

## SCHEDULE 4

### MODEL CLAUSES FOR PRODUCTION LICENCES IN SEAWARD AREAS

#### Provisions supplementary to clause 17

**18.**—(1) A consent given by the Minister in pursuance of clause 17(1) of this licence may be given subject to such conditions as are specified in the document signifying the consent and may in particular, without prejudice to the generality of the preceding provisions of this paragraph, be limited to a period so specified.

(2) Where—

- (a) the Minister gives notice in respect of a programme in pursuance of paragraph (4)(a) or (b) or paragraph (6) of clause 17 of this licence or serves a programme in pursuance of the said paragraph (6); or
- (b) it is determined by arbitration that the Licensee is not required by virtue of paragraph (i) of clause 17(5)(c) of this licence to submit modifications of a programme in respect of which notice of rejection containing such a statement as is mentioned in the said paragraph (i) was given by the Minister in pursuance of clause 17(4)(c) of this licence,

the Minister may give to the Licensee, with the notice given or the programme served as mentioned in sub-paragraph (a) of this paragraph or, in a case falling within sub-paragraph (b) of this paragraph, within the period of three months beginning with the date of the arbitrator's or arbiter's determination, a notice (hereafter in this clause referred to as a "limitation notice") authorising the Minister, by a further notice given to the Licensee from time to time after the expiration of the period specified in that behalf in the limitation notice, to provide that the programme to which the limitation notice relates shall have effect while the further notice is in force with the substitution for any quantity of petroleum or any period specified in the programme in pursuance of clause 17(2)(c) of this licence of a different quantity of petroleum or a different period specified in the further notice.

(3) A quantity or period specified in such a further notice as that to be substituted for a quantity or period which is specified in the programme in question shall be within the limits specified in the limitation notice as those applicable to that quantity or period specified in the programme; and those limits shall be such as to secure that the expenditure to be incurred by the Licensee in complying with the further notice, in a case where an effect of the notice is to increase the quantity of petroleum which the Licensee is required to get from the licensed area in any period, is less than the cost of drilling a new well in the licensed area at the time when the further notice is given.

(4) Where the Minister proposes to give a limitation notice or any such further notice as aforesaid he shall before doing so—

- (a) give the Licensee particulars of the proposal and an opportunity of making representations to the Minister about the technical and financial factors which the licensee considers are relevant in connection with the proposal; and
- (b) consider any such representations then made to him by the Licensee;

and the Minister shall not give such a further notice of which an effect is to increase the quantity of petroleum which the Licensee is required to get from the licensed area during any period unless the Minister is satisfied that the notice is required by reason of a national emergency and shall not give any other such further notice as aforesaid unless he is satisfied that the notice is required in the national interest.

(5) A limitation notice or such a further notice as aforesaid may—

- (a) specify any quantity or period by reference to such factors as the Minister thinks fit; and
- (b) in the case of such a further notice, contain provisions as to—
  - (i) the date when the notice is to come into force,

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(ii) the date when the notice is to cease to be in force,

and specify different dates in pursuance of this sub-paragraph for different provisions of the notice;

and the Minister may revoke such a further notice at a particular time by serving on the Licensee a notice in writing stating that the further notice is revoked at that time.

(6) Any question arising under clause 17 of this licence or this clause as to what is, is not or is required in the national interest or as to what is, or is required by reason of, a national emergency shall be determined by the Minister.

(7) The Licensee shall ensure that any conditions to which an approval is subject in pursuance of clause 17(4)(b) of this licence or a consent is subject in pursuance of paragraph (1) of this clause are complied with.

(8) If in respect of part of the licensed area

- (a) a consent has been given in pursuance of paragraph (1) of clause 17 of this licence; or
- (b) the Licensee has submitted to the Minister, in accordance with a direction given by virtue of paragraph (3)(a) of that clause, a programme in pursuance of paragraph (2) of that clause—
  - (i) as respects which the Minister has served notice in pursuance of paragraph (4)(a) or (b) or paragraph (6) of that clause, or
  - (ii) in consequence of which the Minister has served a programme on the Licensee in pursuance of the said paragraph (6), or
  - (iii) in respect of which it has been determined by arbitration that the Licensee is not required by virtue of paragraph (5)(c)(i) of that clause to submit modifications,

paragraph (1) of clause 42 of this licence shall not authorise the Minister to revoke this licence in relation to that part of the licensed area in consequence of any breach or non-observance, while the consent is in force or during the period to which the programme relates, of any provision of the said clause 17 in connection with a different part of the licensed area.

(9) Where in consequence of any breach or non-observance by the Licensee of any provision of clause 17 of this licence the Minister has power by virtue of paragraph (1) of clause 42 of this licence to revoke this licence or, in consequence of paragraph (8) of this clause, to revoke it in respect of part only of the licensed area, he may if he thinks fit—

- (a) in a case where he has power to revoke this licence, exercise the power in relation to such part only of the licensed area as he may specify; and
- (b) in a case where by virtue of the said paragraph (8) he has power to revoke it in respect of part only of the licensed area, exercise the power in relation to such portion only of that part as he may specify;

and where in consequence of the said paragraph (8) or by virtue of the preceding provisions of this paragraph the Minister revokes this licence in respect of a part or portion of the licensed area, the rights granted by this licence shall cease in respect of that part or portion without prejudice to any obligation or liability imposed upon the Licensee or incurred by him under the terms of this licence.