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STATUTORY INSTRUMENTS

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**2015 No. 766**

**PETROLEUM**

**The Petroleum Licensing (Applications) Regulations 2015**

*Made* - - - - *18th March 2015*  
*Laid before Parliament* *20th March 2015*  
*Coming into force* - - *30th June 2015*

The Secretary of State, in exercise of the powers conferred by section 4(1) and (2) of the Petroleum Act 1998 <sup>M1</sup>, makes the following Regulations:

**Modifications etc. (not altering text)**

- C1** Regulations modified (temp.) (9.2.2018) by [The Scotland Act 2016 and Onshore Petroleum \(Consequential, Transitional and Saving Provisions and Model Clauses\) Regulations 2018 \(S.I. 2018/56\)](#), **reg. 10** (with reg. 11)
- C2** Regulations modified (temp.) (1.10.2018) by [The Scotland Act 2016, Wales Act 2017 and Onshore Petroleum \(Consequential, Transitional and Saving Provisions and Model Clauses\) Regulations 2018 \(S.I. 2018/980\)](#), **reg. 15** (with reg. 16)

**Marginal Citations**

- M1** 1998 c. 17.

**Citation and commencement**

1. These Regulations may be cited as the Petroleum Licensing (Applications) Regulations 2015, and come into force on 30th June 2015.

**Interpretation**

2. In these Regulations—

“application notice” means a notice published in the [<sup>F1</sup>relevant Gazette and on a public web site] which—

- (a) indicates that the [<sup>F2</sup>OGA] is prepared to accept applications for petroleum exploration and development licences or seaward area production licences in respect of blocks, and
- (b) specifies the web site on which details of the blocks are published;

“block” means an area to which a reference number has been assigned and published on a web site by the <sup>F3</sup>OGA];

<sup>F4</sup>“landward area” means an area of Great Britain that is within the baselines established by any Order in Council under section 1(1)(b) of the Territorial Sea Act 1987 (extension of territorial sea);]

“landward petroleum exploration licence” means a licence to search for petroleum in a landward area;

<sup>F5</sup>“low water line” means the line so marked on the Ordnance map on a scale of 1:25,000 in the case of maps relating to Great Britain, and 1:50,000 in the case of maps relating to Northern Ireland, in the edition for the areas to which they respectively relate last published prior to the date on which these Regulations are made;]

“methane drainage licence” means a licence to get natural gas in the course of operations for making and keeping safe mines whether or not disused;

“model clauses” in relation to a licence means the model clauses prescribed under section 4(1) (e) of the Petroleum Act 1998 to be incorporated in licences of that type;

<sup>F6</sup>“multiple phase licence” means a seaward area production licence in which, in accordance with the model clauses or clauses having a similar effect, at least one of Phase A or Phase B (within the meaning given by the model clauses) is specified;]

<sup>F7</sup>“the OGA” means the Oil and Gas Authority;]

“petroleum exploration and development licence” means a licence to search and bore for, and get, petroleum in a landward area;

<sup>F8</sup>“relevant Gazette” means—

- (a) the London Gazette for any notice inviting applications for licences in a landward area;
- (b) the Belfast Gazette, Edinburgh Gazette and London Gazette for any notice inviting applications for licences in a seaward area.]

<sup>F9</sup> ...

“seaward area” means—

- (a) <sup>F10</sup>islands on the seaward side of the baselines around Great Britain established by any Order in Council under section 1(1)(b) of the Territorial Sea Act 1987,]
- (b) an area in the sea bed and subsoil beneath waters which lie on the seaward side of the said lines but within the outward limit of the territorial sea of the United Kingdom, and
- (c) an area in the sea bed and subsoil within any area designated under section 1(7) of the Continental Shelf Act 1964 <sup>M2</sup>;

“seaward petroleum exploration licence” means a licence to search for petroleum in any seaward area or landward area below the low water line;

“seaward area production licence” means a licence to search and bore for, and get, petroleum in a seaward area;

“work programme” means a scheme of prospecting including any geological survey by any physical or chemical means and any test drilling.

