

SCHEDULE 4

MODEL CLAUSES FOR PRODUCTION LICENCES IN SEAWARD AREAS

Areas surrendered

8.—(1) Within a block any area surrendered by the Licensee pursuant to either clause 4 or clause 7 of this licence and any area accordingly retained by him or, where the surrendered or retained area comprises separate parts, each part of each area shall, unless the Minister has otherwise agreed in writing before the date at which the appropriate notice is given by the Licensee to the Minister—

- (a) be bounded by minute lines of latitude extending not less than two minutes of longitude and minute lines of longitude extending not less than two minutes of latitude;
- (b) subject to clause 4(2)(a) hereof, consist of not less than thirty sections; and
- (c) have boundaries which, whether they run north and south or east and west, either coincide with the corresponding boundaries of the block or are not less than two sections distant from those boundaries;

and where the surrendered or retained area comprises separate parts, each part of that area shall be not less than two sections distant from any other part of that area.

(2) Upon the date on which any determination of this licence or any surrender of part of the licensed area in manner provided by any of clauses 4, 5 or 7 of this licence is to take effect the rights granted by this licence shall cease in respect of the licensed area or of the part so surrendered as the case may be but without prejudice to any obligation or liability imposed upon the Licensee or incurred by him under the terms of this licence prior to that date.