

LICENCE NO. P. 240

Petroleum (Production) Act 1934

Continental Shelf Act 1964

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY

and

TOTAL OIL MARINE LIMITED

ELF OIL EXPLORATION & PRODUCTION (U.K.) LIMITED

AQUITAINE OIL (U.K.) LIMITED

RIT EXPLORATION LIMITED

NEW COURT OIL VENTURERS LIMITED

ENVOY INVESTMENTS LIMITED

ELPINDENE LIMITED

CANWOODS HOLDINGS LIMITED

NATIONAL WESTMINSTER BANK LIMITED

THE DELTA METAL COMPANY LIMITED

QABER OIL LIMITED

CITY OIL EXPLORATION LIMITED

LICENCE

to

Search and Bore for and get petroleum

in Block(s) No. 16/22, 29/30, 14/30

Exploration  
P 240  
16/22 +  
14/30

TL45251-80

2/50P



THIS LICENCE made *the sixteenth day of August* 1972 between  
The SECRETARY OF STATE FOR TRADE AND INDUSTRY (hereinafter referred  
to as "the Secretary of State") for and on behalf of Her Majesty of  
the one part and TOTAL OIL MARINE LIMITED whose registered office is  
at 33 Cavendish Square, London, W1M 9HF; ELF OIL EXPLORATION & PRODUCTION  
(UK) LIMITED whose registered office is at 128 Queen Victoria Street,  
London, EC4; AQUITAINE OIL (UK) LIMITED whose registered office is at  
53 New Broad Street, London, EC2; RIT EXPLORATION LIMITED and NEW COURT  
OIL VENTURERS LIMITED whose respective registered offices are both at  
New Court, St. Swithin's Lane, London, EC4P 4DU; ENVOY INVESTMENTS  
LIMITED whose registered office is at 22 Park Street, London, W1;  
ELPINDENE LIMITED whose registered office is at 2/4 Queen's Drive,  
London, W3; CAWOODS HOLDINGS LIMITED whose registered office is at  
Southlands, Harrogate; NATIONAL WESTMINSTER BANK LIMITED whose registered  
office is at 41 Lothbury, London, EC2; THE DELTA METAL COMPANY LIMITED  
whose registered office is at 1 Kingsway, London, WC2; CASER OIL LIMITED  
whose registered office is at 48 Queen Street, Edinburgh EH2 5NR and  
CITY OIL EXPLORATION LIMITED whose registered office is at New Court,  
St. Swithin's Lane, London EC4P 4DU (hereinafter referred to as "the  
Licensee") of the other part WITNESSETH as follows:-

orporation  
clauses.

A. Clause 1 and clauses 4 to 34 of the model clauses for production  
Licences in seaward areas set out in Schedule 4 to the Petroleum  
(Production) Regulations 1966 (S.I. 1966 No. 898) as amended by the  
Petroleum (Production) (Amendment) Regulations 1971 (S.I. 1971 No. 814)  
shall be incorporated herein and shall have effect as if herein set out  
at length.

n of  
ence.

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 15 March 1972 being inserted

therein as the date next after which the term of this Licence shall commence.

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C. In consideration of the sum of £933,000.00 previously paid by the Licensee to the Secretary of State (the receipt whereof the Secretary of State hereby acknowledges) and of the further payments and royalties hereinafter specified and the performance and observance by the Licensee of all the terms and conditions hereof, the Secretary of State 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 seaward area comprising an area of 668 square kilometres more particularly described in Schedule 1 hereto being the area comprising block(s) No. 16/22, 29/30, 14/30 on the reference map deposited at the office of the Department of Trade and Industry, Thames House South, Millbank, London, S.W.1.

Provided that nothing in the Licence shall affect the right of the Secretary of State 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.

Schedules

D. 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 Corporate Seal of the Secretary of State and the Common Seal(s) of the Licensee have been herunto affixed the day and the year first above written.

