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(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 1038/79

of 24 May 1979

on Community support for a hydrocarbon exploration project in Greenland

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof,

Having regard to the proposals from the Commission (1),

Having regard to the opinion of the European Parliament (2),

Having regard to the opinion of the Economic and Social Committee (3),

Whereas a proposal for a Regulation on support for joint hydrocarbon exploration projects and a proposal for an implementing Regulation have been put before the Council, as amended on 7 August 1978 ;

Whereas, by its Decision of 21 December 1978, the Council established a Working Party to carry out certain tasks in connection with the possible granting of such support, subject to the statement contained in paragraph 3 of that Decision, which statement is, to the extent applicable, to be regarded as forming an integral part of this Regulation ;

Whereas a hydrocarbon exploration project to be carried out in Greenland is of an urgent nature,

HAS ADOPTED THIS REGULATION :

Article 1

The hydrocarbon exploration project set out in the Annex shall receive Community support up to a maximum amount of 3 450 000 European units of account in the form of subsidies repayable if the data obtained are exploited commercially.

Article 2

The amount of the subsidies shall be calculated by applying a rate of 75 % to the project cost, as checked and agreed by the Commission, within the limit of the maximum amount stipulated in Article 1.

Article 3

Following the granting by the Member State concerned of licences and rights necessary for carrying out the project, the Commission shall, after consulting that State, negotiate and conclude a contract with the Geological Survey of Greenland laying down the arrangements for payment of the support.

The Commission shall administer the contract.

Article 4

Those responsible for carrying out the project shall submit an annual report to the Commission on the progress of the work and on the expenditure incurred.

Representatives of the Commission shall have access at all times to the technical and financial documents relating to the progress of the project.

Article 5

All information gathered by the Commission pursuant to this Regulation shall be confidential, without prejudice, however, to the sale of the commercial results.

Article 6

The Commission shall report annually to the European Parliament and to the Council on the progress of the project and on the results achieved. Without prejudice to Article 5, the Commission report shall supply the information necessary for an assessment of the commercial prospects of the project.

Article 7

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Communities.*

(1) OJ No C 18, 25. 1. 1975, p. 3 ; OJ No C 200, 22. 8. 1978, p. 5.
(2) OJ No C 131, 5. 6. 1978, p. 17.
(3) OJ No C 108, 15. 5. 1975, p. 55.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 24 May 1979.

For the Council

The President

J. FRANÇOIS-PONCET

ANNEX

NAD PROJECT

Situation

South-eastern and eastern part of the continental shelf of Greenland between 59° N and 78° N.

Project description

— Detailed studies of existing aeromagnetic lines on the continental shelf to the south-east and east of Greenland and necessary exploration feasibility studies (especially of ice conditions in this area).
— Geophysical work, including seismic surveys.
— Detailed geophysical work in order to determine possible drilling targets.

Importance of the project

Initial aeromagnetic prospecting of a general nature shows the probable existence of a very extensive sedimentary basin with a sediment thickness of up to 10 000 m. If the geological data obtained on shore are extrapolated, there is a case for thinking that these marine sediments are likely to contain excellent oil-bearing structures. Information from the aeromagnetic surveys and from marine geophysical work already done by scientific institutes will be used to define the sedimentary basins as closely as possible and thus to provide the best possible basis for planning the marine geophysical line layout for the project. Because of ice conditions, marine work will be almost entirely restricted to the area south of 72° N.

Proposed support

	Cost	Rate of support	Corresponding amount
Geophysical work	4 600 000 EUA	75 %	3 450 000 EUA

The Danish Government is granting support amounting to 25 % of this cost.

Execution

The work described above will be carried out under the auspices of the Geological Survey of Greenland, which will be responsible for the planning and execution of the entire project. The acquisition of data in the field will be entrusted to companies, following an invitation to tender published in the *Official Journal of the European Communities.*

Contract

The support contract will not be concluded until the licences and rights required for carrying out the project have been granted by the Danish authorities.

Repayment

All data will be made available on payment of a sum covering reproduction costs. If the results of the abovementioned work are not exploited commercially by the Geological Survey of Greenland, there will be no repayment of the subsidies.