
STATUTORY INSTRUMENTS

1995 No. 1435

PETROLEUM

The Petroleum (Production) (Seaward Areas) (Amendment) Regulations 1995

<i>Made</i>	- - - -	<i>25th May 1995</i>
<i>Laid before Parliament</i>		<i>6th June 1995</i>
<i>Coming into force</i>	- -	<i>30th June 1995</i>

The Secretary of State, in exercise of the powers conferred by section 6 of the Petroleum (Production) Act 1934(1) and now vested in him(2) hereby makes the following Regulations:—

Commencement and citation

1. These Regulations may be cited as the Petroleum (Production) (Seaward Areas) (Amendment) Regulations 1995 and shall come into force on 30th June 1995.

Interpretation

2. In these Regulations—

- (a) “the Principal Regulations” means the Petroleum (Production) (Seaward Areas) Regulations 1988(3);
- (b) “the Official Journal” means the Official Journal of the European Communities.

Principal Regulations

3. The Principal Regulations shall have effect subject to the amendments set out in regulations 4–9 below.

Applications for licences

4. In paragraph (1) of regulation 5 of the Principal Regulations (applications for licences) for the words “Department of Energy,” substitute “Department of Trade and Industry,”.

(1) "1934 c. 36; section 1(2) was amended by section 19(1) of the Petroleum Act 1987 (c. 12); section 6 was extended by section 1(3) of the Continental Shelf Act 1964 (c. 29).
(2) SR & O 1942/1132; the Ministry of Fuel and Power Act 1945 (c. 19); S.I. 1969/1498, 1970/1537.
(3) S.I. 1988/1213, to which there have been amendments not relevant to these Regulations.

Non-invited applications

5. Regulation 6 of the Principal Regulations (non-invited applications) shall be omitted.

Invited applications

6. For regulation 7 of the Principal Regulations substitute—

“7. —

(1) Subject to paragraph (5) below, every application for a production licence pursuant to these Regulations shall relate to a block described in a notice published in the Official Journal or to a number of blocks so described.

(2) The notice referred to in paragraph (1) above shall describe, by reference to a map deposited at the office of the Department of Trade and Industry specified in the notice and at such other places (if any) as may be specified in the notice, areas (in these Regulations referred to as “blocks”) to which reference numbers shall be assigned, in respect of which the Secretary of State is prepared to receive applications for production licences.

(3) Subject to paragraph (4) below, the notice shall provide for applications relating to any of the blocks so described to be made and determined in competition with others, specifying—

- (a) a date before which any such applications are to be made, being a date at least 90 days after the date on which the notice is published; and
- (b) a date on which, or a period within which, licences will be granted to successful applicants.

(4) In the case of any block in respect of which—

- (a) provision for competing applications was made on a previous occasion in a notice published in the Official Journal; and
- (b) that provision did not result in the grant of a licence;

the notice may provide for applications to be made and determined at any time.

(5) Where the Secretary of State decides that geological or production considerations justify the granting of a production licence in respect of any area to the holder of a licence in respect of a contiguous area, and notifies him and any other holders of licences in respect of areas contiguous to the area in question accordingly, any of them may apply for a licence in respect of the area in question within whatever period the Secretary of State considers sufficient for this purpose and specifies in the notification.”

Form of application

7. For paragraph 7(e) of Part IV(B) of Schedule 3 to the Principal Regulations (form of application for a licence) substitute—

- “(e) place from which the applicant’s operations under the licence will be directed and controlled
- (ee) place from which any commercial activities in connection with those operations will be directed and controlled”.

Model clauses for production licences

- 8.—(1) Schedule 4 to the Principal Regulations (model clauses for production licences in seaward areas) shall be amended as follows.

(2) In model clauses 9 (payment of consideration for licence) and 12 (provisions supplementary to clauses 10 and 11)—

- (a) at the end of sub-paragraph (a) insert the word “and”;
- (b) omit sub-paragraph (b).

(3) In model clause 10 (royalty payments)—

- (a) in paragraph (1)—
 - (i) omit the words “Subject to paragraph (2) of this clause”;
 - (ii) for the words “clauses 11 and 12” substitute “clause 12”;
- (b) omit paragraph (2);
- (c) in paragraph (3), for the words “clauses 11 and 12” substitute “clause 12”;
- (d) omit paragraphs (5) to (8).

(4) Omit model clauses 11, 13 (deliveries of petroleum in place of royalties) and 30 (disposal of petroleum).

(5) In model clause 31 (licensee to keep records), for paragraph (3) substitute—

“(3) The Licensee shall deliver copies of the said records, plans and maps referred to in the two foregoing paragraphs to the Minister when requested to do so either—

- (a) within any time limit specified in the request; or
- (b) if there is no time limit specified, within four weeks of the request.”