**F1** Words in [reg. 2](#) substituted (31.12.2020) by [The Pipe-lines, Petroleum, Electricity Works and Oil Stocking \(Miscellaneous Amendments\) \(EU Exit\) Regulations 2018](#) (S.I. 2018/1325), regs. 1(1), **9(2)**; 2020 c. 1, Sch. 5 para. 1(1)

**F2** Word in [reg. 2](#) substituted (1.10.2016) by [The Energy \(Transfer of Functions, Consequential Amendments and Revocation\) Regulations 2016](#) (S.I. 2016/912), regs. 1(1), **25(2)(a)**

- F3** Word in reg. 2 substituted (1.10.2016) by The Energy (Transfer of Functions, Consequential Amendments and Revocation) Regulations 2016 (S.I. 2016/912), regs. 1(1), **25(2)(b)**
- F4** Words in reg. 2 substituted (9.2.2018) by The Scotland Act 2016 and Onshore Petroleum (Consequential, Transitional and Saving Provisions and Model Clauses) Regulations 2018 (S.I. 2018/56), regs. 1(2), **4(2)(a)** (with reg. 11)
- F5** Words in reg. 2 substituted (9.2.2018) by The Scotland Act 2016 and Onshore Petroleum (Consequential, Transitional and Saving Provisions and Model Clauses) Regulations 2018 (S.I. 2018/56), regs. 1(2), **4(2)(b)** (with reg. 11)
- F6** Words in reg. 2 inserted (15.9.2017) by The Petroleum and Offshore Gas Storage and Unloading Licensing (Amendment) Regulations 2017 (S.I. 2017/855), regs. 1, **5(2)(b)**
- F7** Words in reg. 2 inserted (1.10.2016) by The Energy (Transfer of Functions, Consequential Amendments and Revocation) Regulations 2016 (S.I. 2016/912), regs. 1(1), **25(2)(c)**
- F8** Words in reg. 2 inserted (31.12.2020) by The Pipe-lines, Petroleum, Electricity Works and Oil Stocking (Miscellaneous Amendments) (EU Exit) Regulations 2018 (S.I. 2018/1325), regs. 1(1), **9(3)**; 2020 c. 1, Sch. 5 para. 1(1)
- F9** Words in reg. 2 omitted (15.9.2017) by virtue of The Petroleum and Offshore Gas Storage and Unloading Licensing (Amendment) Regulations 2017 (S.I. 2017/855), regs. 1, **5(2)(a)**
- F10** Words in reg. 2 substituted (9.2.2018) by The Scotland Act 2016 and Onshore Petroleum (Consequential, Transitional and Saving Provisions and Model Clauses) Regulations 2018 (S.I. 2018/56), regs. 1(2), **4(2)(c)** (with reg. 11)

#### Marginal Citations

- M2** 1964 c. 29, amended by section 37 of, and paragraph 1 of Schedule 3 to, the Oil and Gas (Enterprise) Act 1982 (c. 23) and section 103 of the Energy Act 2011 (c. 16).

### Application of the Regulations

- 3.—(1) [<sup>F11</sup>Subject to paragraph (1A),] these Regulations apply to an application for—
- a landward petroleum exploration licence;
  - a seaward petroleum exploration licence;
  - a methane drainage licence;
  - a petroleum exploration and development licence; and
  - a seaward area production licence.

[<sup>F12</sup>(1A) These Regulations do not apply in relation to a landward petroleum exploration licence or a petroleum exploration and development licence in respect of an area within the Scottish onshore area [<sup>F13</sup>or the Welsh onshore area].

(1B) In this regulation, “Scottish onshore area” has the meaning given in section 8A(3) of the Petroleum Act 1998 [<sup>F14</sup>and “Welsh onshore area” has the meaning given in section 8A(5) of that Act].]

(2) The following Regulations cease to have effect, to the extent specified, in relation to an application for a licence mentioned in paragraph (1) made after the date of coming into force of these Regulations—

- the whole of the Petroleum (Production) (Seaward Areas) Regulations 1988 <sup>M3</sup>;
- the Petroleum (Production) (Landward Areas) Regulations 1995 <sup>M4</sup> with the exception of—
  - regulation 9(2)(c); and
  - Schedule 5 to the Regulations.

