

- (vii) Motherwell; and
 (viii) Strathkelvin
 2 (A calorific value of 39.1 Megajoules per cubic metre)

In the Strathclyde Region :-

Part of the Local Authority Districts of

- (i) Cumnock and Doon Valley
 (ii) Dumbarton
 (iii) East Kilbride
 (iv) Hamilton
 (v) Kilmarnock and Loudoun
 (vi) Motherwell; and
 (vii) Strathkelvin

Dated the 15th day of November 1994
 By Authority of Scottish Gas

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(Scottish Gas a part of British Gas plc)

(53)

UK CONTINENTAL SHELF 16TH LICENSING ROUND
 THE PETROLEUM (PRODUCTION) (SEAWARD AREAS)
 REGULATIONS 1988

1. Further to the Notice published on 26th April 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 21st March 1995. This offer will be known as the United Kingdom Continental Shelf (UKCS) 16th Round of Licensing. Nominations for the UKCS 17th Round of Licensing are also sought in this Notice (see paragraph 13 below).

CONSIDERATION FOR AND CONDITIONS OF LICENCES

2. Licences issued in respect of blocks shown on the maps at Schedule 1 and listed in Schedule 2 will have an initial term of six years with a second term of twelve years. This second term may be extended beyond twelve years for a further period of eighteen years. The Model Clauses set out in Schedule 4 to the Regulations shall be incorporated into these licences, together with any other conditions under which any particular licence has been granted.
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 £410 for each square kilometre comprised in the licensed area;

- (b) subsequent annual payments determined according to the following provisions:

- (i) on the sixth anniversary of the date of commencement of the licence term (following exercise of the option to continue as to the remaining period of the licence) the sum of £470 will be payable for each square kilometre in the area to which the licence then relates; on the seventh anniversary £940 per square kilometre and so on, rising by annual increments of £470 until an annual sum of £7,050 is payable for each square kilometre comprised in the licensed 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 Secretary of State so determines. The Secretary of State will give notice of any such determination ("biennial determination") during the month preceding the eighth 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 1992 and 1993. In the event that the Index of the Price of Crude Oil acquired by Refineries ceases to be published, the Secretary of State 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 subparagraph 3(b)(i).
- (dd) The Secretary of State 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 the indicative conditions available as soon as possible, and in any event prior to the date specified herein for the application for licences.