall be substituted “section 10 of the Petroleum Act 1998”.

*The Social Security Contributions and Benefits Act 1992 (c. 4)*

- 30 In section 120 of the Social Security Contributions and Benefits Act 1992 (employment at sea: continental shelf operations), in subsection (2) for “subsection (6) of section 23 of the Oil and Gas (Enterprise) Act 1982” there shall be substituted “subsection (8) of section 11 of the Petroleum Act 1998”.

*The Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7)*

- 31 In section 166 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (special classes of persons), in subsection (3) for “section 23 of the Oil and Gas (Enterprise) Act 1982” there shall be substituted “section 11 of the Petroleum Act 1998”.

*The Taxation of Chargeable Gains Act 1992 (c. 12)*

- 32 (1) The Taxation of Chargeable Gains Act 1992 shall be amended as follows.
- (2) In section 193 (roll-over relief not available for gains on oil licences), in subsection (1) for “the Petroleum (Production) Act 1934” there shall be substituted “Part I of the Petroleum Act 1998”.
- (3) In section 196 (interpretation of sections 194 and 195), in the definitions of “oil” and “overseas petroleum” in subsection (5), for “the Petroleum (Production) Act 1934” there shall be substituted “Part I of the Petroleum Act 1998”.



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- (4) In Schedule 3 (assets held on 31st March 1982), in paragraph 7(2)(c) for “the Petroleum (Production) Act 1934” there shall be substituted “Part I of the Petroleum Act 1998”.

*The Offshore Safety Act 1992 (c. 15)*

- 33 (1) The Offshore Safety Act 1992 shall be amended as follows.
- (2) In section 1 (application of Part I of Health and Safety at Work etc. Act 1974 for offshore purposes)—
- (a) in subsection (3), for paragraph (b) there shall be substituted—
- “(b) sections 20 and 25 of the Petroleum Act 1998;” and in paragraph (c) the words from “section” to “requirements and” shall be omitted;
- (b) in subsection (4), for the definitions of “pipe-line” and “pipe-line works” there shall be substituted—
- ““pipe-line” means, subject to subsection (4A), a controlled pipeline within the meaning of Part III of the Petroleum Act 1998; and
- “pipe-line works” means works of any of the following kinds, namely—
- (a) assembling or placing a pipe-line or length of pipe-line;
- (b) inspecting, testing, maintaining, adjusting, repairing, altering or renewing a pipe-line or length of pipe-line;
- (c) changing the position of or dismantling or removing a pipe-line or length of pipe-line;
- (d) opening the bed of the sea for the purposes of works mentioned in paragraphs (a) to (c), tunnelling or boring for those purposes and other works needed for or incidental to those purposes;
- (e) works for the purpose of determining whether a place is suitable as part of the site of a proposed pipe-line and the carrying out of surveying operations for the purpose of settling the route of a proposed pipe-line.”;
- (c) after subsection (4) there shall be inserted—
- “(4A) In this section “pipe-line” does not include—
- (a) any pipe-line so far as it forms part of the equipment of a vessel or vehicle; or
- (b) any apparatus and works associated with a pipe or system of pipes and prescribed for the purpose of this paragraph by regulations made by the Secretary of State.
- (4B) A statutory instrument containing regulations made by virtue of subsection (4A) shall be subject to annulment in pursuance of a resolution of either House of Parliament; and section 25 of the Petroleum Act 1998 shall apply in relation to any such regulations as it applies in relation to regulations under section 20 of that Act.”; and
- (d) in subsection (5), paragraph (b) and, in paragraph (c), the words “16(1) or” shall be omitted and at the end of paragraph (c) there shall be inserted—

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“; or

(d) section 14(2) or 45 of the Petroleum Act 1998.”.

- (3) In section 3 (consequential provisions), in subsections (2)(b) and (4) for “section 2 of the Petroleum (Production) Act 1934” there shall be substituted “section 3 of the Petroleum Act 1998”.
- (4) In section 5 (directions for preserving security of petroleum and petroleum products), in the definition of “petroleum” in subsection (7), for “the Petroleum (Production) Act 1934” there shall be substituted “Part I of the Petroleum Act 1998”.

*The Trade Union and Labour Relations (Consolidation) Act 1992 (c. 52)*

34 (1) Section 287 of the Trade Union and Labour Relations (Consolidation) Act 1992 (offshore employment) shall be amended as follows.

(2) For subsection (1) there shall be substituted—

“(1) In this Act “offshore employment” means employment for the purposes of—

- (a) any activities in the territorial sea adjacent to the United Kingdom, and
- (b) any such activities as are mentioned in section 11(2) of the Petroleum Act 1998 in waters within subsection (8)(b) or (c) of that section.”.

(3) Subsection (5) shall be omitted.

