

LICENCE NO. P.266

4
COPY

Petroleum (Production) Act 1934

Continental Shelf Act 1964

THE SECRETARY OF STATE FOR ENERGY

and

THE BRITISH NATIONAL OIL CORPORATION

SHELL UK LIMITED

ESSO PETROLEUM COMPANY LIMITED

LICENCE

to

Search and Bore for and get petroleum

in Block(s) No. 13/15, 13/27, 30/17b

THIS LICENCE made *the 9th day of January* 1978 between THE SECRETARY

OF STATE FOR ENERGY (hereinafter referred to as "the Minister") for and on behalf of Her Majesty of the one part and THE BRITISH NATIONAL OIL CORPORATION whose Principal office is situate at 150 St Vincent Street, Glasgow G2 5LT, SHELL UK LIMITED whose registered office is situate at Shell Mex House, Strand, London WC2 0DX and ESSO PETROLEUM COMPANY LIMITED whose registered office is situate at Esso House, Victoria Street, London SW1 (hereinafter referred to as "the Licensee") of the other part

WITNESSETH as follows:-

Incorporation
of clauses

A. Clause 1 and clauses 4^{to} 41 of the model clauses for production licences in seaward areas set out in Schedule 5 to the Petroleum (Production) Regulations 1976 (S.I. 1976 No. 1129) shall be incorporated herein and (subject to paragraph E hereof) shall have effect as if herein set out at length.

Term of
Licence.

B. Clause 3 of the said model clauses shall be incorporated herein and shall have effect as if herein set out at length, the date 23 November 1977 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 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 seaward area comprising an area of 570.5 square kilometres more particularly described in Schedule 1 to this Licence being the area comprising block(s) No. 13/15, 13/27, 30/17b on the reference map deposited at

the principal office of the Department of Energy, Thames House South,
Millbank, London SW1P 4QJ.

Provided that nothing in this 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.

Schedules.

D. The Schedules referred to in the said model clauses namely clause 8
clause 9 and clause 14 are for the purposes of this Licence Schedules
2, 3 and 4 respectively hereunder written.

E. The licensed area being situate in a designated area or part of
a designated area in respect of which an Order in Council has been made
pursuant to Section 3(2) of the Act of 1964 making provision for the
determination of questions in accordance with the law in force in Scotland,
it is hereby declared that the second alternative version of clause 36
and paragraphs (2A) and (3A) of clause 41 of the said model clauses
are incorporated herein to the exclusion of the respective alternative
versions of those provisions set out in the said model clauses.

IN WITNESS whereof the Corporate Seal of the Minister and the
Common Seal(s) of the Licensee have been hereunto affixed the day
and the year first above written.

SCHEDULE

Licence No. P.266

Retained Area from 24 November 1984

<u>Block No.</u>	<u>Area Sq. Km</u>	<u>Co-ordinates</u>
13727a	58.3	(1) 58°10'00"N 1°44'00"W (2) 58°10'00"N 1°36'00"W (3) 58°08'00"N 1°36'00"W (4) 58°08'00"N 1°38'00"W (5) 58°06'00"N 1°38'00"W (6) 58°06'00"N 1°46'00"W (7) 58°08'00"N 1°46'00"W (8) 58°08'00"N 1°44'00"W
30/17b	135.5	(1) 56°30'00"N 2°12'00"E (2) 56°30'00"N 2°24'00"E (3) 56°20'00"N 2°24'00"E (4) 56°20'00"N 2°21'00"E (5) 56°23'00"N 2°21'00"E (6) 56°23'00"N 2°19'00"E (7) 56°25'00"N 2°19'00"E (8) 56°25'00"N 2°16'00"E (9) 56°27'00"N 2°16'00"E (10) 56°27'00"N 2°12'00"E

TOTAL 193.8

Agreed on behalf of SHELL UK LIMITED

By ...

a duly authorised officer

Dated 29 November 1984

Agreed on behalf of THE BRITISH NATIONAL OIL CORPORATION

By ...

a duly authorised officer

Dated ... 4 December 1984

Agreed on behalf of BRITOL PLC

By ...