- F11** Words in reg. 3(1) inserted (9.2.2018) by The Scotland Act 2016 and Onshore Petroleum (Consequential, Transitional and Saving Provisions and Model Clauses) Regulations 2018 (S.I. 2018/56), regs. 1(2), **4(3)** (with reg. 11)
- F12** Reg. 3(1A)(1B) inserted (9.2.2018) by The Scotland Act 2016 and Onshore Petroleum (Consequential, Transitional and Saving Provisions and Model Clauses) Regulations 2018 (S.I. 2018/56), regs. 1(2), **4(4)** (with reg. 11)
- F13** Words in reg. 3(1A) inserted (1.10.2018) by The Scotland Act 2016, Wales Act 2017 and Onshore Petroleum (Consequential, Transitional and Saving Provisions and Model Clauses) Regulations 2018 (S.I. 2018/980), regs. 1(1), **5(2)** (with reg. 16)
- F14** Words in reg. 3(1B) inserted (1.10.2018) by The Scotland Act 2016, Wales Act 2017 and Onshore Petroleum (Consequential, Transitional and Saving Provisions and Model Clauses) Regulations 2018 (S.I. 2018/980), regs. 1(1), **5(3)** (with reg. 16)

#### Marginal Citations

- M3** S.I. 1988/1213, relevant amending instruments are S.I.s 1992/2378, 1995/1435, 1996/2946, 2009/229 and 2009/3283.
- M4** S.I. 1995/1436, relevant amending instruments are S.I.s 2009/229 and 2009/3283.

#### Applications for licences: general

- 4.—(1) Applications may be made by any person.
- (2) Applications must—
- (a) in the case of an application for—
    - (i) a petroleum exploration and development licence or
    - (ii) a seaward area production licence,
 be made via the portal provided <sup>F15</sup>... for the purpose of licence applications on a publicly accessible web site;
  - (b) in the case of an application for a licence other than those mentioned in sub-paragraph (a), be made in writing;
  - (c) be accompanied by such evidence and particulars or documents in support as are specified in these Regulations in respect of the licence being applied for, and are appropriate to that application;
  - (d) be accompanied by the appropriate fee, as set out in [<sup>F16</sup>the Oil and Gas Authority (Fees) Regulations 2016].
- (3) In respect of an application for a petroleum exploration and development licence, regulation 5(2)(b), (5) and Schedule 2 sets out the information and supporting documentation required.
- (4) In respect of an application for a seaward area production licence, regulation 5(2)(b), (5) and Schedules 2 and 3 set out the information and supporting documentation required.
- (5) An application for a licence other than a petroleum exploration and development licence or a seaward area production licence may be made at any time.
- (6) If any of the matters stated in an application or any further information supplied by the applicant changes after the application is made or after the information is supplied but before a

licence is granted or the [F17OGA] informs the applicant that the application is refused, the applicant must immediately give notice in writing to the [F17OGA] giving particulars of the change.

(7) Nothing in these Regulations prevents more than one application being made by the same applicant or more than one licence being granted to that applicant.

(8) In this regulation, “in writing” includes transmission by way of an email sent to an address provided by the [F18OGA] for the purpose of receiving applications for licences and related information.

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| <p><b>F15</b> Words in reg. 4(2)(a) omitted (1.10.2016) by virtue of The Energy (Transfer of Functions, Consequential Amendments and Revocation) Regulations 2016 (S.I. 2016/912), regs. 1(1), <b>25(3)(a)</b></p> <p><b>F16</b> Words in reg. 4(2)(d) substituted (1.10.2016) by The Energy (Transfer of Functions, Consequential Amendments and Revocation) Regulations 2016 (S.I. 2016/912), regs. 1(1), <b>25(3)(b)</b></p> <p><b>F17</b> Word in reg. 4(6) substituted (1.10.2016) by The Energy (Transfer of Functions, Consequential Amendments and Revocation) Regulations 2016 (S.I. 2016/912), regs. 1(1), <b>25(3)(c)</b></p> <p><b>F18</b> Word in reg. 4(8) substituted (1.10.2016) by The Energy (Transfer of Functions, Consequential Amendments and Revocation) Regulations 2016 (S.I. 2016/912), regs. 1(1), <b>25(3)(d)</b></p> |
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### **Applications for a petroleum exploration and development licence or a seaward area production licence**

5.—(1) This regulation applies to an application for—

- (a) a petroleum exploration and development licence; or
- (b) a seaward area production licence.