SCHEDULE 1

Description of Licensed Area

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

- (1)  $58^{\circ} 20' 00''\text{N}$  :  $1^{\circ} 12' 00''\text{E}$  (2)  $58^{\circ} 20' 00''\text{N}$  :  $1^{\circ} 24' 00''\text{E}$   
(3)  $58^{\circ} 10' 00''\text{N}$  :  $1^{\circ} 24' 00''\text{E}$  (4)  $58^{\circ} 10' 00''\text{N}$  :  $1^{\circ} 12' 00''\text{E}$

Secondly

- (1)  $58^{\circ} 10' 00''\text{N}$  :  $0^{\circ} 12' 00''\text{W}$  (2)  $58^{\circ} 10' 00''\text{N}$  :  $0^{\circ} 30' 00''$   
(3)  $58^{\circ} 00' 00''\text{N}$  :  $0^{\circ} 00' 00''$  (4)  $58^{\circ} 00' 00''\text{N}$  :  $0^{\circ} 12' 00''\text{W}$

Thirdly

- (1)  $56^{\circ} 10' 00''\text{N}$  :  $1^{\circ} 48' 00''\text{E}$  (2)  $56^{\circ} 10' 00''\text{N}$  :  $2^{\circ} 00' 00''\text{E}$   
(3)  $56^{\circ} 00' 00''\text{N}$  :  $2^{\circ} 00' 00''\text{E}$  (4)  $56^{\circ} 00' 00''\text{N}$  :  $1^{\circ} 48' 00''\text{E}$

## SCHEDULE 2

### Considerations for licence

Initial  
payment

1. The Licensee shall pay to the Secretary of State upon the grant of the licence the sum of £30,064.50

Periodic  
minimum  
payments

2. - (1) Upon the date specified in the notice referred to in clause (the marginal note whereof is "Option to continue licence as to part 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 Secretary of State sums (in this Schedule referred as "periodic payments") calculated as follows:-

- (a) upon the said date £50 multiplied by the area factor
- (b) upon the first anniversary of the said date £80 multiplied by the area factor
- (c) " " second " " " " £110 "
- (d) " " third " " " " £140 "
- (e) " " fourth " " " " £170 "
- (f) " " fifth " " " " £200 "
- (g) " " sixth " " " " £230 "
- (h) " " seventh " " " " £260 "
- (i) " " eighth " " " " £290 "
- (j) " " ninth " " " " £320 "
- (k) " " tenth and every subsequent anniversary of the said date £350 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.

Royalties

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 Secretary of State a royalty in respect of those periods respectively of twelve and a half pence for every pound of the value of the petroleum won and

saved by the Licensee 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.

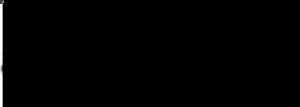
(3) The royalty shall be paid on the value of petroleum shown by the statement of value referred to in clause 11 (the marginal note whereof is "Value of petroleum") in respect of each half year, and in the event of a direction that paragraph (2) of that clause shall not apply being such that the Licensee 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 Secretary of State any additional sums due or the Secretary of State 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 any prior settlement as to the value of the petroleum won and saved in the period in question, as the case may require, save that in the event of a provisional statement of value being prescribed the royalty shall be paid on the value of the petroleum shown by the provisional statement of value in respect of each half year and the Licensee shall pay to the Secretary of State any additional sums due or the Secretary of State shall pay to the Licensee any amount overpaid as the case may require within two months after the award of the arbitrator or any prior settlement as to the value of the petroleum won and saved in the period in question.

### SCHEDULE 3

#### Working obligations

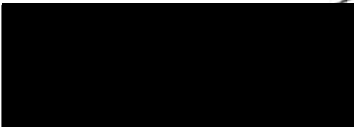
The Licensee shall during the initial six year term of this Licence carry out seismic survey work and drill not less than two exploration wells in the licensed area except for that part which comprises block No. 14/50.

