

SCHEDULE

MODEL CLAUSES FOR EXPLORATION LICENCES

Commencement, abandonment and plugging of Wells

8.—(1) The Licensee shall not commence, or recommence, the drilling of a Well without the consent of the Minister.

(2) The Licensee shall not abandon any Well without the consent of the Minister except as provided in paragraphs (5) to (10).

(3) The Licensee shall ensure compliance with any conditions subject to which any consent under either of the foregoing paragraphs is given.

(4) If any such condition under paragraph (1) relates to the position, depth or direction of the Well or to any casing of the Well or any condition under either paragraph (1) or paragraph (2) relates to any plugging or sealing of the Well—

(a) the Minister may from time to time direct that the Well and all records relating thereto shall be examined in such manner upon such occasions or at such intervals and by such persons as may be specified by the Minister's direction; and

(b) the Licensee shall pay to any such person or to the Minister such fees and expenses for such examination as the Minister may specify.

(5) The Minister may at any time before the expiry or determination of this licence give the Licensee a notice requiring a Well drilled pursuant to this licence to be plugged and abandoned within the period specified in the notice (but this paragraph is subject to paragraphs (7) and (8)).

(6) The Licensee shall comply with any notice under paragraph (5).

(7) A notice under paragraph (5) may not be given less than one month before the expiry or determination of the Licensee's rights under this licence in relation to the area in which the Well is drilled.

(8) A notice under paragraph (5) may be given only in relation to a Well from which the Licensee has not extracted any petroleum within the period of one month ending with the day on which the notice is given.

(9) Where the Licensee's rights in any area cease for the time being to be exercisable, by reason of clause 2(3) or by reason of the ending of any agreement referred to in that paragraph, the Licensee, unless the Minister otherwise determines, shall within one month after the date on which such rights cease to be exercisable plug any of the Licensee's Wells in that area.

(10) All the Licensee's Wells (other than Wells to which the last foregoing paragraph applies) in the Exploration Area shall, unless the Minister otherwise determines, be plugged by the Licensee not less than one month before the expiry or determination of the Licensee's rights under this licence.

(11) The plugging of any Well shall be done in accordance with a specification approved by the Minister applicable to that Well or to Wells generally or to a class of Wells to which that Well belongs and shall be carried out in an efficient and workmanlike manner.