

DUPLICATE

LICENCE NO. P.975

Petroleum Act 1998

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY

and

BP EXPLORATION OPERATING COMPANY LIMITED

LICENCE

to

Search and Bore for and Get petroleum

in Blocks No. 3/24b and 3/29d

THIS LICENCE made the *Twentieth* day of *June* 2000 between THE SECRETARY OF STATE FOR TRADE AND INDUSTRY (hereinafter referred to as "the Minister") for and on behalf of Her Majesty of the one part and BP EXPLORATION OPERATING COMPANY LIMITED whose registered office is situate at Britannic House, 1 Finsbury Circus, London EC2M 7BA (hereinafter referred to as "the Licensee") of the other part WITNESSETH as follows:-

Incorporation
of clauses

A. Clause 1 and clauses 4 to 43 of the model clauses for production licences in seaward areas set out in Schedule 4 to the Petroleum (Production) (Seaward Areas) Regulations 1988 (S.I. 1988/1213) as amended by the Offshore Safety Act 1992 and the Petroleum (Production) (Seaward Areas) (Amendment) Regulations 1995 (S.I. 1995/1435) and the Petroleum (Production) (Seaward Areas) (Amendment) Regulations 1996 (S.I. 1996/2946) ("the 1996 Regulations") except for the amendments made by Regulations 8(a)(ii) and 8(c) to 8(h) of the 1996 Regulations shall be incorporated herein and (subject to paragraphs E to I hereof) shall have effect as if herein set out at length and in the said model clauses any reference to "the Act of 1934" or "the Act of 1964" shall be construed as a reference to the corresponding provisions of the Petroleum Act 1998.

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 22 December 1998 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 Petroleum Act 1998, 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 137.3 square kilometres more particularly described in Schedule 1 to this Licence being the area comprising blocks No. 3/24b and 3/29d on the reference map deposited at the office of the Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET; 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 9, clause 10 and clause 16 are for the purposes of this Licence Schedules 2, 3 and 4 respectively hereunder written.

E. The second alternative version of clause 38 and paragraphs (1) and (2A) and (3A) of clause 43 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.

F. The provisions of clause 10 of the model clauses incorporated herein shall only apply to petroleum won and saved from an oil field in respect of any part of which development consent was granted prior to 1st April 1982.

G. The provisions of clause 19 of the model clauses incorporated herein shall have effect subject to the omission in model clause 19(1) of the words "after abandoning in manner hereinafter provided, shall not".

H. Except where the Minister otherwise agrees in writing, the Licensee shall comply with the provisions of Schedule 5 hereunder written.

I. The Minister may in writing, with the agreement of the Licensee, vary or amend the terms of this Licence as regards any matter, provided that any variation or amendment shall, where relevant, be in accordance with the Directive of the European Parliament and of the Council Directive (94/22/EEC) of the 30th May 1994 on the conditions for granting and using authorisation for

the prospection, exploration and production of hydrocarbons (O.J.
L164/3; 30.6.94): IN WITNESS WHEREOF these presents
typewritten on this and the three preceding pages together with the
5 Schedules annexed are executed follows:-

SEALED WITH THE SEAL OF THE SECRETARY)

OF STATE FOR TRADE AND INDUSTRY

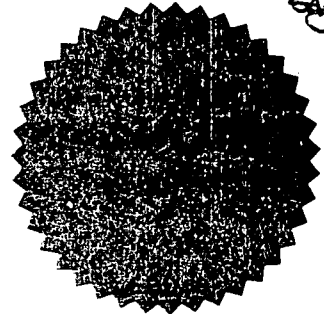
and subscribed by [REDACTED] (Full Name) [REDACTED] (Signature)

being an officer of the said Secretary of State at LONDON on 20 June 1999 2000

Witness: [REDACTED]

Full Name: [REDACTED]

Address: 1 VICTORIA STREET,
LONDON SW1H 0ET

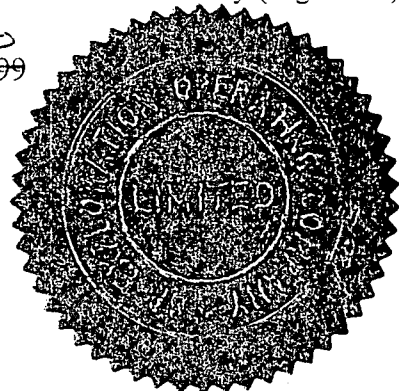


Signed for and on behalf of BP EXPLORATION OPERATING COMPANY
LIMITED

by [REDACTED] (Full Name) [REDACTED] Director (Signature)