The Corporate Seal of the Secretary of State  
for Trade and Industry hereunto affixed is  
authenticated by 

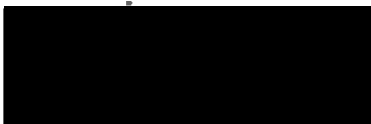
Assistant Secretary  
Authorised by the Secretary of State

The Common Seal of Total Oil Marine Limited  
was hereunto affixed in the presence of

  
Director

  
Secretary

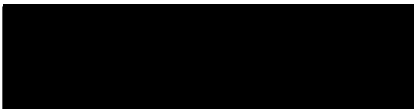
The Common Seal of Elf Oil Exploration &  
Production (U.K.) Limited was hereunto  
affixed in the presence of

  
Director

  
Secretary

The Common Seal of Aquitaine Oil (U.K.)  
Limited was hereunto affixed in the  
presence of

  
Director

  
Secretary

The Common Seal of NIT Exploration  
Limited was hereunto affixed in the  
presence of

Director

Secretary

The Common Seal of New Court Oil  
Venturers Limited was hereunto  
affixed in the presence of

Director

PER PRO

N. M. ROTHSCHILD & SONS LIMITED

Secretary

The Common Seal of Envoy Investments  
Limited was hereunto affixed in the  
presence of

Director

Secretary



The Common Seal of Elpindene Limited was }  
hereunto affixed in the presence of

Director

Secretary

The Common Seal of Cawoods Holdings Limited }  
was hereunto affixed in the presence of

Director

Secretary

The Common Seal of National Westminster  
Bank Limited was hereunto affixed in  
the presence of

~~Director~~

Secretary

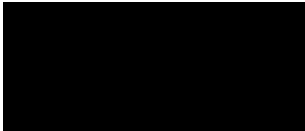
AUTHORISED SEALING OFFICER

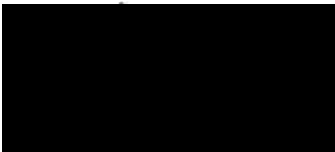
The Common Seal of The Delta Metal Company }  
Limited was hereunto affixed in the  
presence of

Director

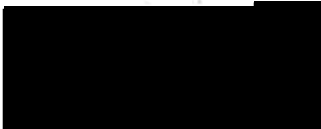
ACTING Secretary

The Common Seal of Caber Oil Limited  
was hereunto affixed in the presence  
of

 Director

 Secretary

The Common Seal of City Oil Exploration  
Limited was hereunto affixed in the  
presence of

 Director

Per Pro

N. M. ROTHSCHILD & SONS LIMITED  
 Secretary

Safety, Health and Welfare Instruction

Under Clause 18 of the Model Clauses for production licences set out in Schedule 4 to the Petroleum (Production) Regulations 1966 as amended by the Petroleum (Production) (Amendment) Regulations 1971, incorporated in Production Licence No. P.240

The Secretary of State for Trade and Industry instructs the Licensee

- I that until further notice and subject to the requirements of paragraph II below all operations in or about the licensed area to which the Licence relates shall be carried out in accordance with such provisions of Part VIII of the Institute of Petroleum Model Code of Safe Practice in the Petroleum Industry issued in October 1964 as relate to the safety, health and welfare of persons employed.
- II that until further notice the Licensee shall not carry out or permit to be carried out any operations authorised by this licence from an offshore installation or drilling vessel or use or permit to be used the same in or about the licensed area unless the following requirements relating to the safety, health and welfare of persons employed in or about the licensed area are performed and observed:-
  - (1) Whenever such an installation or vessel is at anchor or affixed to or placed on the sea bed with a view to it being used in connection with searching or boring for petroleum there shall be on board a person appointed to be in sole command or charge (hereinafter called "the person in charge") of the installation or vessel and of all other persons on board who shall be in particular charged with the duty -

(a) to keep himself informed of all matters affecting the safety of the installation or vessel and the persons on board and to ensure that he is known to all other persons on board; and

(b) to arrange, whenever an attendant or other vessel is so placed as to involve risk of collision or of coming in contact with the installation or vessel, for the attendant or other vessel to be kept under continuous observation and for any contact to be reported to him and for the installation or vessel to be surveyed as soon as possible after any contact which may in his view have affected the safety of it: Provided always that this requirement shall not apply if and so long as not more than ten persons are to be employed on board the installation or vessel at any time throughout a period of not more than 72 hours.

