

SCHEDULE 4

Regulation 9(2)(b)

MODEL CLAUSES FOR SUPPLEMENTARY SEISMIC SURVEY LICENCES IN LANDWARD AREAS

Interpretation

1.—(1) In the following clauses the following expressions have the meanings hereby respectively assigned to them, that is to say:—

“the Act of 1934” means the Petroleum (Production) Act 1934;

“the exploration area” means the area for the time being in which the Licensee may exercise the rights granted by this licence;

“the Licensee” means the person or persons to whom this licence is granted, his personal representatives and any person or persons to whom the rights conferred by this licence may lawfully have been assigned;

“the Minister” means the Secretary of State for Energy;

“petroleum” includes any mineral oil or relative hydrocarbon and natural gas existing in its natural condition in strata, but does not include coal or bituminous shales or other stratified deposits from which oil can be extracted by destructive distillation;

“the principal licence” has the meaning assigned thereto by clause 2.

(2) Any obligations which are to be observed and performed by the Licensee shall at any time at which the Licensee is more than one person be joint and several obligations.

Right to search for petroleum by undertaking seismic surveys

2. In consideration of the payments hereinafter provided and the performance and observance by the Licensee of all the terms and conditions hereof, the Minister in exercise of his powers under the Act of 1934 hereby grants to the Licensee, as holder of Licence No. (hereinafter referred to as “the principal licence” LICENCE AND LIBERTY in common with any other persons to whom the like right may have been granted or may hereafter be granted during the continuance of this licence and subject to the provisions hereof to search for petroleum underlying the area to which the principal licence relates by undertaking seismic surveys in the adjacent area more particularly described in Schedule 1 to this licence.

Provided that nothing in this licence shall affect the right of the Minister to grant other licences under the Act of 1934 in respect of the whole or any part of the exploration area, or affect the exercise of any rights granted by such licence.

Term of licence

3. This licence unless sooner determined under or consequent upon any of the provisions hereof shall be and continue in force for the term of 12 months next after

Automatic termination of licence

4.—(1) This licence shall automatically cease and determine—

(a) on the termination of the principal licence, and

(b) on the grant of an exploration, appraisal, or development licence in respect of an area which includes the whole of the exploration area.

(2) Where an exploration, appraisal or development licence is granted in respect of part of the exploration area, this licence shall automatically cease and determine as regards that part.

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(3) Any termination or partial termination of this licence shall be without prejudice to any obligation or liability imposed upon the Licensee or incurred by him under the terms and conditions of this licence.

Payment of consideration for licence

5.—(1) The Licensee shall make to the Minister the payment specified in Schedule 2 to this licence as consideration for the grant of this licence.

(2) The Licensee shall not by reason of the termination of this licence be entitled to be repaid or allowed all or any part of the sum payable to the Minister hereunder.

Seismic surveys

6.—(1) The Licensee shall give the Minister at least 21 days written notice of any proposed seismic survey and such notice shall indicate the nature of the survey and the total distance to be shot and shall be accompanied by a copy of an Ordnance Survey map drawn to the scale of 1:50,000 or 1:63,360 for the relevant area upon which the proposed lines of survey are indicated and by evidence that the planning authorities for the area to be surveyed have been consulted about the proposed survey and in a case where any planning permission under the Town and Country Planning Act 1990 or the Town and Country Planning (Scotland) Act 1972 is required for the survey in question, evidence that such permission has been granted.

(2) The Licensee shall not carry out any seismic survey if notice thereof has not been given as aforesaid or if the Minister indicates to the Licensee within fourteen days of the receipt of such notice that the survey is not to be carried out.

Licensee to keep records

7.—(1) The Licensee shall keep in the United Kingdom accurate geological plans and maps relating to the exploration area and such other records in relation thereto as may be necessary to preserve all information which the Licensee has about the geology of the exploration area.

(2) The Licensee shall deliver copies of the said records, plans and maps referred to in the foregoing paragraph to the Minister as and when required.

Returns

8.—(1) The Licensee shall furnish to the Minister six months from the date of this licence and upon termination of this licence a return in a form from time to time approved by the Minister of the progress of his operations in the exploration area. Such return shall contain a statement of the areas in which any surveys have been carried out.

(2) The Licensee shall furnish to the Minister such other information, in the form of maps and plans, as to progress of his operations in the exploration area as the Minister may from time to time require.

Reports to be treated as confidential

9. All records, returns, plans, maps and information (in this clause referred to as “the specified data”) which the Licensee is or may be from time to time required to furnish under the provisions of this licence shall be supplied at the expense of the Licensee and shall not (except with the consent in writing of the Licensee which shall not be unreasonably withheld) be disclosed to any person not in the service or employment of the Crown:

Provided that—

- (i) the Minister shall be entitled at any time to make use of any of the specified data for the purpose of preparing and publishing such returns and reports as may be required of the Minister by law;
- (ii) the Minister shall be entitled at any time to furnish any of the special data to the Natural Environment Research Council and to any other body of a like nature as may from time to time be carrying on activities of a substantially similar kind to the geological activities at present carried on by the said Council;
- (iii) the Minister, the said Council and any such other body shall be entitled at any time to prepare and publish reports and surveys of a general nature using information derived from any of the specified data;
- (iv) the Minister, the said Council and any such other body shall be entitled to publish any of the specified data of a geological, scientific or technical kind after the expiration of the period of five years beginning with the date when the Minister received the data, or after the expiration of such longer period as the Minister may determine after considering any representations made to him by the Licensee about the publication of data in pursuance of this sub-paragraph.

Power to inspect records

10. Any person authorised by the Minister may at all reasonable times inspect and make abstracts or copies of any records, returns, plans or maps which the Licensee is required to keep or make in accordance with the provisions of this licence.

Indemnity against third party claims

11. The Licensee shall at all times keep the Minister effectually indemnified against all actions, proceedings, costs, charges, claims and demands whatsoever which may be made or brought against the Minister by any third party in relation to or in connection with this licence or any matter or thing done or purported to be done in pursuance thereof.

Agreement not to assign

12. The Licensee shall not without the consent of the Minister in writing assign or part with any of the rights granted by this licence in relation to the whole or any part of the exploration area or grant any sub-licence in respect of any of such rights.

Power of revocation

13. The Minister may revoke this licence in the event of any breach or non-observance by the Licensee of any of the terms and conditions of this licence, and thereupon the same and all the rights hereby granted shall cease and determine but subject nevertheless and without prejudice to any obligation or liability imposed upon the Licensee or incurred by him under the terms and conditions hereof.

Arbitration

14.—(1) If at any time any dispute, difference or question shall arise between the Minister and the Licensee as to any matter arising under or by virtue of this licence or as to their respective rights and liabilities in respect thereof then the same shall, except where it is expressly provided by this licence that the matter or thing to which the same relates is to be determined, decided, approved or consented to by the Minister, be referred to arbitration as provided by the following paragraph.

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(2) The arbitration referred to in the foregoing paragraph shall be in accordance with the Arbitration Act 1950 by a single arbitrator who, in default of agreement between the Minister and the Licensee as to his appointment, shall be appointed by the Lord Chief Justice of England.

Note: Where the licensed area is situate in Scotland the following provision will be substituted for the last foregoing paragraph.

(2) The arbitration referred to in the foregoing paragraph shall be by a single arbiter who, in default of agreement between the Minister and the Licensee as to his appointment, shall be appointed by the Lord President of the Court of Session.

Note: Schedules to each licence will describe the area to which the licence relates and specify the payment to be made by the Licensee in consideration for the grant of the licence.

Licences will be executed as deeds in duplicate by all parties thereto.