
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations consolidate with amendments the Petroleum (Production) (Seaward Areas) Regulations 1988 and the Petroleum (Production) (Landward Areas) Regulations 1995 (except for those parts of the 1995 Regulations concerning the model clauses for methane drainage licences).

The Regulations set out the requirements for applications for the following kinds of licences:

- a landward petroleum exploration licence,
- a seaward petroleum exploration licence,
- a methane drainage licence,
- a petroleum exploration and development licence, and
- a seaward area production licence,

being licences connected with the search for and getting of petroleum in Great Britain and those islands and waters adjacent to it which are “landward areas” as defined in the Regulations and in those waters around the United Kingdom and those islands adjacent to it which are “seaward areas” as defined in the Regulations (see regulation 2 and Schedule 1).

Regulation 4 requires that applications for a petroleum exploration and development licence or a seaward area production licence must be made via the portal provided by the Department of Energy and Climate Change on a publicly accessible web site, otherwise applications must be in writing (which includes transmission by email). Applications must be accompanied by such evidence and particulars or documents in support as are specified in these Regulations in respect of the licence being applied for, and must be accompanied by the appropriate fee (as set by regulation 7).

Regulation 5 sets out the application process for a petroleum exploration and development licence or a seaward area production licence, where except in the special case covered by paragraph (6), all applications must be in response to a notice published in the Official Journal of the European Union. The special case in paragraph (6) is where the Secretary of State decides that geological or production considerations justify it, a licence may be granted in respect of any area to the holder of a licence in respect of a contiguous area. Holders of licences in respect of all contiguous areas would be notified by the Secretary of State and invited to submit a licence application.

Regulation 6 sets out the information required for an application for a landward petroleum exploration licence, a seaward petroleum exploration licence and a methane drainage licence, and regulation 7 specifies the fees for licence applications.

Regulation 8 requires that all licences must contain the model clauses prescribed by the Secretary of State in relation to that type of licence at the time of issue of the licence, unless the Secretary of State thinks fit to modify or exclude them in any particular case. The model clauses are contained in various instruments, and are updated periodically.

An impact assessment has not been produced for this instrument as it has no direct impact on business, the public sector, charities or voluntary bodies.