(2) A standby vessel shall be in attendance at every installation, other than a normally unmanned production platform, at all times when manned, unless the Master of the standby vessel is satisfied that weather conditions may jeopardise the safety of his vessel or unless there are provided on the installation effective escape capsules or other devices approved by the Secretary of State.

(3) On every installation or vessel -

(a) there shall be provided for use with the derrick hoisting equipment effective automatic contrivances to prevent running the travelling block into the crown block;

(b) all derrick ladders shall be caged or provided with adequate platforms at which any person using any such ladder may rest or shall be provided with other adequate safety equipment;

- (c) the derrick floor shall be provided with a non-slip surface;
- (d) in any electrical system which is not earthed in accordance with the provisions of paragraph 5.2.1.(a) of the Institute of Petroleum Electrical Safety Code being Part I of the Institute of Petroleum Model Code of Safe Practice in the Petroleum Industry (hereinafter called "the Code") dated 1965 the insulation of all conductors, other than earthing conductors, shall be rated to withstand full line voltage to earth, and effective means shall be provided to give indication of an earth fault on any part of the system and the supply of electricity shall forthwith be cut off from any apparatus or circuit on which an earth fault occurs and shall not be restored until the fault shall have been rectified;
- (e) every electric motor to be used in a Division 2 Dangerous Area as defined in the Appendix to Part 1 of the Code which is not so constructed as to comply with paragraph 2.2(c) of the Code shall be cooled and ventilated only by air conveyed to it through a duct from a Safe Area as defined in the said Appendix;
- (f) an efficient system shall be provided and a code of signals specified for giving warning thereby of any emergency, and an efficient public address system shall also be provided for giving additional warnings or instructions in such emergency.
- (4) Every person employed on the installation or vessel shall be provided with a copy of instructions to be followed in the event of an emergency and such instructions shall also be prominently displayed in a sufficient number of places upon the installation or vessel as to be easily and frequently seen by all persons thereon.

(5) Smoking and naked lights shall be permitted only at places on the installation or vessel and at times where they shall not give rise to danger and notices prohibiting smoking and naked lights shall be prominently displayed at or near the places where smoking and naked lights are prohibited.

(6) All air compressing equipment on the installation or vessel shall be systematically examined externally and internally within intervals not exceeding twenty-six months or such shorter intervals as may be specified by the Licensee and any carbon deposits removed, and every receiver forming part of such equipment shall be provided with inspection holes in compliance with British Standard 487 Part I, 1960.

(7) All diving operations shall be carried out from the installation or vessel in accordance with a code of rules which shall be specified by the Licensee for the safe conduct of such operations.

(8) Adequate records shall be maintained on the installation or vessel of all matters affecting or relating to the safety of the installation or vessel and persons on board.

[ To report to him immediately after its occurrence during or in connection with operations in the licensed area -

(1) any accident resulting in death or a broken limb or requiring transport of the injured from offshore to onshore for medical aid, with details of:-

- (a) name and occupation of killed or injured person
- (b) time and place of accident
- (c) nature of injury

- (d) estimated period of incapacity
  - (e) brief account of the cause of the accident;
- any happening which could have resulted in serious injury in certain circumstances, but resulted only in an injury less serious than the minimum noted above or no injury.

1) to maintain contact with the Port Medical Officer or Medical Officer of Health for the British port or other base from which operations in the licensed area are being conducted;

(2) to seek advice from such Officer on

(a) the requirements, particularly those relating to the action to be taken in cases of infectious disease or food poisoning, of the Public Health Act 1936 and the Food and Drugs Act 1955 or of the Public Health (Scotland) Acts 1897 and 1945 and the Food and Drugs (Scotland) Act 1956;

and on

(b) the arrangements that are necessary to ensure that suitable medical attention can be provided, on an installation or on the mainland, for persons employed on operations in the licensed area.

Dated 27 July 1972

Signed on behalf of the Secretary of State  
for Trade and Industry by a person authorised  
by him to act in that behalf.