

1585

LICENCE NO. P.087

Petroleum (Production) Act 1934
Continental Shelf Act 1964

THE MINISTER OF POWER

and

SIGNAL OIL AND GAS COMPANY LIMITED

MARATHON PETROLEUM NORTH SEA (G.B.) LIMITED

LICENCE

to

Search and Bore for and get petroleum
in Block(s) No. 22/7, 28/11, 39/2



THIS LICENCE MADE *this thirty-first day of December, 1965*
the MINISTER OF POWER (hereinafter referred to as "the M
for and on behalf of Her Majesty of the one part and SIGNAL
AND GAS COMPANY LIMITED, whose registered office is at 4, London
Wall Buildings, Finsbury Circus, London, E.C.2. and MARATHON
PETROLEUM NORTH SEA (G.B.) LIMITED, whose registered office is at
18, Austin Friars, London, E.C.2. (hereinafter referred to as
"the Licensee") of the other part WITNESSETH as follows:-

Incorporation
of clauses.

A. Clause 1 and clauses 4 to 33 of the model clauses for
production licences set out in Schedule 2 to the Petroleum
(Production) (Continental Shelf and Territorial Sea) Regulations
1964 (S.I. 1964 No. 708) shall be incorporated herein and shall
have effect as if herein set out at length.

Term of
Licence.

B. Clause 3 of the said model clauses (the marginal note whereof
is "Term of Licence") shall be incorporated herein and shall have
effect as if herein set out at length, the date *24th November, 1965*
being inserted therein as the date next after which the term of
this Licence shall commence.

Right to search
and bore for
and get
petroleum

C. In consideration of the payments and royalties hereinafter provided and the performance and observance by the Licensee of all the terms and conditions hereof, the Minister, in exercise of the powers conferred upon him by the Act of 1934 and the Act of 1964, hereby grants to the Licensee EXCLUSIVE LICENCE AND LIBERTY during the continuance of this Licence and subject to the provisions hereof to search and bore for, and get, petroleum in the sea bed and subsoil under the sea area comprising an area of 624.8 square kilometres more particularly described in Schedule 1 hereto being the area comprising block(s) No. 22/7, 28/11, 39/2 on the reference map deposited at the principal office of the

Ministry of Power:

Provided that nothing in the Licence shall affect the right of the Minister to grant a methane drainage licence in respect of the whole or any part of the licensed area or affect the exercise of any rights so granted.

Directions
as to oil
fields across
boundaries.

D. (1) Where the Minister is satisfied that any strata in the licensed area or any part thereof form part of an oil field other parts whereof are in an area to which the Minister's powers to grant licences pursuant to the Act of 1934 or the Act of 1964 do not apply and the Minister is satisfied that it is expedient that the oil field should be worked and developed as a unit in co-operation by the licensee and all other persons having an interest in any part of the oil field, the Minister may from time to time by notice in writing give the licensee such directions as the Minister may think fit as to the manner in which the rights conferred by this licence shall be exercised.

(2) The licensee shall observe and perform all such requirements in relation to the licensed area as may be specified in any such direction.

(3) Any such direction may add to, vary or revoke the provisions of a development scheme.

(4) In this clause the expressions "oil field" and "development scheme" have the meaning assigned thereto by clause 19 of the said model clauses.

Schedules

E. The Schedules referred to in the said model clauses namely clause 8 (the marginal note whereof is "Payment of consideration for Licence") and clause 12 (the marginal note whereof is "Working Obligations") are for the purposes of this Licence schedules 2 and 3 respectively hereunder written.

IN WITNESS whereof the Official Seal of the Minister of Power and the Common Seal(s) of the Licensee have been hereunto affixed.

SCHEDULE 1

Description of licensed area

First the sea area bounded by lines joining the following co-ordinates on

European Datum:-

- | | |
|--|--|
| (1) $57^{\circ}50'00''\text{N}$: $1^{\circ}12'00''\text{E}$ | (2) $57^{\circ}50'00''\text{N}$: $1^{\circ}24'00''\text{E}$ |
| (3) $57^{\circ}40'00''\text{N}$: $1^{\circ}24'00''\text{E}$ | (4) $57^{\circ}40'00''\text{N}$: $1^{\circ}12'00''\text{E}$ |

Secondly the sea area bounded by lines joining the following co-ordinates on

European Datum:-

- | | |
|--|--|
| (1) $56^{\circ}40'00''\text{N}$: $0^{\circ}00'00''$ | (2) $56^{\circ}40'00''\text{N}$: $0^{\circ}12'00''\text{E}$ |
| (3) $56^{\circ}30'00''\text{N}$: $0^{\circ}12'00''\text{E}$ | (4) $56^{\circ}30'00''\text{N}$: $0^{\circ}00'00''$ |

Thirdly the sea area bounded by lines joining the following co-ordinates on

European Datum:-

- | | |
|--|--|
| (1) $56^{\circ}00'00''\text{N}$: $3^{\circ}12'00''\text{E}$ | (2) $56^{\circ}00'00''\text{N}$: $3^{\circ}18'06''\text{E}$ |
| (3) $55^{\circ}50'06''\text{N}$: $3^{\circ}24'00''\text{E}$ | (4) $55^{\circ}50'00''\text{N}$: $3^{\circ}23'58''\text{E}$ |
| (5) $55^{\circ}50'00''\text{N}$: $3^{\circ}12'00''\text{E}$ | |

SCHEDULE 2

Considerations for licence

Initial
payment.

