

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 per cent. 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 per cent 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.

5. The special conditions mentioned in paragraph 4 above will include those which are designed to have regard to any particular environmental sensitivity identified in the particular block. These shall be incorporated into each licence awarded and may be made available to the public under the Environmental Information Regulations 1992. Applicants may wish to seek advice from the Licensing Branch of the Department of Trade and Industry on which specific conditions will be released.

Applications for Licences

6. In respect of all blocks listed in Schedule 2:

(a) applications should be made on a standard application form available from the Department of Trade and Industry (see 6(i) below);

(b) applications should be delivered between 0930 and 1200 hours on Tuesday, 21st March 1995, or between 0930 and 1200 hours on Wednesday, 22nd March 1995 to the Oil & Gas Division of the Department of Trade and Industry at 1 Palace Street, London SW1E 5HE, together with a remittance in respect of the appropriate application fee of £3,700;

(c) no applications will be accepted after 1200 hours on Wednesday, 22nd March 1995;

(d) applicants are requested to indicate where possible any preference they attach to the blocks applied for and should indicate if blocks applied for are alternatives;

(e) applicants are requested to provide details of the work programme they propose to carry out if awarded a licence;

(f) applicants are requested to submit a statement of their policy with regard to the environment;

(g) further guidance on the material with which applicants may support their applications, including details of the essential elements to be included in the statement requested in (f) above, will be given in Notes for Applicants, which will be available from the Department of Trade and Industry as soon as possible;

(h) material supplied in support of applications will be treated in confidence. This information will not be disclosed to third parties without the agreement of the applicant, unless the material is already in the public domain;

(i) copies of documents referred to in the text of this Notice as being available from the Department of Trade and Industry may be obtained from the Licensing Branch (Room 3.M.16), Oil & Gas Division, Department of Trade and Industry, 1 Palace Street, London SW1E 5HE (telephone No. 071-238 3211/3212).

7. Applicants will be judged against the background of the continuing need for expeditious, thorough, efficient and safe exploration to identify oil and gas resources of the UK Continental Shelf, with due regard to environmental considerations. The technical and financial capability of applicants and their partners will also be taken into consideration.

8. Applicants will be expected to contribute to the economic development and exploitation of the UK's oil and gas resources through demonstration of commitment to competitiveness, innovation and cost reduction with due regard to safety and environmental considerations.

9. A series of 16 UKCS Coastal Directories Regional Reports are being produced by the Joint Nature Conservation Committee in conjunction with central Government Departments, local authorities and countryside agencies, and funded by the UK Offshore Operators Association (UKOOA). Those Reports covering areas of interest in the 16th Round are expected to be available by January 1995. Applicants will be expected to demonstrate that they have taken this information into account in their environmental assessment of their oil and gas exploration activities in the block, or blocks, they are applying for.

10. Following examination of all applications for the UKCS 16th Round of Licensing, the Secretary of State will select the applicants to whom he is prepared to award licences. If there are two or more applicants for a block who would be equally acceptable to the Secretary of State as licensees for that block he may suggest that the licence should be held jointly by some or all of such applicants.

11. The selected applicants will be offered licences on condition that within 14 working days of the date on which the Secretary of State makes the offer of an award:

(a) they confirm acceptance of a work programme proposed by the Secretary of State following discussion with the applicants concerned;

(b) they remit to the Secretary of State the appropriate payment referred to in paragraph 3(a) above; and

(c) they confirm in writing that they accept the licence on the basis that any conditions subject to which the licence is granted are terms and conditions of the licence.

12. Unsuccessful applicants will be notified in writing.

UKCS 17th Licensing Round

13. The Secretary of State will be prepared to consider nominations from companies in respect of any unlicensed blocks in frontier areas not listed in Schedule 2 (see paragraph 15 below) on the United Kingdom Continental Shelf that should also be offered for licensing. Offers resulting from these nominations will be by Gazette Notice, and will be known as the UKCS 17th Round of Licensing. Nominations for the UKCS 17th Round must be submitted to the Oil and Gas Division of the Department of Trade and Industry at 1 Palace Street, London SW1E 5HE, by no later than Wednesday, 8th March 1995. Companies are requested to indicate any priority for their nominations as high, medium or low. The conditions under which a licence is granted pursuant to the UKCS 17th Round of Licensing may differ from those in the 16th Round.

14. A list of blocks nominated will be made available through a Department of Trade and Industry Press Release. However, the identity of the nominating company in respect of any particular block will be treated in confidence.

15. A map will be available from the Licensing Branch of the Department of Trade and Industry (see paragraph 6(i) above) indicating frontier areas.