*The Offshore, and Pipelines, Safety (Northern Ireland) Order 1992 (S.I. 1992/1728 (N.I. 17))*

35 In Article 3 of the Offshore, and Pipelines, Safety (Northern Ireland) Order 1992 (application of Part II of the Health and Safety at Work (Northern Ireland) Order 1978 for offshore purposes)—

(a) in paragraph (3), for sub-paragraph (b) there shall be substituted—

“(b) sections 20 and 25 of the Petroleum Act 1998;”, and in sub-paragraph (c) the words from “section” to “requirements and” shall be omitted;

(b) in paragraph (4), for the definitions of “pipe-line” and “pipe-line works” there shall be substituted—

““pipe-line” means, subject to paragraph (4A), a controlled pipeline within the meaning of Part III of the Petroleum Act 1998; and

“pipe-line works” means works of any of the following kinds, namely—

- (a) assembling or placing a pipe-line or length of pipe-line;
- (b) inspecting, testing, maintaining, adjusting, repairing, altering or renewing a pipe-line or length of pipe-line;
- (c) changing the position of or dismantling or removing a pipe-line or length of pipe-line;
- (d) opening the bed of the sea for the purposes of works mentioned in paragraphs (a) to (c), tunnelling or boring for

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- those purposes and other works needed for or incidental to those purposes;
- (e) works for the purpose of determining whether a place is suitable as part of the site of a proposed pipe-line and the carrying out of surveying operations for the purpose of settling the route of a proposed pipe-line.”;
- (c) after paragraph (4) there shall be inserted—
- “(4A) Subsections (4A) and (4B) of section 1 of the Offshore Safety Act 1992 apply in relation to the definition of “pipe-line” in paragraph (4) as they apply in relation to the definition of “pipe-line” in subsection (4) of that section but as if the reference in subsection (4A) to that section were a reference to this Article.”;
- and
- (d) in paragraph (5), sub-paragraph (b) and, in sub-paragraph (c), the words “16(1) or” shall be omitted and at the end of sub-paragraph (c) there shall be inserted—
- “; or
- (d) section 14(2) or 45 of the Petroleum Act 1998.”.

*The Finance Act 1993 (c. 34)*

- 36 In section 94A of the Finance Act 1993 (parts of trades: petroleum extraction companies), in subsection (3)(a) for “the Petroleum (Production) Act 1934” there shall be substituted “Part I of the Petroleum Act 1998”.

*The Pension Schemes Act 1993 (c. 48)*

- 37 In section 165 of the Pension Schemes Act 1993 (application of certain provisions to cases with foreign element), in the definition of “continental shelf operations” in subsection (8), for “subsection (6) of section 23 of the Oil and Gas (Enterprise) Act 1982” there shall be substituted “subsection (8) of section 11 of the Petroleum Act 1998”.

*The Coal Industry Act 1994 (c. 21)*

- 38 (1) The Coal Industry Act 1994 shall be amended as follows.
- (2) In section 3 (duties of the Coal Authority with respect to property), in subsection (6) for “section 2 of the Petroleum (Production) Act 1934” there shall be substituted “section 3 of the Petroleum Act 1998”.
- (3) In section 9 (exploitation rights: oil and gas)—
- (a) in subsection (1) for “section 10(2) of the Petroleum (Production) Act 1934” there shall be substituted “section 9(1) of the Petroleum Act 1998”;
- (b) in subsection (1)(b) for “section 2 of that Act of 1934” there shall be substituted “section 3 of that Act of 1998”; and
- (c) in subsection (4) after “section 2 of the Petroleum (Production) Act 1934” there shall be inserted “or section 3 of the Petroleum Act 1998”.

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- (4) In section 57 (public access to information held by the Coal Authority), in subsection (4)(a)(ii) for “section 2 of the Petroleum (Production) Act 1934” there shall be substituted “section 3 of the Petroleum Act 1998”.

*The Merchant Shipping Act 1995 (c. 21)*

- 39 In section 293 of the Merchant Shipping Act 1995 (functions of Secretary of State in relation to marine pollution), in the definition of “pipeline” in subsection (5), for “the Petroleum and Submarine Pipelines Act 1975” there shall be substituted “the Petroleum Act 1998”.

*The Employment Rights Act 1996 (c. 18)*

- 40 (1) Section 201 of the Employment Rights Act 1996 shall be amended as follows.
- (2) For subsection (1) there shall be substituted—
- “(1) In this section “offshore employment” means employment for the purposes of—
- (a) any activities in the territorial sea adjacent to the United Kingdom, or
- (b) any such activities as are mentioned in section 11(2) of the Petroleum Act 1998 in waters within subsection (8)(b) or (c) of that section.”.
- (3) Subsection (5) shall be omitted.