1. The Licensee shall pay to the Minister upon the grant of the Licence the sum of £15,620.

Periodic
minimum
payments.

2. - (1) Upon the date specified in the notice referred to in clause 5 (the marginal note whereof is "Option to continue Licence as to part of the licensed area"), and on the anniversaries thereof during the term of the Licence as continuing pursuant to that clause the Licensee shall pay to the Minister sums (in this Schedule referred to as "periodic payments") calculated as follows:-

- (a) upon the said date £240 multiplied by the area factor
- (b) upon the first anniversary of the said date £65 multiplied by the area factor
- (c) " second " " " " " £90 "
- (d) " third " " " " " £115 "
- (e) " fourth " " " " " £140 "
- (f) " fifth " " " " " £165 "
- (g) " sixth " " " " " £190 "
- (h) " seventh " " " " " £215 "
- (i) " eighth " " " " " £240 "
- (j) " ninth " " " " " £265 "
- (k) " tenth and every subsequent anniversary of the said date £290 multiplied by the area factor.

(2) In this paragraph "the area factor" means the number of square kilometres comprised in the licensed area at the date upon which the periodic payment in question becomes due.

alties.

3. - (1) Within two months after the end of the half year in which the Licence is granted, and within two months after the end of every succeeding half year the Licensee shall pay to the Minister a royalty in respect of those periods respectively of two shillings and sixpence for every pound of the value of the petroleum won and saved by the Licensee in the period from the grant of the Licence to the end of the half year in which it was granted and in each succeeding half year respectively without any deduction except as provided by the next sub-paragraph.

(2) The Licensee may deduct from the amount of royalty due in respect of the period from the grant of the Licence to the end of the half year in which it was granted and from the amount of royalty due in respect of each succeeding half year respectively -

(a) If the period in respect of which that royalty is due is one in which a periodic payment was due and paid, one half of that periodic payment; or

(b) if the period in respect of which that royalty is due is a half year next following a half year in which a periodic payment was due and paid, an amount equal to that periodic payment less any part thereof deducted from the amount of royalty due in respect of the period in which that periodic payment was due,

but if any periodic payment is greater than the amounts of royalty which would apart from this paragraph be payable in respect of the period in which the periodic payment is due and paid and in respect of the next following half year, no repayment to the Licensee of the whole or any part thereof shall be made nor shall the same be taken into account in respect of the royalty due in respect of any other half year.

(3) The royalty shall be paid on the value of petroleum shown by the statement of value referred to in clause 11 (the marginal note whereof is "Value of petroleum") in respect of each half year, and in the event of a direction that paragraph (2) of that clause shall not apply being such that the Licensee is required to give a revised statement of value pursuant to paragraph (7) thereof or in the event of a dispute as to the value of petroleum, the Licensee shall pay to the Minister any additional sum due or the Minister shall pay to the Licensee any amount overpaid as the case may require, within two months after the service of the notice containing that direction or after the award of the arbitrator or agreement as to the value of the petroleum won and saved in the period in question, as the case may require.

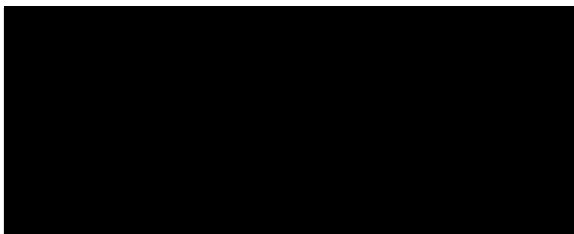
SCHEDULE 3

Working obligations

The Licensee shall during the term of this Licence carry out seismic survey work in the licensed area and drill therein at least one exploration well.

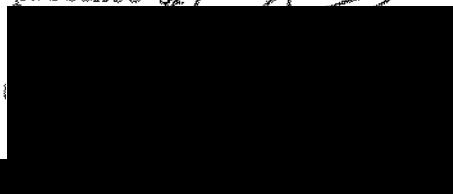
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The Official Seal of the Minister
of Power was hereunto affixed
in the presence of and is hereby
authenticated by



A person authorised by
the Minister to act in that
behalf

The Common Seal of Signal Oil and
Gas Company Limited
was hereunto affixed in the
presence of



FOI

Director

~~Secretary~~

SECRETARY

The Common Seal of Marathon Petroleum
North Sea (G.B.) Limited was hereunto
affixed in the presence of



Director

Secretary
Duedes