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STATUTORY INSTRUMENTS

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**2004 No. 352**

**PETROLEUM**

The Petroleum Licensing (Exploration and Production)  
(Seaward and Landward Areas) Regulations 2004

*Made* - - - - *11th February 2004*  
*Laid before Parliament* *12th February 2004*  
*Coming into force* *5th March 2004*

THE PETROLEUM LICENSING (EXPLORATION  
AND PRODUCTION) (SEAWARD AND  
LANDWARD AREAS) REGULATIONS 2004

1. Citation and Commencement
  2. Interpretation
  3. Model Clauses
- Signature

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SCHEDULE 1 — MODEL CLAUSES FOR EXPLORATION LICENCES

1. Interpretation
2. Grant of Licence
3. Prospecting methods
4. Term of licence
5. Right of Licensee to determine licence
6. Payment of consideration for licence
7. Commencement, abandonment and plugging of Wells
8. Distance of Wells from boundaries of Exploration Area
9. Avoidance of harmful methods of working
10. Fishing and navigation
11. Licensee to keep records
12. Returns
13. Licensee to keep samples
14. Reports to be treated as confidential
15. Power to inspect records
16. Rights of access
17. Power to execute works

*Status: This is the original version (as it was originally made).*

18. Indemnity against third party claims
19. Agreement not to assign
20. Power of revocation
21. Arbitration
22. Ministry of Defence
23. Department for the Environment Food and Rural Affairs/Scottish Executive

SCHEDULE 2 — MODEL CLAUSES FOR PRODUCTION LICENCES RELATING  
TO FRONTIER AREAS—NO BREAK CLAUSE

1. Interpretation, etc
2. Grant of Licence
3. Term of Licence
4. Option to continue Licence into a Second Term
5. Option to Continue Licence into a Third Term
6. Option to continue the Licence after the Third Term
7. Power further to extend term of Licence
8. Right of Licensee to determine Licence or surrender part of Licensed Area
9. Areas surrendered
10. Payment of consideration for Licence
11. Measurement of Petroleum obtained from the Licensed Area
12. Keeping of accounts
13. Working obligations
14. Development and production programmes
15. Provisions supplementary to clause 14
16. Commencement and abandonment and plugging of Wells
17. Distance of Wells from boundaries of Licensed Area
18. Control of Development Wells
19. Provision of storage tanks, pipes, pipelines or other receptacles
20. Avoidance of harmful methods of working
21. Appointment of operators
22. Fishing and navigation
23. Training
24. Unit development
25. Directions as to Oil Fields across boundaries
26. Licensee to keep records
27. Returns
28. Licensee to keep samples
29. Reports to be treated as confidential
30. Inspection of records etc.
31. Rights of access
32. Power to execute works
33. Right of distress
34. Diligence
35. Indemnity against third party claims
36. Advertisements, prospectuses etc.
37. Restrictions on assignment, etc.
38. Power of revocation
39. Arbitration
40. Ministry of Defence
41. Department for the Environment Food and Rural Affairs/Scottish Executive

SCHEDULE 3 — MODEL CLAUSES FOR PRODUCTION LICENCES RELATING  
TO FRONTIER AREAS—INCLUDING BREAK CLAUSE

1. Interpretation, etc.
2. Grant of Licence
3. Term of Licence
4. Option to continue Licence into a Second Term
5. Expiry of the Licence on Failure to Complete Certain Work
6. Option to Continue Licence into a Third Term
7. Option to continue the Licence after the Third Term
8. Power further to extend term of Licence
9. Right of Licensee to determine Licence or surrender part of Licensed Area
10. Areas surrendered
11. Payment of consideration for Licence
12. Measurement of Petroleum obtained from the Licensed Area
13. Keeping of accounts
14. Working obligations
15. Development and production programmes
16. Provisions supplementary to clause 15
17. Commencement and abandonment and plugging of Wells
18. Distance of Wells from boundaries of Licensed Area
19. Control of Development Wells
20. Provision of storage tanks, pipes, pipelines or other receptacles
21. Avoidance of harmful methods of working
22. Appointment of operators
23. Fishing and navigation
24. Training
25. Unit development
26. Directions as to Oil Fields across boundaries
27. Licensee to keep records
28. Returns
29. Licensee to keep samples
30. Reports to be treated as confidential
31. Inspection of records etc.
32. Rights of access
33. Power to execute works
34. Right of distress
35. Diligence
36. Indemnity against third party claims
37. Advertisements, prospectuses etc.
38. Restrictions on assignment, etc.
39. Power of revocation
40. Arbitration
41. Ministry of Defence
42. Department for the Environment Food and Rural Affairs/Scottish Executive