*The Race Relations (Northern Ireland) Order 1997 (S.I. 1997/869 (N.I. 6))*

- 41 In Article 69(2) of the Race Relations (Northern Ireland) Order 1997 (power to amend certain provisions of Order)—
- (a) in sub-paragraph (a) for “section 23(2) of the Oil and Gas (Enterprise) Act 1982” there shall be substituted “section 11(2) of the Petroleum Act 1998”; and
- (b) in sub-paragraph (b) for “section 22(5) of the Oil and Gas (Enterprise) Act 1982” there shall be substituted “section 10(8) of the Petroleum Act 1998”.

SCHEDULE 5

Section 51.

REPEALS AND REVOCATIONS

**PART I**

REPEALS

<i>Chapter</i>	<i>Short title</i>	<i>Extent of repeal</i>
<a href="#">1934 c. 36.</a>	The Petroleum Production Act 1934.	The whole Act.

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<i>Chapter</i>	<i>Short title</i>	<i>Extent of repeal</i>
1954 c. 70.	The Mines and Quarries Act 1954.	In Schedule 4, the paragraph relating to the Petroleum (Production) Act 1934.
1964 c. 29.	The Continental Shelf Act 1964.	In section 1, subsection (3) and, in subsection (8), the words from “and “petroleum”” to the end.
1966 c. 4.	The Mines (Working Facilities and Support) Act 1966.	Section 15(5). Schedule 2.
1975 c. 22.	The Oil Taxation Act 1975.	Section 21(5).
1975 c. 74.	The Petroleum and Submarine Pipe-lines Act 1975.	The whole Act.
1976 c. 30.	The Fatal Accidents Act 1976.	In Schedule 1, in paragraph 2(2), the reference to section 30(1) of the Petroleum and Submarine Pipe-lines Act 1975.
1978 c. 46.	The Employment (Continental Shelf) Act 1978.	The whole Act.
1982 c. 23.	The Oil and Gas (Enterprise) Act 1982.	The whole Act except sections 24, 26, 31, 37 and 38 and, in Schedule 3, paragraphs 1, 3, 4, 8 (so far as relating to sections 3 and 9 of the Mineral Workings (Offshore Installations) Act 1971), 11, 34, 37 and 39.
1984 c. 12.	The Telecommunications Act 1984.	Section 107(3).
1985 c. 48.	The Food and Environment Protection Act 1985.	Section 15(4)(b).
1987 c. 12.	The Petroleum Act 1987.	Parts I and II. Section 24(4) to (6). Section 28. Section 31(2)(a). Schedules 1 and 2.
1987 c. 21.	The Pilotage Act 1987.	In Schedule 2, paragraph 5.
1987 c. 49.	The Territorial Sea Act 1987.	In Schedule 1, paragraph 7(1) and (2).
1992 c. 15.	The Offshore Safety Act 1992.	In section 1, in subsection (3) (c), the words from “section”

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<i>Chapter</i>	<i>Short title</i>	<i>Extent of repeal</i>
		to “requirements and” and, in subsection (5), paragraph (b) and, in paragraph (c), the words “16(1) or”.
		Section 3(1)(c) and (d).
1992 c. 52.	The Trade Union and Labour Relations (Consolidation) Act 1992.	Section 287(5). In Schedule 2, paragraph 29.
1995 c. 7.	The Requirements of Writing (Scotland) Act 1995.	In Schedule 4, paragraphs 48 and 50.
1995 c. 21.	The Merchant Shipping Act 1995.	In Schedule 13, paragraph 65.
1995 c. 40.	The Criminal Procedure (Consequential Provisions) (Scotland) Act 1995.	In Schedule 4, paragraph 40.
1996 c. 18.	The Employment Rights Act 1996.	Section 201(5). In Schedule 1, paragraph 18.

## PART II

### REVOCATIONS

<i>Number</i>	<i>Title</i>	<i>Extent of revocation</i>
S.I. 1977/1251 (N.I. 18).	The Fatal Accidents (Northern Ireland) Order 1977.	In Schedule 1, paragraph 8.
S.I. 1992/1972 (N.I. 17).	The Offshore, and Pipelines, Safety (Northern Ireland) Order 1992.	In Article 3, in paragraph (3) (c), the words from “section” to “requirements and” and, in paragraph (5), subparagraph (b) and, in subparagraph (c), the words “16(1) or”.
		Article 5(1)(b).
S.I. 1993/1823.	The Offshore Safety (Repeals and Modifications) Regulations 1993.	Regulation 4(3).
S.R. (N.I.) 1993 No. 384.	The Offshore Safety (Repeals and Modifications) Regulations (Northern Ireland) 1993.	Regulation 4(2).
S.I. 1997/2703.	The Section 7 of the Petroleum (Production) Act	The whole instrument.

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<i>Number</i>	<i>Title</i>	<i>Extent of revocation</i>
S.R. (N.I.) 1997 No. 528.	1934 and Section 2(1)(a) of the Petroleum Act 1987 (Modification) Regulations 1997. The Section 2(1)(a) of the Petroleum Act 1987 (Modification) Regulations (Northern Ireland) 1997.	The whole instrument.

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