(2) Subject to paragraph (6), every application for a licence must—

- (a) be in response to an application notice, and
- (b) specify the block or blocks to which it relates.

(3) Subject to paragraph (4), the application notice mentioned in paragraph (2) must provide for applications relating to any of the blocks to be made and determined in competition with others, specifying—

- (a) a date on or before which any such applications are to be made, being a date at least 90 days after the date on which the application notice is published; and
- (b) a date on which, or a period within which, it is proposed that 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 an application notice, and
- (b) that provision did not result in the grant of a licence,

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

(5) If an application specifies more than one block it may indicate an order of preference for some or all of the blocks and it may indicate that blocks are applied for as alternatives.

(6) Where the [F19OGA] decides that geological or production considerations justify the granting of a licence in respect of any area to the holder of a licence in respect of a contiguous area, and notifies the 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 [F19OGA] considers sufficient for this purpose and specifies in the notification.

**F19** Word in reg. 5(6) substituted (1.10.2016) by The Energy (Transfer of Functions, Consequential Amendments and Revocation) Regulations 2016 (S.I. 2016/912), regs. 1(1), **25(4)**

**Applications for landward petroleum exploration licences, seaward petroleum exploration licences and methane drainage licences**

- 6. An application for—
  - (a) a landward petroleum exploration licence,
  - (b) a seaward petroleum exploration licence, or
  - (c) a methane drainage licence,
 must include in respect of each applicant—
  - (i) the applicant's name in full;
  - (ii) where the applicant is a body corporate—
    - (aa) its place of incorporation; and
    - (bb) its registration number at Companies House or other appropriate registration number or identifier, or if it is registered in another jurisdiction, its registration number or other identifier from that jurisdiction;
  - (iii) where the applicant is an individual, the applicant's usual residential address, otherwise—
    - (aa) the address of the applicant's registered office; or
    - (bb) if the applicant does not have a registered office the address of the applicant's principal place of business in the United Kingdom, and if the applicant does not have a principal place of business in the United Kingdom, the address of the applicant's principal place of business; and
  - (iv) the place or places from which—
    - (aa) the applicant's operations under the licence; or
    - (bb) any commercial activities in connection with those operations, will be directed and controlled.

**Fees**

<sup>F20</sup>7. ....

**F20** Reg. 7 omitted (1.10.2016) by virtue of The Energy (Transfer of Functions, Consequential Amendments and Revocation) Regulations 2016 (S.I. 2016/912), regs. 1(1), **25(5)**

**Form of licences**

8. Every licence must incorporate the model clauses prescribed for that type of licence at the time that the licence is issued, unless the [F21]OGA] thinks fit to modify or exclude them in any particular case.

**F21** Word in reg. 8 substituted (1.10.2016) by The Energy (Transfer of Functions, Consequential Amendments and Revocation) Regulations 2016 (S.I. 2016/912), regs. 1(1), **25(6)**

[<sup>F22</sup>Review

- 9.—(1) The Secretary of State must from time to time—
- (a) carry out a review of these Regulations;
  - (b) set out the conclusions of the review in a report; and
  - (c) publish the report.
- (2) The report must in particular—
- (a) set out the objectives intended to be achieved by these Regulations;
  - (b) assess the extent to which those objectives are achieved;
  - (c) assess whether those objectives remain appropriate and, if so, the extent to which they could be achieved in a less burdensome way.
- (3) The first report under this regulation must be published before the end of the period of five years beginning with the day on which this regulation comes into force.
- (4) Subsequent reports under this regulation must be published at intervals not exceeding five years.]

**F22** Reg. 9 inserted (1.10.2016) by [The Energy \(Transfer of Functions, Consequential Amendments and Revocation\) Regulations 2016 \(S.I. 2016/912\)](#), regs. 1(1), **25(7)**

Department of Energy and Climate Change

*Verma*  
Parliamentary Under Secretary of State

## F23 SCHEDULE 1

Regulation 2

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**F23** Sch. 1 omitted (9.2.2018) by virtue of [The Scotland Act 2016 and Onshore Petroleum \(Consequential, Transitional and Saving Provisions and Model Clauses\) Regulations 2018 \(S.I. 2018/56\)](#), regs. 1(2), **4(5)** (with reg. 11)

## SCHEDULE 2

Regulation 4(2), (3)

Information and supporting documentation required for an application for a petroleum exploration and development licence or a seaward area production licence

1. Name of each applicant in full.
2. If the application is made by more than one person, and the applicants have agreed on the manner in which the benefits resulting from the exploitation of the licence should be shared between them, the share each applicant would be entitled to take.
3. Except in the case of an application for a [F24 multiple phase licence], the name of the proposed operator.

