

SCHEDULE 7

CURRENT MODEL CLAUSES FOR METHANE DRAINAGE LICENCES DERIVING FROM SCHEDULE 8 TO THE PETROLEUM (PRODUCTION) REGULATIONS 1982

PART I

1. This Schedule has effect in relation to paragraph 16 of Schedule 1 to the Act (Schedule 8 to the Petroleum (Production) Regulations 1982(1)).

Commencement Information

I1 Sch. 7 para. 1 in force at 15.2.1999, see [art. 1](#)

2. The current model clauses in relation to the said paragraph 16 are those reproduced in Part II.

Commencement Information

I2 Sch. 7 para. 2 in force at 15.2.1999, see [art. 1](#)

PART II

Interpretation

1.—(1) In the following clauses the following expressions have the meanings hereby respectively assigned to them, that is to say:—

“the licensed area” means the area in which the Licensee may exercise the rights granted by this licence;

“the Licensee” means the person or persons to whom this licence is granted, his personal representatives and any person or persons to whom the rights conferred by this licence may lawfully have been assigned;

“mine” has the same meaning as in the Mines and Quarries Act 1954(2);

“the Minister” means the Secretary of State for Trade and Industry.

(2) Any obligations which are to be observed and performed by the Licensee shall at any time at which the Licensee is more than one person be joint and several obligations.

Commencement Information

I3 Sch. 7 clause 1 in force at 15.2.1999, see [art. 1](#)

Term of licence

3. This licence unless sooner determined under any of the provisions hereof shall be and continue in force for the term of twenty-five years after 19

(1) S.I.1982/1000.

(2) 1954 c. 70; section 180 (meaning of “mine” and “quarry”) was modified by Part II of Schedule 3 to the Management and Administration of Safety and Health at Mines Regulations 1993 (S.I. 1993/1897).

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Petroleum (Current Model Clauses) Order 1999. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

Commencement Information

I4 Sch. 7 clause 3 in force at 15.2.1999, see [art. 1](#)

Right of Licensee to determine licence

4. Without prejudice to any obligation or liability imposed by or incurred under the terms and conditions hereof the Licensee may at any time during the term hereby granted determine this licence by giving to the Minister not less than one month's previous notice in writing to that effect.

Commencement Information

I5 Sch. 7 clause 4 in force at 15.2.1999, see [art. 1](#)

Payment of consideration for licence

5.—(1) The Licensee shall pay to the Minister during the term of this licence the consideration for the grant of this licence specified in the Schedule to this licence at the times and in the manner so specified.

(2) The Licensee shall not by reason of the determination of this licence be entitled to be repaid or allowed any part of any sum payable to the Minister pursuant to this licence.

Commencement Information

I6 Sch. 7 clause 5 in force at 15.2.1999, see [art. 1](#)

Records

6. The Licensee shall keep and furnish to the Minister such records relating to the operations conducted in the licensed area under this licence, the result thereof and the disposal of any natural gas won and saved as the Minister may from time to time determine.

Commencement Information

I7 Sch. 7 clause 6 in force at 15.2.1999, see [art. 1](#)

Power to inspect accounts, etc.

7. Any person authorised by the Minister may at all reasonable times enter into and upon any land for the time being possessed or occupied by the Licensee in the licensed area and inspect and make abstracts or copies of any records or accounts which the Licensee is required to keep or make in accordance with the provisions of this licence.

Commencement Information

I8 Sch. 7 clause 7 in force at 15.2.1999, see [art. 1](#)

Records to be treated as confidential

8. All records, accounts and information which the Licensee is or may be from time to time required to furnish under the provisions of this licence shall be supplied at the expense of the Licensee and shall not (except with the consent in writing of the Licensee which shall not be unreasonably withheld) be disclosed to any person not in the service or employment of the Crown. The Minister shall nevertheless be entitled at any time to make use of any information received from the Licensee for the purpose of preparing and publishing such returns and reports as may be required of the Minister by law.

Commencement Information

I9 Sch. 7 clause 8 in force at 15.2.1999, see [art. 1](#)

Notice of commencement and termination of operations

9. As soon as the Licensee has decided to get natural gas at any place he shall notify the Minister in writing of the situation thereof stating—

- (a) the name of the mine for the safety of which the operations are to be undertaken;
- (b) whether such mine is a disused mine or not.

The Licensee shall also give to the Minister notice in writing of the termination of any such operations within one month of the date of termination.

Commencement Information

I10 Sch. 7 clause 9 in force at 15.2.1999, see [art. 1](#)

Indemnity against third party claims

10. The Licensee shall at all times keep the Minister effectually indemnified against all actions, proceedings, costs, charges, claims and demands whatsoever which may be made or brought against the Minister by any third party in relation to or in connection with this licence or any matter or thing done or purported to be done in pursuance thereof.

Commencement Information

I11 Sch. 7 clause 10 in force at 15.2.1999, see [art. 1](#)

Agreement not to assign

11. The Licensee shall not without the consent of the Minister in writing assign or part with any of the rights granted by this licence in relation to the whole or any part of the licensed area or grant any sub-licence in respect of any of such rights.

Commencement Information

I12 Sch. 7 clause 11 in force at 15.2.1999, see [art. 1](#)

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Power of revocation

12. If there shall be any breach or non-observance by the Licensee of any of the terms and conditions herein contained the Minister may revoke this licence and thereupon the same and all the rights hereby granted shall cease and determine but subject nevertheless and without prejudice to any obligation or liability imposed by or incurred under the terms and conditions hereof.

Commencement Information

I13 Sch. 7 clause 12 in force at 15.2.1999, see [art. 1](#)

Arbitration

13.—(1) If at any time any dispute, difference or question shall arise between the Minister and the Licensee as to any matter arising under or by virtue of this licence or as to their respective rights and liabilities in respect thereof then the same shall, except where it is expressly provided by this licence that the matter or thing to which the same relates is to be determined or consented to by the Minister, be referred to arbitration as provided by the following paragraph.

(2) The arbitration referred to in the foregoing paragraph shall be by a single arbitrator who, in default of agreement between the Minister and the Licensee as to his appointment, shall be appointed by the Lord Chief Justice of England for the time being.

Commencement Information

I14 Sch. 7 clause 13 in force at 15.2.1999, see [art. 1](#)

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Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

- Order excluded by [S.I. 2004/352 reg. 3](#)