[REDACTED] (Full Name) [REDACTED] Director/Secretary (Signature)

at DYCE, ABERDEEN on 6 MARCH 2000
1999



THIS IS SCHEDULE 1 REFERRED TO IN THE FOREGOING LICENCE
NUMBER P.975 BETWEEN THE SECRETARY OF STATE FOR TRADE AND
INDUSTRY AND BP EXPLORATION OPERATING COMPANY LIMITED

Description of Licensed Area

Blocks 3/24b and 3/29d

The sea area bounded to the north and south by the
parallels of latitude, and to the east and west by
the meridians of longitude, joining the following
co-ordinates on European Datum 1950 (ED50):

Block 3/24b

(1)	60° 18' 00" N	: 01° 43' 00" E
(2)	60° 18' 00" N	: 01° 48' 00" E
(3)	60° 16' 00" N	: 01° 48' 00" E
(4)	60° 16' 00" N	: 01° 45' 00" E
(5)	60° 12' 00" N	: 01° 45' 00" E
(6)	60° 12' 00" N	: 01° 48' 00" E
(7)	60° 10' 00" N	: 01° 48' 00" E
(8)	60° 10' 00" N	: 01° 36' 00" E
(9)	60° 16' 00" N	: 01° 36' 00" E
(10)	60° 16' 00" N	: 01° 41' 00" E
(11)	60° 17' 00" N	: 01° 41' 00" E
(12)	60° 17' 00" N	: 01° 43' 00" E
(13)	60° 18' 00" N	: 01° 43' 00" E

Block 3/29d

(1)	60° 10' 00" N	: 01° 46' 00" E
(2)	60° 10' 00" N	: 01° 48' 00" E
(3)	60° 06' 00" N	: 01° 48' 00" E
(4)	60° 06' 00" N	: 01° 46' 00" E
(5)	60° 10' 00" N	: 01° 46' 00" E



THIS IS SCHEDULE 2 REFERRED TO IN THE FOREGOING LICENCE NUMBER P.975 BETWEEN THE
SECRETARY OF STATE FOR TRADE AND INDUSTRY AND BP EXPLORATION OPERATING COMPANY LIMITED

Consideration for Licence

Initial payment 1. The Licensee shall pay to the Minister upon the grant of this Licence the sum of £56,293.00

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 or, as the case may be, to clause 5 the Licensee shall pay the Minister sums (in this schedule referred to as "periodic payments") calculated as follows:-

- (a) upon the said date £470 multiplied by the area factor
- (b) upon the 1st anniversary of the said date £940 multiplied by the area factor

(c)	"	2nd	"	"	£1410	"
(d)	"	3rd	"	"	£1980	"
(e)	"	4th	"	"	£2350	"
(f)	"	5th	"	"	£2820	"
(g)	"	6th	"	"	£3290	"
(h)	"	7th	"	"	£3760	"
(i)	"	8th	"	"	£4230	"
(j)	"	9th	"	"	£4700	"
(k)	"	10th	"	"	£5170	"
(l)	"	11th	"	"	£5640	"
(m)	"	12th	"	"	£6110	"
(n)	"	13th	"	"	£6580	"

(o) upon the 14th and every subsequent anniversary of the said date £7050 multiplied by the area factor.

(2) The payments specified in sub-paragraph (1) above shall be subject to variation in accordance with the following provisions:

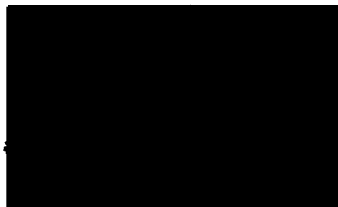
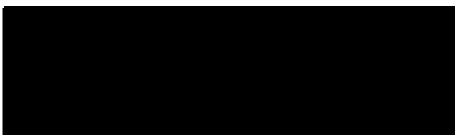
(a) The annual payments shall be increased or subsequently reduced in line with movements in the Index of the Price of Crude Oil acquired by Refineries (published in the Digest of UK Energy Statistics) if the Minister so determines. The Minister shall give notice of any such determination ("biennial determination") during the month preceding the eighth anniversary of the date of commencement of this Licence or any subsequent two-yearly anniversary of that date, and shall specify in the notice the increase or reduction in the amount payable. Movements in the Index shall be calculated by reference to a comparison between the arithmetic mean of the Index levels for the two latest calendar years for which figures are available at the time when the determination is made, and the arithmetic mean of the Index levels for 1995 and 1996. In the event that the Index of the Price of Crude Oil acquired by Refineries ceases to be published the Minister may substitute arrangements for redetermination of annual payments having substantially similar effect to those set out above based on such other comparable Index as he may determine.