#### SCHEDULE 4 — MODEL CLAUSES FOR STANDARD PRODUCTION LICENCES

1. Interpretation, etc.
2. Grant of Licence
3. Term of Licence
4. Option to continue Licence into a Second Term
5. Option to continue the Licence after the Second Term
6. Power further to extend term of Licence
7. Right of Licensee to determine Licence or surrender part of Licensed Area
8. Areas surrendered

*Status: This is the original version (as it was originally made).*

9. Payment of consideration for Licence
10. Measurement of Petroleum obtained from the Licensed Area
11. Keeping of accounts
12. Working obligations
13. Development and production programmes
14. Provisions supplementary to clause 13
15. Commencement and abandonment and plugging of Wells
16. Distance of Wells from boundaries of Licensed Area
17. Control of Development Wells
18. Provision of storage tanks, pipes, pipelines or other receptacles
19. Avoidance of harmful methods of working
20. Appointment of operators
21. Fishing and navigation
22. Training
23. Unit development
24. Directions as to Oil Fields across boundaries
25. Licensee to keep records
26. Returns
27. Licensee to keep samples
28. Reports to be treated as confidential
29. Inspection of records etc.
30. Rights of access
31. Power to execute works
32. Right of distress
33. Diligence
34. Indemnity against third party claims
35. Advertisements, prospectuses etc.
36. Restrictions on assignment, etc.
37. Power of revocation
38. Arbitration
39. Ministry of Defence
40. Department for the Environment Food and Rural Affairs/Scottish Executive

SCHEDULE 5 — TWO YEAR BREAK CLAUSE

1. After paragraph (1) of model clause 3 in Schedule 4...
2. For references to “the Work Programme” in model clauses 4(2)(b)...

SCHEDULE 6 — MODEL CLAUSES FOR PETROLEUM EXPLORATION AND DEVELOPMENT LICENCES

1. Interpretation
2. Right to search and bore for and get Petroleum
3. Term of Licence
4. Option to continue Licence as to part of the Licensed Area
5. Continuance of Licence after the Second Term
6. Power further to extend term of Licence
7. Right of Licensee to determine Licence or surrender part of Licensed Area
8. Consequences of determination or surrender by Licensee
9. Payment of consideration for Licence
10. Measurement of Petroleum obtained from the Licensed Area
11. Keeping of accounts
12. Working obligations
13. Development and production programmes
14. Provisions supplementary to clause 13

15. Commencement and abandonment and plugging of Wells
16. Distance of Wells from boundaries of Licensed Area
17. Control of Development Wells
18. Provision of storage tanks, pipes, pipelines or other receptacles
19. Avoidance of harmful methods of working
20. Appointment of operators
21. Fishing and navigation
22. Training
23. Unit development
24. Licensee to keep records
25. Returns
26. Licensee to keep samples
27. Reports to be treated as confidential
28. Inspection of records, etc.
29. Rights of access
30. Power to execute works
31. Right of distress
32. Diligence
33. Indemnity against third party claims
34. Advertisements, prospectuses, etc.
35. Restrictions on assignment, etc.
36. Power of revocation
37. Arbitration

#### SCHEDULE 7 — THREE YEAR BREAK CLAUSE

1. After paragraph (1) of model clause 3 in Schedule 6...
2. For references to “the Work Programme” in model clauses 4(1)(b)...

Explanatory Note