

SCHEDULE 2

CURRENT MODEL CLAUSES FOR CONTROLLED WATERS OR SEAWARD PRODUCTION LICENCES DERIVING FROM SCHEDULE 2 TO THE PETROLEUM (PRODUCTION) (CONTINENTAL SHELF AND TERRITORIAL SEA) REGULATIONS 1964 OR SCHEDULE 4 TO THE PETROLEUM (PRODUCTION) REGULATIONS 1966 AS THEY FROM TIME TO TIME HAD EFFECT

PART II

Option to continue licence as to part of the licensed area

5.—(1) At any time not later than three months before the expiration of the said term of six years the Licensee paying the payments and royalties hereinafter provided and observing and performing the 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 describe the surrendered part which together with any area previously surrendered in accordance with clause 4 hereof shall be not less than one half of the number of sections contained in the area originally comprised in this licence.

(3) Such notice shall specify a date (hereinafter called “the surrender date”) not later than the expiry of the said term of six years upon which the surrendered part is to be surrendered.

(4) 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.

(5) This licence shall upon the option conferred by this clause being duly exercised and subject to the provisions of this licence continue in respect of the continuing part for a term of forty years next after the surrender date.