

SCHEDULES

SCHEDULE 3

Regulation 12

New model clauses relating to reserved matters for existing Welsh licences

Interpretation

1. In these clauses, the following expressions have the following meanings—

“the Licensed Area” means the area for the time being in which the Licensee may exercise the rights granted by this licence;

“the Licensee” means the person or persons to whom this licence is granted, his personal representatives and any person or persons to whom the rights conferred by this licence may lawfully have been assigned;

“OGA” means the Oil and Gas Authority;

“Petroleum” includes any mineral oil or relative hydrocarbon and natural gas existing in its natural condition in strata but does not include coal or bituminous shales or other stratified deposits from which oil can be extracted by destructive distillation.

Payment of consideration for Licence

2.—(1) The Licensee must make to the OGA, as consideration for the grant of this licence, payments in accordance with the Schedule setting out the consideration payable under the licence.

(2) The Licensee may not by reason of the determination of this licence or the surrender of any part of the Licensed Area be entitled to be repaid or allowed any sum payable to the OGA pursuant to this licence before the date of such determination or surrender.

Right of Secretary of State to revoke licence

3.—(1) The Secretary of State may revoke the licence for failure to pay any consideration payable under the licence.

(2) Any revocation under paragraph (1) is without prejudice to any obligation or liability incurred by the Licensee or imposed upon the Licensee by or under the terms and conditions of this licence

Right of Distress

4. If and whenever any of the payments mentioned in clause 2(1) of this licence or any part thereof are in arrears or unpaid for 28 days after any of the days whereon the same ought to be paid (whether the same has been legally demanded or not), then and so often as the same may happen the OGA may (as an additional remedy and without prejudice to any other rights and remedies to which it would be entitled) enter into and upon any land which shall for the time being be possessed or occupied by the Licensee for the purposes of the licence or the exercise of any of the rights thereby granted or into and upon any of the Licensee’s installations and equipment used or to be used in connection with searching, boring for or getting Petroleum in the Licensed Area and may seize and distrain and sell as a landlord may do for rent all or any of the stocks of Petroleum, engines, machinery, tools, implements, chattels and effects belonging to the Licensee which shall be found in or upon or about

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the land installations and equipment so entered upon and out of the moneys arising from the sale of such distress may retain and pay all the arrears of the said payments and also the costs and expenses of and incident to any such distress and sale rendering the surplus (if any) to the Licensee.

Indemnity against third party claims

5. The Licensee must at all times keep the Secretary of State and the OGA effectually indemnified against all actions, proceedings, costs, charges, claims and demands whatsoever which may be made or brought against the Secretary of State or the OGA by any third party in relation to or in connection with these clauses or any matter or thing done or purported to be done in pursuance thereof.

Arbitration

6.—(1) If at any time any dispute, difference or question arises between the licensee and the Secretary of State or the OGA as to any matter arising under or by virtue of these clauses or as to their respective rights and liabilities in respect thereof then the same may, except where it is expressly provided by these clauses that the matter or thing to which the same relates is to be determined, decided, directed, approved or consented to by the Secretary of State, be referred to arbitration as provided by paragraph (2).

(2) The arbitration referred to in the foregoing paragraph must be by a single arbitrator who, in default of agreement between the OGA or the Secretary of State and the Licensee as to the appointment, must be appointed by the Lord Chief Justice of England.