

SCHEDULE 5

MODEL CLAUSES FOR EXPLORATION LICENCES IN SEAWARD AREAS OR IN LANDWARD AREAS BELOW THE LOW WATER LINE

Commencement, abandonment and plugging of wells

7.—(1) The Licensee shall not commence or, after abandoning in manner hereinafter provided, shall not recommence the drilling of a well without the consent in writing of the Minister.

(2) The Licensee shall not abandon any well without the consent in writing of the Minister except as provided in paragraphs (5) and (6) of this clause.

(3) The Licensee shall ensure compliance with any conditions subject to which any consent under either of the foregoing paragraphs is given.

(4) If any such condition under paragraph (1) of this clause relates to the position, depth or direction of the well or to any casing of the well or any condition under either paragraph (1) or paragraph (2) of this clause relates to any plugging or sealing of the well, the Minister may from time to time direct that the well and all records relating thereto shall be examined in such manner upon such occasions or at such intervals and by such persons as may be specified by the Minister's direction and the Licensee shall pay to any such person or to the Minister such fees and expenses for such examination as the Minister may specify.

(5) Where the Licensee's rights in any area cease for the time being to be exercisable, by reason of the grant of such a licence as is mentioned in the proviso to clause 2 of this licence or by reason of the ending of any such agreement as referred to in that proviso, the Licensee unless the Minister otherwise determines, shall within one month after the date on which such rights cease to be exercisable plug any of the Licensee's wells in that area.

(6) All the Licensee's wells (other than wells to which the last foregoing paragraph applies) in the exploration area shall, unless the Minister otherwise determines, be plugged by the Licensee not less than one month nor more than three months before the expiry or determination of the Licensee's rights under this licence.

(7) The plugging of any well shall be done in accordance with a specification approved by the Minister applicable to that well or to wells generally or to a class of wells to which that well belongs and shall be carried out in an efficient and workmanlike manner.