**F24** Words in Sch. 2 para. 3 substituted (15.9.2017) by [The Petroleum and Offshore Gas Storage and Unloading Licensing \(Amendment\) Regulations 2017 \(S.I. 2017/855\)](#), regs. 1, **5(3)(a)**

4. The reference number of each block in respect of which the application is made and if the application is made by tender, the consideration by way of initial payment which the applicant is prepared to offer for each such block.
5. An analysis of the geology of the area to which the application relates, identifying, in particular—
  - (a) petroleum prospects, and
  - (b) a description of the technical data on which this analysis is based.
6. Either—
  - (a) the work programme for evaluating the potential petroleum production from the area to which the application relates which the applicant proposes to undertake under the licence applied for; or
  - (b) a description of any evaluation of the potential petroleum production from the area to which the application relates that has previously been undertaken, if no further evaluation is proposed to be undertaken under the licence,

except in a case where the [F25 OGA] indicates this is not required.

**F25** Word in Sch. 2 para. 6 substituted (1.10.2016) by [The Energy \(Transfer of Functions, Consequential Amendments and Revocation\) Regulations 2016 \(S.I. 2016/912\)](#), regs. 1(1), **25(8)**

7. Where applicable—
  - (a) evidence of the operator's technical competence and capacity to undertake the work programme mentioned in paragraph 6(a), and



- (b) an explanation of the way in which the work programme takes account of the analysis of geology mentioned in paragraph 5.
8. In respect of each applicant—
- (a) where the applicant is a body corporate—
- (aa) its place of incorporation;
- (bb) its registration number at Companies House or other appropriate registration number or identifier, or if it is registered in another jurisdiction, its registration number or other identifier from that jurisdiction;
- (b) where the applicant is an individual, the applicant's usual residential address, otherwise—
- (aa) the address of the applicant's registered office; or
- (bb) if the applicant does not have a registered office the address of the applicant's principal place of business in the United Kingdom; and if the applicant does not have a principal place of business in the United Kingdom, the address of the applicant's principal place of business;
- (c) the place from which—
- (i) the applicant's operations under the licence, or
- (ii) any commercial activities in connection with those operations, will be directed and controlled;
- (d) where the applicant is a business, a copy of—
- (i) the most recent audited accounts; and
- (ii) where the applicant is also a body corporate, the most recent audited accounts of any body corporate having control of the applicant,
- but if—
- (aa) the most recent audited accounts are in respect of a period ending on a date more than twelve months before the date of the application, a copy of a balance sheet showing the state of the body corporate's affairs as at the latest date within that twelve months period in respect of which a balance sheet can be made available must be supplied, or
- (bb) there are not yet any audited accounts, a copy of a balance sheet showing the state of the body corporate's affairs at the date of the licence application must be supplied.
9. For the purposes of paragraph 8(d)(ii), whether a body corporate has control of another body corporate is determined as if sections 450(2) to (4) and 451(1) to (5) of the Corporation Tax Act 2010 <sup>M5</sup> applied subject to the following modifications—
- (a) for the words “the greater part” wherever they occur in section 450(3) there were substituted the words “one-third or more”;
- (b) in section 451(4) [<sup>F26</sup>and (5)], for the word “may”, there were substituted the word “must”; and
- (c) in section 451(4) and (5) any reference to an associate of a person is construed as including only a relative of that person (as defined by section 448(2) of the Corporation Tax Act 2010), a partner of that person and a trustee of a settlement (as defined by section 620 of the Income Tax (Trading and Other Income) Act 2005 <sup>M6</sup>) of which that person is a beneficiary.

