

SCHEDULE 12

CURRENT MODEL CLAUSES FOR LANDWARD EXPLORATION LICENCES DERIVING FROM SCHEDULE 3 TO THE PETROLEUM (PRODUCTION) (LANDWARD AREAS) REGULATIONS 1991

PART II

Working obligations

8.—(1) The Licensee shall during the term of this licence carry out with due diligence the scheme of prospecting including any geological survey by chemical or physical means or programme of test drilling or any of them set out in Schedule 3 to this licence.

(2) The Licensee shall give the Minister at least 21 days' written notice of any proposed seismic survey during the term of this licence of any area which is not wholly on the seaward side of the low water line and such notice shall indicate the nature of the survey and the total number of kilometres to be shot and shall be accompanied by a copy of an Ordnance Survey map for the relevant area drawn on the scale of 1:50,000 or 1:63,360 upon which the proposed lines of survey are indicated and, in a case where any planning permission under the Town and Country Planning Act 1990(1) or the Town and Country Planning (Scotland) Act 1997(2) is required for the survey in question, evidence that such permission has been granted.

(3) The Licensee shall not carry out any seismic survey during the term of this licence of any such area as is mentioned in paragraph (2) of this clause if notice has not been given as aforesaid or if the Minister indicates to the Licensee within 14 days of the receipt of such notice that the survey is not to be carried out.

(4) If during the term of this licence the Minister serves a notice in writing on the Licensee requiring him to submit to the Minister, before a date specified in the notice, an appropriate programme for exploring for petroleum in the licensed area during a period so specified, the Licensee shall comply with the notice; and for the purposes of this paragraph an appropriate programme is one which any person who, if he—

- (a) were the grantee of this licence;
- (b) had the competence and resources needed to carry out an expeditious programme of exploration; and
- (c) were seeking to carry out an expeditious programme of exploration,

could reasonably be expected to carry out during the period specified in the notice.

(5) If a programme is submitted to the Minister in consequence of a notice served by him in pursuance of paragraph (4) of this clause, then—

- (a) he shall not be entitled to revoke this licence on the ground that the programme does not satisfy the requirements of that paragraph (hereafter in this clause referred to as the “relevant requirements”); but
- (b) if he is of the opinion that the programme does not satisfy the relevant requirements he may serve a notice in writing on the Licensee stating his opinion and the reasons for it.

(6) Where notice in respect of a programme is served on the Licensee in pursuance of paragraph (5) of this clause he shall either—

(1) 1990 c. 8.
(2) 1997 c. 8.

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

- (a) within 28 days beginning with the date of service of the notice refer to arbitration, in the manner provided by clause 29 of this licence, the question of whether the programme satisfies the relevant requirements; or
- (b) within a reasonable period beginning with that date submit to the Minister a further programme which satisfies the relevant requirements;

and where it is determined in consequence of any reference to arbitration in pursuance of subparagraph (a) of this paragraph that the programme in question does not satisfy the relevant requirements the Licensee shall submit to the Minister, as soon as possible after the date of the determination, a further programme which satisfies the relevant requirements.

(7) The Licensee shall carry out any programme submitted by him in pursuance of this clause as to which either—

- (a) the Minister serves notice in writing on the Licensee stating that the Minister approves the programme; or
- (b) it is determined in consequence of any reference to arbitration in pursuance of this licence that the programme satisfies the relevant requirements;

and any programme approved by the Minister in pursuance of this paragraph shall be deemed for the purposes of this licence to satisfy the relevant requirements.

(8) Where, in consequence of any breach or non-observance by the Licensee of any provision of paragraph (4), (6) or (7) of this clause, the Minister has power by virtue of paragraph (1) of clause 28 of this licence to revoke this licence, he may if he thinks fit exercise that power in relation to such part only of the licensed area as he may specify; and where he does so the rights granted by this licence shall cease in respect of the specified part of that area without prejudice to any obligation or liability imposed upon the Licensee or incurred by him under the terms of this licence.