

## SCHEDULE 3

### CURRENT MODEL CLAUSES FOR LANDWARD PRODUCTION LICENCES DERIVING FROM SCHEDULE 3 TO THE PETROLEUM (PRODUCTION) REGULATIONS 1966

## PART II

### **Cost of delivery and treatment of petroleum**

**11A.**—(1) Where petroleum or petroleum of any kind is delivered to the Minister in pursuance of clause 11 of this licence, the Minister shall pay to the Licensee a sum in respect of the cost of conveying and treating petroleum; and clause 9(7) to (7B) of this licence shall apply for the purpose of ascertaining that sum as if references to clause 9(5)(b) were references 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 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.

(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 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.

(4A) If, after the date when the Minister gave notice to the Licensee in pursuance of paragraph (4) of this clause or this paragraph in respect of a chargeable period, it appears to the Minister that as a result of costs incurred after the end of the period there is an increase in the amount payable by him in pursuance of this clause in respect of the period, he may give notice in writing to the Licensee specifying the increased amount; and where he does so he shall forthwith pay to the Licensee an amount equal to the difference between the increased amount and the total amount already paid by the Minister in pursuance of this clause in respect of the period.

(5) A decision made by the Minister for the purposes of paragraph (3), (4) or (4A) of this clause shall not be called in question by the Licensee except 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)

**Status:** This is the original version (as it was originally made).

or (4A) is payable in pursuance of this clause may, during the period of 28 days beginning with the day on which the Licensee receives the notice, be referred to arbitration in the manner provided by clause 38 of this licence.

(6) An amount in respect of interest shall be payable when a notice is given under paragraph (3), (4) or (4A) of this clause, 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;
- (b) any such amount in respect of interest shall be disregarded in calculating for the purposes of paragraph (3), (4) or (4A) of this clause any amount already paid by the Minister in pursuance of this clause;
- (c) where costs of the kind mentioned in clause 9(7A)(b) of this licence are taken into account, they shall not affect the amount of interest payable in respect of any period ending earlier than two months after the chargeable period in which they were incurred.

(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), (4) or (4A) 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.