**F26** Words in Sch. 2 para. 9(b) inserted (15.9.2017) by [The Petroleum and Offshore Gas Storage and Unloading Licensing \(Amendment\) Regulations 2017 \(S.I. 2017/855\)](#), regs. 1, **5(3)(b)**

**Marginal Citations**

**M5** 2010 c. 4.

**M6** 2005 c. 5, amended by paragraph 552 of Schedule 1 to the [Income Tax Act 2007 \(c. 3\)](#) and S.I. 2012/964.

SCHEDULE 3

Regulation 4(3)

Additional information and supporting documentation required  
for an application for a seaward area production licence

1. Except where the licence applied for is a [<sup>F27</sup>multiple phase licence], evidence that the applicant will be able to meet the costs of any damage which may be caused by the release or escape of petroleum through drilling or production operations, including, where appropriate, evidence that the proposed operator is a member of the Offshore Pollution Liability Association Limited, or any body which may after the date upon which these Regulations come into force assume responsibility for the functions currently carried out by the Offshore Pollution Liability Association Limited.

**F27** Words in Sch. 3 para. 1 substituted (15.9.2017) by [The Petroleum and Offshore Gas Storage and Unloading Licensing \(Amendment\) Regulations 2017 \(S.I. 2017/855\)](#), regs. 1, **5(4)**

2. A statement of the general environmental policy of the proposed operator in respect of activities licensed in seaward areas by the [<sup>F28</sup>OGA] in accordance with section 3 of the Petroleum Act 1998 <sup>M7</sup> together with a summary of—

- (a) its management systems for the implementation of that policy, and
- (b) where applicable, how those management systems will be applied to the work programme provided in accordance with paragraph 6(a) of Schedule 2.

**F28** Word in Sch. 3 para. 2 substituted (1.10.2016) by [The Energy \(Transfer of Functions, Consequential Amendments and Revocation\) Regulations 2016 \(S.I. 2016/912\)](#), regs. 1(1), **25(9)**

**Marginal Citations**

**M7** 1998 c. 17.

**EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations consolidate with amendments the Petroleum (Production) (Seaward Areas) Regulations 1988 and the Petroleum (Production) (Landward Areas) Regulations 1995 (except for those parts of the 1995 Regulations concerning the model clauses for methane drainage licences). The Regulations set out the requirements for applications for the following kinds of licences:

- a landward petroleum exploration licence,
- a seaward petroleum exploration licence,
- a methane drainage licence,
- a petroleum exploration and development licence, and
- a seaward area production licence,

being licences connected with the search for and getting of petroleum in Great Britain and those islands and waters adjacent to it which are “landward areas” as defined in the Regulations and in those waters around the United Kingdom and those islands adjacent to it which are “seaward areas” as defined in the Regulations (see regulation 2 and Schedule 1).

Regulation 4 requires that applications for a petroleum exploration and development licence or a seaward area production licence must be made via the portal provided by the Department of Energy and Climate Change on a publicly accessible web site, otherwise applications must be in writing (which includes transmission by email). Applications must be accompanied by such evidence and particulars or documents in support as are specified in these Regulations in respect of the licence being applied for, and must be accompanied by the appropriate fee (as set by regulation 7).

Regulation 5 sets out the application process for a petroleum exploration and development licence or a seaward area production licence, where except in the special case covered by paragraph (6), all applications must be in response to a notice published in the Official Journal of the European Union. The special case in paragraph (6) is where the Secretary of State decides that geological or production considerations justify it, a licence may be granted in respect of any area to the holder of a licence in respect of a contiguous area. Holders of licences in respect of all contiguous areas would be notified by the Secretary of State and invited to submit a licence application.

Regulation 6 sets out the information required for an application for a landward petroleum exploration licence, a seaward petroleum exploration licence and a methane drainage licence, and regulation 7 specifies the fees for licence applications.

Regulation 8 requires that all licences must contain the model clauses prescribed by the Secretary of State in relation to that type of licence at the time of issue of the licence, unless the Secretary of State thinks fit to modify or exclude them in any particular case. The model clauses are contained in various instruments, and are updated periodically.

An impact assessment has not been produced for this instrument as it has no direct impact on business, the public sector, charities or voluntary bodies.

**Changes to legislation:**

There are currently no known outstanding effects for the The Petroleum Licensing (Applications) Regulations 2015.