

### SCHEDULE 3

#### MODEL CLAUSES FOR PETROLEUM EXPLORATION AND DEVELOPMENT LICENCES IN LANDWARD AREAS

##### **Option to continue licence as to part of the licensed area**

4.—(1) At any time not later than three months before the expiration of the initial term the Licensee paying the payments and royalties hereinafter provided and observing and performing the terms and conditions herein contained may give notice in writing to the Minister that he desires the licence to continue as to a part of the licensed area (hereinafter called “the continuing part”) in the manner hereinafter provided and to determine as to the residue thereof (hereinafter called “the surrendered part”).

(2) Such notice shall—

(a) describe the surrendered part which shall be an area which shall, together with any area previously surrendered in accordance with clause 7 hereof, be—

- (i) if the area originally comprised in this licence consisted of 50 square kilometres or more, not less than half the number of such square kilometres; or
- (ii) if the area originally comprised in this licence consisted of more than 25 square kilometres but less than 50 square kilometres, such a number of square kilometres as will leave a continuing part consisting of 25 square kilometres;

provided that—

- (i) if the area originally comprised in this licence consisted of not more than 25 square kilometres the Licensee shall not be obliged to surrender any part of the licensed area; and
- (ii) the Licensee shall not be obliged to surrender any part of the licensed area which the Minister considers, on an application on that behalf being made to him by the licensee, necessary to secure the recovery of petroleum from that area;

(b) specify a date (hereinafter called “the surrender date”) not later than the expiry of the initial term upon which the surrendered part is to be surrendered.

(3) The Licensee may at any time not less than one month before the surrender date give further notice in writing to the Minister varying the part of the licensed area to be surrendered and in the event of such further notice being given the provisions of the previous paragraphs of this clause shall apply mutatis mutandis to such notice but so that the surrender date specified in such notice shall be the same as that specified in the first notice.

(4) This licence shall, upon the option conferred by this clause being duly exercised but subject to the provisions of clause 3 of this licence, continue in respect of the continuing part for a term of five years next after the surrender date (“the second term”).

##### **Commencement Information**

**II** Sch. 3 clause 4 in force at 30.6.1995, see [reg. 1](#)

**Changes to legislation:**

There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Petroleum (Production) (Landward Areas) Regulations 1995. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

**Changes and effects yet to be applied to :**

- Regulations modified in pt. by [S.I. 2015/766 reg. 3](#)

**Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:**

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- reg. 3(1A) inserted by [2016 c. 11 s. 48\(24\)](#)
- reg. 3(1A) words inserted by [S.I. 2018/980 reg. 3\(3\)](#)
- reg. 12 inserted by [S.I. 2016/912 reg. 6\(8\)](#)