(b) The increase or reduction specified in a biennial determination shall be payable or take effect on the anniversary of the date of commencement of this Licence next following the date of the relevant determination.

(c) No biennial determination shall have effect so as to reduce the annual payments below the levels set out in subparagraph (1) above.

(d) The Minister shall not make a biennial determination increasing or reducing the amounts payable where that increase or reduction would be 5% or less of the levels set following the previous biennial determination.

(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.



THIS IS SCHEDULE 3 REFERRED TO IN THE FOREGOING LICENCE NUMBER P.975 BETWEEN

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY AND BP EXPLORATION OPERATING

COMPANY LIMITED

The appropriate percentage

For the purposes of this Licence the appropriate percentage (as defined in clause 10(1)) means $12\frac{1}{2}$ per centum.



THIS IS SCHEDULE 4 REFERRED TO IN THE FOREGOING LICENCE NUMBER

P.975 BETWEEN THE SECRETARY OF STATE FOR TRADE AND INDUSTRY AND BP

EXPLORATION OPERATING COMPANY LIMITED

INITIAL TERM WORKING OBLIGATIONS

The Licensee shall in respect of the licensed area:-

- (i) purchase 96 km² of speculative 3D seismic over 3/24b within one year of commencement of the Licence, or such longer period as the Minister may agree.



THIS IS SCHEDULE 5 REFERRED TO IN THE FOREGOING LICENCE NUMBER
P.975 BETWEEN THE SECRETARY OF STATE FOR TRADE AND INDUSTRY AND BP
EXPLORATION OPERATING COMPANY LIMITED

RESTRICTIONS AND CONDITIONS

Blocks 3/24b and 3/29d

B - Environmental/Seismic and Drilling

Some of the B conditions are imposed due to the presence at certain times of the year of concentrations of seabirds, seabird colonies, marine habitats and communities, cetaceans/sea mammals.

- Bli** At least 30 days prior to the commencement of any seismic survey or making a request for a well consent in accordance with the model clauses, the licensee shall consult with regard to the operations proposed-
- (i) the relevant Departments (see note 1 below);
 - (ii) the Crown Estate;
 - (iii) the Joint Nature Conservation Committee;
 - (iv) any organisation which the fisheries liaison officer consults in accordance with condition F1;
 - (v) where the licensee proposes to drill a well, the local authorities which the licensee consulted prior to agreeing an oil spill contingency plan [WHERE APPROPRIATE - in accordance with condition C3]; and
 - (vi) where the licensee proposes to conduct a seismic survey, the local authorities for the coastline adjacent to the block [WHERE APPROPRIATE].

and shall notify the Secretary of State in writing of the result of those consultations. The licensee shall comply with any directions given by the Secretary of State in relation to any planned seismic activity (see note 2 below).

- Blii** No seismic survey shall be undertaken during the periods 1 January - 31 May (SOAEFD) and 1 June - 30 June (SOAEFD) in any year.

25 Seismic exploration shall be conducted in accordance with the Guidelines for the Minimisation of Acoustic Disturbance to Small Cetaceans published by the Department of the Environment, Transport and the Regions (DETR).

Notes:

1. Relevant Departments: Department of the Environment, Transport and the Regions (DETR); Ministry of Agriculture Fisheries and Food (MAFF); Scottish Office Agriculture, Environment and Fisheries Department (SOAEFD).
2. The Secretary of State will take into account any notification made by the licensee in accordance with this condition in determining whether to grant any well consent requested and whether to make that consent conditional.

C - Oil spills

Applicants are advised to consult PON 1 (Oil Pollution).

Some of the C conditions are imposed due to the presence at certain times of the year of concentrations of seabirds, seabird colonies, marine habitats and communities, cetaceans/sea mammals.

