

LICENCE NO. P.496

Petroleum (Production) Act 1934

Continental Shelf Act 1964

THE SECRETARY OF STATE FOR ENERGY

and

KERR MCGEE OIL (U.K.) LIMITED

CHARTERHOUSE PETROLEUM DEVELOPMENT LIMITED

SANTA FE MINERALS (U.K.), INC.

PETROLEX U.K. LIMITED

BRICOMIN EXPLORATION COMPANY LIMITED

LICENCE

to

Search and Bore for and get petroleum

in Block No. 9/18b

THIS LICENCE made the 4th day of September 1985
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
KERR McGEE OIL (U.K.) LIMITED whose registered office is situate at
Blackfriars House, 19 New Bridge Street, London EC4V 6BY,
CHARTERHOUSE PETROLEUM DEVELOPMENT LIMITED whose registered office is
situate at Audrey House, Ely Place, London EC1N 6SN, SANTA FE
MINERALS (U.K.), INC. whose registered office is situate at Parnell
House 19/28 Wilton Road, London SW1V 1LZ, PETROLEX U.K. LIMITED whose
registered office is situate at 37 Maddox Street, London W1R 9LD and
BRICOMIN EXPLORATION COMPANY LIMITED whose registered office is
situate at Cayzer House, 274 St Mary Ave., London EC3A 8BP
(hereinafter referred to as "the Licensee") of the other part
WITNESSETH as follows:-

Incorporation
of clauses

A. Clause 1 and clauses 4 to 40 of the model clauses for production
licences in seaward areas set out in Schedule 5 to The Petroleum
(Production) Regulations 1982 (S.I. 1982 No. 1000) 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
13 June 1985 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 seaward area comprising an area of 110.8 square kilometres more particularly described in Schedule 1 to this Licence being the area comprising block No. 9/18b 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 clauses namely clause 7, clause 8 and clause 13 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 35 and paragraphs (1) and (2A) and (3A) of clause 40 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 Seals of the Licensee have been affixed to this Licence (consisting of this and the preceding two pages) the day and year first above written.

THE CORPORATE SEAL OF THE SECRETARY)
 OF STATE FOR ENERGY hereunto affixed)
 is authenticated by:)

.....

Assistant Secretary

Authorised by the Secretary of State

The Common Seal of KERR-McGEE OIL (U.K.))
 LIMITED was hereunto affixed in the)
 presence of:-)

..... Director

..... Secretary

The Common Seal of CHARTERHOUSE PETROLEUM)
 DEVELOPMENT LIMITED was hereunto affixed in)
 the presence of:-)

..... Director

..... Secretary

The Common Seal of SANTA FE MINERALS)
(U.K.), INC. was hereunto affixed in the)
presence of:-)

BY: ATTEST:

The Common Seal of PETROLEX U.K.)
LIMITED was hereunto affixed in the)
presence of:-)

..... Director
..... Secretary

The Common Seal of BRICOMIN EXPLORATION)
COMPANY LIMITED was hereunto affixed in)
the presence of:-)

..... Director
..... Secretary

SCHEDULE 1

Description of Licensed Area

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

1. 59° 28' 00"N : 01° 24' 00"E
2. 59° 28' 00"N : 01° 29' 00"E
3. 59° 25' 00"N : 01° 29' 00"E
4. 59° 25' 00"N : 01° 32' 00"E
5. 59° 22' 00"N : 01° 32' 00"E
6. 59° 22' 00"N : 01° 36' 00"E
7. 59° 20' 00"N : 01° 36' 00"E
8. 59° 20' 00"N : 01° 24' 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 £36,564.00
- Periodic minimum payments 2. - (1) Upon the Licensee exercising the option conferred by clause 4 to continue the Licence then upon the date specified in the notice referred to in clause 4, 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 £400 multiplied by the area factor
- (b) upon the 1st anniversary of the said date £800 multiplied by the area factor
- | | | | | | | | | | |
|-----|---|---|------|---|---|---|-------|---|---|
| (c) | " | " | 2nd | " | " | " | £1200 | " | " |
| (d) | " | " | 3rd | " | " | " | £1600 | " | " |
| (e) | " | " | 4th | " | " | " | £2000 | " | " |
| (f) | " | " | 5th | " | " | " | £2400 | " | " |
| (g) | " | " | 6th | " | " | " | £2800 | " | " |
| (h) | " | " | 7th | " | " | " | £3200 | " | " |
| (i) | " | " | 8th | " | " | " | £3600 | " | " |
| (j) | " | " | 9th | " | " | " | £4000 | " | " |
| (k) | " | " | 10th | " | " | " | £4400 | " | " |
| (l) | " | " | 11th | " | " | " | £4800 | " | " |
| (m) | " | " | 12th | " | " | " | £5200 | " | " |
| (n) | " | " | 13th | " | " | " | £5600 | " | " |
- (o) upon the 14th and every subsequent anniversary of the said date £6000 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.

SCHEDULE 3

The appropriate percentage

For the purposes of this Licence the appropriate percentage (as defined in clause 8(1)) means $12\frac{1}{2}$ per centum.

SCHEDULE 4

INITIAL TERM WORKING OBLIGATIONS

The Licensee shall, before the expiry of the initial term of the Licence, carry out not less than 163 kilometres of seismic survey work in the licensed area and drill therein three exploration wells, provided that the Licensee shall not be obliged to drill more than two such exploration wells, if not later than the date of any notice given pursuant to Clause 4(1) of the Model Clauses incorporated in the Licence, the Licensee shall have satisfied the Minister that the drilling of the third exploration well is not justifiable having regard to the seismic, geologic and structural information available at that time.

The Licensee shall drill the first such exploration well to evaluate the Eocene and Jurassic sequences and penetrate not less than 250 feet into the pre-Jurassic. The second exploration well shall, if drilled, test the Jurassic sequence and penetrate not less than 250 feet into the Triassic.