

SCHEDULE 2

Model clauses for petroleum exploration and development licences

Arbitration

44.—(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, directed, approved or consented to by the Minister, be referred to arbitration as provided by the following paragraphs.

(2) The arbitration referred to in the foregoing paragraph shall be by a single arbitrator who, in default of agreement between the Minister and the Licensee and, in the case of arbitration in relation to a Development Scheme, other Licensees affected by that scheme, as to his appointment, shall be appointed by the Lord Chief Justice of England for the time being.

(3) To the extent that this clause applies to any part of the Licensed Area situated in Scotland, this clause shall have effect as if—

- (a) for the word “arbitrator”, wherever it occurs in paragraphs (2) and (5) of this clause there were substituted the word “arbiter”; and
- (b) for the words “the Lord Chief Justice of England” in paragraph (2) there were substituted the words “the Lord President of the Court of Session”;

(4) To the extent that this clause applies to any part of the Licensed Area situated in Northern Ireland this clause shall have effect as if for the words “the Lord Chief Justice of England”, in paragraph (2) there were substituted the words “the Lord Chief Justice of Northern Ireland”.

(5) In the case of any such arbitration which relates to a Development Scheme the Licensee shall, unless the arbitrator otherwise determines, perform and observe the terms and conditions of the Development Scheme pending the decision of the arbitrator.