

2009 No. 3283

PETROLEUM

The Petroleum Licensing (Amendment) Regulations 2009

Made - - - - *12th December 2009*

Laid before Parliament *16th December 2009*

Coming into force - - *20th January 2010*

The Secretary of State, in exercise of the powers conferred by section 4(1)(c) and (e) and 4(2) of the Petroleum Act 1998(a), makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Petroleum Licensing (Amendment) Regulations 2009, and come into force on 20th January 2010.

Prescribed fees for licence applications

2.—(1) In regulation 9(2) of the Petroleum (Production) (Seaward Areas) Regulations 1988(b), for “£2,820” substitute “£2,100”.

(2) In regulation 10(1) of the Petroleum (Production) (Landward Areas) Regulations 1995(c), for “£1,000” substitute “£1,400”.

Petroleum Licensing (Exploration and Production) (Seaward and Landward Areas) Regulations 2004

3.—(1) In regulation 2 of the Petroleum Licensing (Exploration and Production) (Seaward and Landward Areas) Regulations 2004(d), for the definition of “landward area” substitute—

““landward area” has the meaning given by regulation 3(1) of the Petroleum (Production) (Landward Areas) Regulations 1995”.

(2) In clause 1(1) of Schedule 6 to those Regulations, omit the definitions of “Landward Area”, “Official Journal” and “Seaward Area”.

(a) 1998 c. 17.

(b) SI 1988/1213; regulation 9 was amended by SI 1996/2946.

(c) 1995/1436; there are amendments to the instrument that are not relevant to these Regulations.

(d) SI 2004/352. Schedules 1, 2, 3, 4 and 6 to that instrument were amended by SI 2006/784 and 2007/3224, and Schedules 1 and 6 were amended by SI 2009/229. In addition, Schedules 1, 2, 3, 4 and 6 were amended by section 77(1) of, and Part 3 of Schedule 3 to, the Energy Act 2008 (c. 32); those amendments also have effect (to the extent provided by section 77) in relation to licences granted before the coming into force of the amendments which incorporate model clauses prescribed by those Schedules.

Petroleum Licensing (Production) (Seaward Areas) Regulations 2008

4.—(1) In regulation 1(2) of the Petroleum Licensing (Production) (Seaward Areas) Regulations 2008(a), for the definition of “seaward area” substitute—

““seaward area” has the meaning given by regulation 3(1)(a) of the Petroleum (Production) (Seaward Areas) Regulations 1988(b)”.

(2) The Schedule to those Regulations is amended as follows.

(3) In clause 2, for “seaward area more particularly” substitute “area”.

(4) For clause 3(2) substitute—

“(2) Unless sooner determined under any of its provisions, this licence shall continue—

(a) for the Initial Term, subject to clause 10 and (where applicable) clauses 4 and 5;

(b) for the Second Term, subject to clauses 6 and 10;

(c) for the Third Term, subject to clauses 8 and 10.”.

(5) In clause 5—

(a) in paragraph (2), for “shall give” substitute “may give”; and

(b) for paragraph (3) substitute—

“(3) This licence shall automatically cease and determine on the expiry of the Early Surrender Period unless—

(a) the Licensee has given notice in accordance with paragraph (2); or

(b) at the request of the Licensee, the Minister has directed that the licence shall continue without such notice having been given.”.

(6) In clause 30, after paragraph (3) insert—

“(3A) The functions of the Minister under paragraph (3) shall be exercisable concurrently by the Chancellor of the Exchequer.”.

Date 12th December 2009

Lord Hunt of Kings Heath
Minister of State
Department of Energy and Climate Change

(a) SI 2008/225; the Schedule to that instrument was amended by SI 2009/229.

(b) Regulation 3(1)(a) of, and Schedule 1 to, that instrument were amended by SI 1992/2378.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the following instruments:

- (1) the Petroleum (Production) (Seaward Areas) Regulations 1988 (“the 1988 Regulations”);
- (2) the Petroleum (Production) (Landward Areas) Regulations 1995 (“the 1995 Regulations”);
- (3) the Petroleum Licensing (Exploration and Production) (Seaward and Landward Areas) Regulations 2004 (“the 2004 Regulations”); and
- (4) the Petroleum Licensing (Production) (Seaward Areas) Regulations 2008 (“the 2008 Regulations”).

By section 4(1)(e) of the Petroleum Act 1998, model clauses prescribed under that section are to be incorporated in licences granted under section 3 of that Act, unless the Secretary of State thinks fit to modify or exclude them in any particular case. The 2004 Regulations prescribe the current model clauses for petroleum exploration and development licences, and the 2008 Regulations prescribe the current model clauses for seaward area production licences. Petroleum exploration and development licences grant exclusive rights to explore for and produce petroleum in areas, specified in the licence, which lie on the landward side of the line dividing “landward areas” from “seaward areas” (and which in the 2004 and the 2008 Regulations is specified to coincide with the baselines of the UK territorial sea). Seaward area production licences grant such rights in specified areas which lie on the seaward side of that line.

Regulation 2, by amending the 1988 and the 1995 Regulations, prescribes new application fees for, respectively, seaward area production licences and petroleum exploration and development licences.

Regulation 3(1) amends the definition of “landward area” contained in regulation 2 of the 2004 Regulations. The scope of the model clauses prescribed for petroleum exploration and development licences is thereby aligned with that of the clauses previously prescribed by the 1995 Regulations, with the result that the current model clauses for such licences will no longer apply to any licences that may be granted in respect of certain areas on the landward side of the baselines of the UK territorial sea. *Regulation 3(2)* omits three superfluous definitions from those clauses.

Regulation 4(1) amends the definition of “seaward area” contained in regulation 1(2) of the 2008 Regulations. The scope of the model clauses prescribed for seaward area production licences is thereby aligned with that of the clauses previously prescribed by the 1988 Regulations, with the result that the current model clauses for such licences will apply to any licences that may be granted in respect of certain areas on the landward side of the baselines of the UK territorial sea (and not only to licences in respect of areas on the seaward side of those baselines).

Regulation 4(3) to (5) makes minor clarificatory amendments to clauses 2, 3 and 5 of the model clauses prescribed by the 2008 Regulations. In particular, the amendments to clause 5 make clear that giving a notice under that clause to continue a licence containing an Early Surrender Period is to be regarded as an option rather than an obligation of the Licensee. The amendment made by *regulation 4(6)* ensures that certain powers of the Minister to request information relating to activities under the licence are exercisable concurrently by the Chancellor of Exchequer.

An Impact Assessment has not been prepared for this instrument as no impact on the private or voluntary sectors is foreseen.

STATUTORY INSTRUMENTS

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£4.00