

## SCHEDULES

### SCHEDULE 2

#### PETROLEUM PRODUCTION LICENCES : MODIFICATION OF MODEL CLAUSES

##### *Part II of Schedule 3 to the 1975 Act*

- 2 (1) In paragraph (6) of clause 10 of the model clauses set out in Part II of Schedule 3 to the 1975 Act after the words " for tax purposes " there shall be inserted the words " and a sum has been ascertained in pursuance of paragraph (7) of clause 9 of this licence in respect of the cost of conveying and treating the petroleum " and for the words " clause 9 of this licence " there shall be substituted the words " that clause ".
- (2) In paragraph (7) of that clause for the words " the amount specified in the previous notice " there shall be substituted the words " the total amount already paid by the Licensee in pursuance of this clause in respect of that period ".
- (3) In paragraph (9) of that clause for the words " falls to be " there shall be substituted the word " is ".
- (4) After paragraph (10) of that clause there shall be inserted the following paragraph—
- “(11) For the purposes of this clause any amount paid by the Licensee or the Minister on account of a prospective liability under paragraph (5), (6) or (7) of this clause shall be treated as paid in pursuance of that paragraph.”
- (5) In paragraph (1) of clause 11 of those clauses the words " at the place where it was won " shall be omitted.
- (6) In paragraph (3) of that clause—
- (a) in sub-paragraph (c) for the words from " crude oil" onwards there shall be substituted the words " crude oil, condensate, natural gas and natural gas liquids, in each case of a quality or composition or of each quality or composition determined in the manner specified in the notice "; and
- (b) in sub-paragraph (d) for the word " specify " there shall be substituted the words " contain provisions with respect to ".
- (7) In paragraph (4) of that clause there shall be inserted at the end the following sub-paragraph—
- “(c) shall not specify, or enable to be specified, as a place at which delivery is to be made in pursuance of the notice a place which is not a point at which the Licensee normally delivers petroleum of any kind from the licensed area.”
- (8) Paragraph (5) of that clause shall be omitted.
- (9) After that clause there shall be inserted the following clause—

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*Status: This is the original version (as it was originally enacted).*

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*“Cost of delivery and treatment of petroleum.*

- 11A (1) Where petroleum or petroleum of any kind is delivered to the Minister in pursuance of a notice served by virtue of clause 11(1) of this licence, the Minister shall pay to the Licensee a sum in respect of the cost of the delivery and treatment of the petroleum ; and clause 9(7) of this licence shall apply for the purpose of ascertaining that sum as if for the reference to paragraph (5)(b) of that clause there were substituted a reference to this paragraph.
- (2) Where, in any chargeable period, petroleum or petroleum of any kind is delivered to the Minister as mentioned in paragraph (1) of this clause, the Licensee shall, within two months after the end of that period, deliver to the Minister, in such form as the Minister may specify, a statement of the amount which the Licensee estimates is payable by the Minister in pursuance of this clause in respect of that period ; and where the amount specified in the statement is larger or smaller than the total amount (if any) already paid by the Minister in pursuance of this clause in respect of that period, then—
- (a) if it is larger the difference shall be paid forth with by the Minister to the Licensee ; and
  - (b) if it is smaller the difference shall be paid forthwith by the Licensee to the Minister.
- (3) The Minister may from time to time, after a statement in respect of any chargeable period has been delivered to him in pursuance of paragraph (2) of this clause and before he has given to the Licensee a notice in pursuance of paragraph (4) of this clause in respect of that period, give a notice in writing to the Licensee specifying the amount which the Minister estimates is payable by him in pursuance of this clause in respect of that period; and where the amount specified in the notice is larger or smaller than the total amount already paid by the Minister in pursuance of this clause in respect of that period, then—
- (a) if it is larger the difference shall be paid forthwith by the Minister to the Licensee ; and
  - (b) if it is smaller the difference shall be paid forthwith by the Licensee to the Minister.
- (4) When it appears to the Minister that the amount payable by him in pursuance of this clause in respect of any chargeable period has been finally ascertained, he may give to the Licensee a notice in writing specifying the amount which the Minister considers is so payable ; and where the amount specified in the notice is larger or smaller than the total amount already paid by the Minister in pursuance of this clause in respect of that period, then, subject to paragraph (5) of this clause—
- (a) if it is larger the difference shall be paid forth with by the Minister to the Licensee ; and
  - (b) if it is smaller the difference shall be paid forth with by the Licensee to the Minister.
- (5) A decision made by the Minister for the purposes of paragraph (3) or (4) of this clause shall not be called in question by the Licensee except

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that any dispute between the Minister and the Licensee as to whether an amount specified in a notice given in pursuance of the said paragraph (4) is payable in pursuance of this clause may be referred to arbitration in the manner provided by clause 38 of this licence.

- (6) Where any payment is made by the Minister or the Licensee in pursuance of paragraph (3) or (4) of this clause, an amount in respect of interest on the payment shall also be payable by him to the recipient of the payment and that amount shall be calculated in such manner as the Minister may specify from time to time in a notice in writing given by him to the Licensee ; but—
  - (a) a notice in pursuance of this paragraph shall provide for amounts by way of interest to be calculated by applying a rate of interest which is for the time being a commercial rate of interest ; and
  - (b) any such amount in respect of interest shall be disregarded in calculating for the purposes of the said paragraph (3) or (4) any amount already paid by the Minister in pursuance of this clause.
- (7) For the purposes of this clause any amount paid by the Minister or the Licensee on account of a prospective liability under paragraph (3) or (4) of this clause shall be treated as paid in pursuance of that paragraph.
- (8) In this clause ' chargeable period' has the same meaning as in clause 9 of this licence.”