a duly authorised officer

Dated ... 7. XII. 84

Agreed on behalf of AMOCO UK PETROLEUM LIMITED

By

a duly authorised officer

Dated

3 January 1985

Agreed on behalf of ESSO EXPLORATION AND PRODUCTION U.K. LIMITED

By

a duly authorised officer

Dated

11 January 85

Agreed on behalf of OCCIDENTAL PETROLEUM (CALEDONIA) LIMITED

By

a duly authorised officer

Dated

Jan. 17. 1985

SCHEDULE 1

Description of Licensed Area

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

- | | | |
|---|--|---|
| a | (1) $58^{\circ} 40' 00''$ N : $1^{\circ} 12' 00''$ W | (2) $58^{\circ} 40' 00''$ N : $1^{\circ} 00' 00''$ W |
| | (3) $58^{\circ} 30' 00''$ N : $1^{\circ} 00' 00''$ W | (4) $58^{\circ} 30' 00''$ N : $1^{\circ} 12' 00''$ W |
| b | (1) $58^{\circ} 10' 00''$ N : $1^{\circ} 48' 00''$ W | (2) $58^{\circ} 10' 00''$ N : $1^{\circ} 36' 00''$ W |
| | (3) $58^{\circ} 00' 00''$ N : $1^{\circ} 36' 00''$ W | (4) $58^{\circ} 00' 00''$ N : $1^{\circ} 48' 00''$ W |
| c | (1) $56^{\circ} 30' 00''$ N : $2^{\circ} 12' 00''$ E | (2) $56^{\circ} 30' 00''$ N : $2^{\circ} 24' 00''$ E |
| | (3) $56^{\circ} 20' 00''$ N : $2^{\circ} 24' 00''$ E | (4) $56^{\circ} 20' 00''$ N : $2^{\circ} 21' 00''$ E |
| | (5) $56^{\circ} 23' 00''$ N : $2^{\circ} 21' 00''$ E | (6) $56^{\circ} 23' 00''$ N : $2^{\circ} 19' 00''$ E |
| | (7) $56^{\circ} 25' 00''$ N : $2^{\circ} 19' 00''$ E | (8) $56^{\circ} 25' 00''$ N : $2^{\circ} 16' 00''$ E |
| | (9) $56^{\circ} 27' 00''$ N : $2^{\circ} 16' 00''$ E | (10) $56^{\circ} 27' 00''$ N : $2^{\circ} 12' 00''$ E |

SCHEDULE 2

Consideration for Licence

Initial
payment

1. The Licensee shall pay to the Minister upon the grant of the Licence the sum of £45,640.

Periodic
minimum
payments

2. - (1) Upon the Licensee exercising the option conferred by clause 4 to continue the Licence for the second term (as defined in clause 4(2)) then upon the date of commencement of the second term the Licensee shall pay to the Minister the sum of £120 multiplied by the area factor in respect of the area to which the licence then relates.

(2) Upon the Licensee exercising the option conferred by clause 5 to continue the Licence for the third term (as defined in clause 5(4)) then upon the date specified in the notice referred to in clause 5 and on the anniversaries thereof during the term of the Licence as continuing pursuant to that clause the Licensee shall pay the Minister sums (in this Schedule referred to as "periodic payments") calculated as follows:-

- (a) upon the said date £200 multiplied by the area factor
- (b) upon the 1st anniversary of the said date £400 multiplied by the area factor
- (c) " " 2nd " " " £600 " " "
- (d) " " 3rd " " " £800 " " "
- (e) " " 4th " " " £1000 " " "
- (f) " " 5th " " " £1200 " " "
- (g) " " 6th " " " £1400 " " "
- (h) " " 7th " " " £1600 " " "
- (i) " " 8th " " " £1800 " " "
- (j) " " 9th " " " £2000 " " "
- (k) " " 10th " " " £2200 " " "
- (l) " " 11th " " " £2400 " " "
- (m) " " 12th " " " £2600 " " "
- (n) " " 13th " " " £2800 " " "

(o) upon the 14th and every subsequent anniversary of the said date £3000 multiplied by the area factor.

(3) 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.

SCHEDULE 3

The appropriate percentage

For the purposes of this Licence the appropriate percentage (as defined in clause 9(1)) means 12½% per centum

SCHEDULE 4

Part I

Initial Term Working Obligations

The Licensee shall before the expiry of the initial term of this Licence carry out not less than 600 kilometres of seismic survey work in the licensed area and drill therein two exploration wells.

Part II

Initial and Second Term Working Obligations

The Licensee shall before the expiry of the second term of this Licence carry out not less than 600 kilometres of seismic survey work in the licensed area and drill therein five exploration wells, provided that the Licensee shall not be obliged to drill more than two exploration wells, (or three wells, or four wells, as the case may be) if not later than the date of any notice given pursuant to clause 5(1) the Licensee shall have satisfied the Minister that the drilling of the additional exploration wells is not justifiable, having regard to the seismic, geologic and structural information available at that time.

The Corporate Seal of the Secretary
of State for Energy herunto affixed
is authenticated by)
)
)

Assistant Secretary
Authorised by the Secretary of State

The Common seal of THE BRITISH NATIONAL)
OIL CORPORATION)
was hereunto affixed in the)
presence of)

Director

Secretary

The Common seal of SHELL UK)
LIMITED)
was hereunto affixed in the)
presence of).

Director

Secretary

The Common seal of ESSO PETROLEUM)
COMPANY LIMITED)
was hereunto affixed in the)
presence of)

Director

Secretary