

- (1) In column 1 of Part 1, "60p" shall read "65p", and "£1.10" shall read "£1.15".

Signed on behalf of the Post Office
by
C Kalla Bishop
(a person authorised by the Post
Office to act in that behalf).

23rd November 1992

(205)

14TH ROUND - FRONTIER STAGE

THE PETROLEUM (PRODUCTION) (SEAWARD AREAS) REGULATIONS 1988

1. Further to the Notice published on 31 July 1992 the Secretary of State for Trade and Industry invites applications, in accordance with the Petroleum (Production) (Seaward Areas) Regulations 1988 (SI 1988 No 1213), as amended by the Petroleum (Production) (Seaward Areas) (Amendment) Regulations 1990 and the Petroleum (Production) (Seaward Areas) (Amendment) Regulations 1992 (in this Notice called "the Regulations"), for petroleum production licences in respect of the blocks specified in Schedules 1 and 2 to this notice and delineated on maps deposited in the Library at the Department of Trade and Industry, 1 Palace Street, London SW1E 5HE. The maps may be inspected by prior appointment (Telephone No 071-238 3042) between 09.15 and 16.45 hours Monday to Friday until Tuesday 9 March 1993:

CONSIDERATION FOR AND CONDITIONS OF LICENCES

2. Licences issued in respect of blocks shown on the map at Schedule 1 and listed in Schedule 2 will have an initial term of nine years with a second term of fifteen years. This second term may be extended beyond fifteen years for a further period of twenty-four years. These licences will be subject to the model clauses set out in Schedule 4 to the Petroleum (Production) (Seaward Areas) Regulations 1988, apart from those conditions relating to the duration of the licences and the surrender of the parts of the licenced area.
3. The consideration required in respect of production licences granted as a result of this invitation will be:
- (a) an initial payment, at the time the offer of a licence is accepted, of £60 for each square kilometre comprised in the licenced area;
- (b) subsequent annual payments determined according to the following provisions:
- (i) on the third, fourth and fifth anniversaries of the date of commencement of the licence term the sum of £20 will be payable for each square kilometre comprised in the licenced area; on the sixth, seventh and eighth anniversaries the sum of £40 will be payable for each square kilometre comprised in the licenced area; on the ninth, tenth and eleventh anniversaries (following exercise of the option to continue as to the remaining period of the licence) the sum of £200 for each square kilometre to which the licence then relates; on the twelfth anniversary £650 per square kilometre and so on, rising by annual increments of £450 until an annual sum of £5,600 is payable for each square kilometre comprised in the licenced area;
- (ii) the payments specified in sub-paragraph 3(b)(i) above will be subject to variation as follows:

- (aa) The annual payments will be increased or subsequently reduced at two-yearly intervals in line with movements in the Index of the Price of Crude Oil acquired by Refineries (published in the Digest of UK Energy Statistics) if the Minister so determines. The Minister will give notice of any such determination ("biennial determination") during the month preceding the thirteenth anniversary of the date of commencement of licences or any subsequent two-yearly anniversary, and will specify in the notice the increase or reduction in the amount payable. Movements in the Index will be calculated by reference to a comparison between the arithmetic mean of the Index levels for the two latest calendar years for which figures are available at the time when the determination is made, and the arithmetic mean of the Index levels for 1990 and 1991. In the event that the Index of the Price of Crude Oil acquired by Refineries ceases to be published, the Minister may substitute arrangements for redetermination of annual payments having substantially similar effect to those set out above based on such other comparable Index as he may determine.

- (bb) The increase or reduction specified in a biennial determination will be payable or take effect on the anniversary of the date of commencement of the licence next following the date of the relevant determination.

- (cc) No biennial determination will have effect so as to reduce the annual payments below the levels set in sub-paragraph 3(b)(i).

- (dd) The Minister will not make a biennial determination increasing or reducing the amounts payable, where that increase or reduction would be 5% or less of the levels set following the previous biennial determination.

- (c) A royalty (provided for in Clauses 10-13 of Schedule 4 to the Regulations) at the rate of 12.5% payable in respect of petroleum won and saved from any field which is neither:

- (i) a relevant new field for the purposes of the Petroleum Royalties (Relief) Act 1983;

nor

- (ii) a relevant Southern Basin field for the purposes of the Petroleum Royalties (Relief) and Continental Shelf Act 1989.

4. Licences may be granted subject to special conditions governing the notice required for, and the timing and circumstances of, operations carried out thereunder. The Department of Trade and Industry will make copies of these conditions available as soon as possible.

5. (a) Applicants will be required to submit to the Department of Trade and Industry a work programme of seismic and other forms of exploration not involving drilling. Proposal for drilling will be acceptable but not required. The work programme will be carried out in the first three years ('the first part') of the initial term of the licence. However, the Secretary of State will be prepared to consider using his discretion to extend the first part of the initial term to a maximum of four years in individual cases. (In such cases the total length of the initial term will remain at nine years).

- (b) If licensees do not wish to continue into the second part of the initial term they may surrender the licence at the end of the first part of the initial term.