- C1** Before commencing any activity (other than seismic surveying) authorised by the licence, the licensee shall have in place an oil spill contingency plan which has been approved in writing by the Secretary of State.
- C3** Unless the Secretary of State, after consultation with the relevant bodies (see note 1 below), waives the requirements contained in this condition, the licensee shall at least six months prior to requesting the consent of the Secretary of State to the drilling of a well during the period 1 October - 31 December (JNCC) in any year, consult the Secretary of State, the Marine Pollution Control Unit of the Coastguard Agency, the local authorities for any areas which may be affected by any oil spills from the licensed area and the relevant bodies (see note 1 below) with proposals for an oil spill contingency plan for each well to be drilled in the block. The plan shall make provision for the Essential Elements set out in Annex A to these conditions. The licensee shall adopt the oil spill contingency plan in a form approved by the Secretary of State. (See note 2 below).
- C4** Unless otherwise agreed with the Secretary of State, after consultation with other relevant bodies (see note 1 below), the transfer of all bulk fuel and oil based lubricants between any supply vessel and any offshore installation during the period 1 October - 31 December (JNCC) in any year, shall take place by day and in good weather. Transfers during this period shall also be made with the supply vessel at anchor, where practical, and, where relevant, at slack water.

- C5 Unless otherwise agreed with the Secretary of State, after consultation with the relevant bodies (see note 1 below), all oil spills from any supply vessel and any offshore installation in the licensed area during the period 1 October - 31 December (JNCC) in any year shall be cleaned up immediately while they are in the vicinity of the vessel or installation, and by methods previously agreed in accordance with condition C1/C3 with those bodies.
- C6 Unless otherwise agreed with the Secretary of State after consultation with the other relevant bodies (see note 1 below), there shall be no transfer of hydrocarbons resulting from extended well testing during the period 1 October - 31 December (JNCC) in any year.

Notes:

1. The relevant bodies are: Department of the Environment, Transport and the Regions (DETR); Ministry of Agriculture Fisheries and Food (MAFF); Scottish Office Agriculture, Environment and Fisheries Department (SOAEFD); Joint Nature Conservation Committee (JNCC).
2. The Secretary of State will take into account whether the licensee has adopted an oil spill contingency plan in accordance with this condition in determining whether to grant any well consent requested by the licensee and whether to make that consent conditional.

**ESSENTIAL ELEMENTS TO BE INCLUDED IN OIL SPILL CONTINGENCY ARRANGEMENTS
FOR EXPLORATION AND PRODUCTION ACTIVITIES ON BLOCKS IN OR CLOSE TO
ENVIRONMENTAL SENSITIVE AREAS.**

An oil spill contingency plan prepared in accordance with Condition C3 shall detail arrangements made to meet the following requirements -

1. The presence near the installation at all times of a vessel which:
 - a) has the capability of spraying dispersant within 30 minutes of receipt of notification of a spill; and
 - b) has stocks sufficient to deal with a spill of 10 tonnes and, if required, to have the capability, in terms of equipment and capacity, of recovering oil likely to be lost from the installation under a Tier 1 scenario.
2. Back-up (Tier 2) resources of similar capability to those in 1(b) above, to deal with a 250 tonne/day oil spill to be available on scene within half the minimum time taken for the oil to reach to shore under 30 knot wind conditions.

3. Details of resources to deal with a Tier 3 incident (ie an oil spill that cannot be controlled by Tier 1 or Tier 2 resources), including sources and transport and delivery system.

4. Details of arrangements with local authorities for the methods to be employed to treat or disperse any oil that reaches the coastline, including details of arrangements made for any remedial measures.

5. Details of the arrangements for aerial surveillance within four hours of any incident, which results in an oil spill within the licensed area. Surveillance should be carried out at least twice per 24 hour period until such time as no oil is visible on the sea.

6. Details of availability (either on the installation or elsewhere) of charts and of trained personnel to plot the anticipated path of any oil spill from the licensed area. Trained personnel should be capable of performing either surface current +3% wind speed calculations or familiar with oil spill computer models.

7. Details of availability of personnel to carry out the operations described in paragraphs 1 - 6 above.

8. Details of features in the environment susceptible to oil pollution within 24 nautical miles of the proposed well site.