(6) In model clause 32 (returns) after paragraph (3) insert the words—

“(4) The licensee shall comply with any request for information made in accordance with paragraph (3) above either—

- (a) within any time limit specified in the request; or
- (b) if there is no time limit specified, within four weeks of the request.”

(7) In model clause 34 (reports to be treated as confidential), for sub-paragraph (iv) substitute—
“the Minister, the said Council and any other such body shall be entitled to publish any of the specified data of a geological, scientific or technical kind either—

- (a) after the expiration of the period of five years beginning with the date when the data was due to be supplied to the Minister in accordance with clause 31 or 32 of this licence, or if earlier, the date when the Minister received that data; or
- (b) 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.”

(8) In model clause 42 (power of revocation) for sub-paragraph (2)(g) substitute—

- “(g) if the Licensee is a company, the Licensee’s ceasing to direct and control either—
 - (i) its operations under the licence; or
 - (ii) any commercial activities in connection with those operations from a fixed place within the United Kingdom;”.

Model clauses for exploration licences

9.—(1) Schedule 5 to the Principal Regulations (model clauses for exploration licences in seaward areas or in landward areas below the low water line) shall be amended as follows.

(2) In model clause 12 (licensee to keep records), for sub-paragraph (3) substitute—

- “(3) The Licensee shall deliver copies of the said records, plans and maps referred to in the two foregoing paragraphs to the Minister when requested to do so either—
- (a) within any time limit specified in the request; or
 - (b) if there is no time limit specified, within four weeks of the request.”
- (3) In model clause 13 (returns) after paragraph (3) insert the words—
- “(4) The licensee shall comply with any request for information made in accordance with paragraph (3) above either—
- (a) within any time limit specified in the request; or
 - (b) if there is no time limit specified, within four weeks of the request.”
- (4) In model clause 15 (reports to be treated as confidential) for sub-paragraph (iv) substitute—
- “the Minister, the said Council and any other such body shall be entitled to publish any of the specified data of a geological, scientific or technical kind either
- (a) after the expiration of the period of five years beginning with the date when the data was due to be supplied to the Minister in accordance with clause 12 or 13 of this licence, or if earlier, the date when the Minister received that data; or
 - (b) 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.”
- (5) In model clause 21 (power of revocation) for sub-paragraph (2)(f) substitute—
- “(g) if the licensee is a company, the licensee’s ceasing to direct and control either—
- (i) its operations under the licence; or
 - (ii) any commercial activities in connection with those operations from a fixed place within the United Kingdom;”.

25th May 1995

Tim Eggar
Minister for Industry and Energy,
Department of Trade and Industry

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations partially implement Council Directive [94/22/EEC](#) on the conditions for granting and using authorisations for the prospection, exploration and production of hydrocarbons (O.J. L164 30.6.1994, p.3) (“the Directive”) by amending the Petroleum (Production) (Seaward Areas) Regulations 1988 (“the Principal Regulations”). Other provisions of the Directive implemented by the Hydrocarbons Licensing Regulations 1995 (S.I. [1995/1434](#)) and the Petroleum (Production) (Landward Areas) Regulations 1995 (S.I. [1995/1436](#)).

Regulation 6 of these Regulations implements paragraphs 1 to 5 inclusive of Article 3 and partially implements paragraph 1 of Article 5 of the Directive by introducing a new procedure for applications for production licences. Details of the blocks to be licensed, the latest date upon which applications are to be made and the period within which licences are to be granted are to be published in the Official Journal of the European Communities. The Regulation also introduces a procedure whereby a licensee may apply for a licence for an area contiguous to the area or areas covered by its existing licence if the Secretary of State decides that geological or production considerations justify the grant of such a licence.

Regulation 5 revokes regulation 6 of the Principal Regulations which provided for non-invited applications.

Schedule 4 to the Principal Regulations contains model clauses for incorporation into petroleum production licences. These Regulations revise these model clauses by—

- (a) omitting model clause 13, which provides for the payment of royalties by delivery of petroleum;
- (b) making amendments consequential upon the omission of clause 13;
- (c) omitting clause 30, which requires petroleum won and saved under the licence to be delivered on shore in the United Kingdom;
- (d) specifying the date for compliance with requests for information from the Secretary of State and modifying the length of time for which information supplied pursuant to such requests remains confidential; and
- (e) amending the Secretary of State’s power to revoke a licence where a licensee ceases to be resident in the United Kingdom.

Schedule 5 to the Principal Regulations contains model clauses for incorporation into exploration licences. These Regulations revise these model clauses by—

- (a) specifying the date for compliance with requests for information from the Secretary of State and modifying the length of time from which information supplied pursuant to such requests remains confidential; and
- (b) amending the Secretary of State’s power to revoke a licence where a licensee ceases to be resident in the United Kingdom.