

SCHEDULE 6

MODEL CLAUSES FOR DEVELOPMENT LICENCES IN LANDWARD AREAS

Deliveries of petroleum in place of royalties

10.—(1) If during the term of this licence the Minister serves on the Licensee a notice in writing in accordance with the following provisions of this clause requiring the Licensee to deliver to the Minister part of the petroleum won and saved by the Licensee in the licensed area, the Licensee shall comply with the notice.

(2) Where the Minister proposes to serve a notice on the Licensee in pursuance of paragraph (1) of this clause, he shall before doing so—

(a) give the Licensee a copy of the proposed notice and an opportunity of making representations to the Minister about it; and

(b) consider any representations then made to him by the Licensee about the proposed notice; and the Minister shall, in deciding upon the terms of the actual notice, have regard to the desirability of not disturbing unduly any arrangements made by the Licensee for transporting and delivering petroleum won and saved from the licensed area.

(3) Subject to paragraph (4) of this clause, a notice served in pursuance of paragraph (1) of this clause—

(a) shall specify the date on which the notice is to come into force and may contain provisions with respect to the time when it shall cease to be in force;

(b) shall specify the quantity of petroleum won and saved in the licensed area during each half year in which the notice is in force which, up to any maximum quantities specified in the notice in pursuance of paragraph (4)(b) of this clause, is to be delivered to the Minister in consequence of the notice;

(c) may relate to all petroleum so won and saved or may be limited to and specify different quantities of such petroleum which is of one or more of the following kinds, namely, crude oil, condensate, natural gas and natural gas liquids, in each case of a quality or composition or of each quality or composition determined in the manner specified in the notice;

(d) shall contain provisions with respect to the place or places at which any petroleum or kind of petroleum is to be delivered in pursuance of the notice and may contain provisions with respect to the times at which any quantities of it are to be so delivered.

(4) Such a notice—

(a) shall not specify as the date on which it is to come into force a date before the expiration of the period of six months beginning with the date on which the notice is served on the Licensee but shall, if the Minister serves on the Licensee a further notice in writing stating that it is to cease to be in force at a time specified in the further notice which is not earlier than six months after the date of service of the further notice, cease to be in force at that time;

(b) shall not specify, as the quantity of petroleum won and saved in any half year which is to be delivered in pursuance of the notice or as the quantity of any kind of such petroleum, a percentage of all the petroleum or of all that kind of petroleum which is won and saved in the licensed area in that half year exceeding the percentage at which, apart from the notice, royalty for that half year would be payable in respect of the petroleum in pursuance of clause 8(1) of this licence, but may provide that the quantities of petroleum or of a kind of petroleum so won and saved which are to be so delivered shall not in the aggregate exceed a quantity specified in the notice;

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- (c) shall not specify, or enable to be specified, as a place at which delivery is to be made in pursuance of the notice a place which is not a point at which the Licensee normally delivers petroleum of any kind from the licensed area.