(2) Such Certificates shall be deemed to be valid for the purpose of paragraph 2(*a*)(ii) of Regulation 35 and to continue, subject to the provisions of paragraph 6, to be so valid unless subsequently withdrawn.

Review

4. The validity of a Certificate shall be reviewed each month.

Withdrawal of Certificate

5. The Ministry shall, by notice in writing, withdraw the Certificate from the holder whose milk has passed the test on fewer than five occasions out of the previous seven consecutive tests.

Application of Certificate

6. Save at the Ministry's discretion, a Certificate shall apply only to the licence-holder to whom it is issued."

Sealed with the Official Seal of the Ministry of Agriculture for Northern Ireland this 12th day of March, nineteen hundred and sixty-five.

(L.S.) *(Sgd.) W. G. Malcolm,*
Assistant Secretary.

EXPLANATORY NOTE

(This note is not part of the Regulations but is intended to indicate their general purport.)

These Regulations modify the conditions for the holding and regaining of Certificates of Superior Hygienic Quality.

1965. No. 47 **[C]**

PETROLEUM PRODUCTION

Licences

REGULATIONS, DATED 10TH MARCH, 1965, MADE BY THE MINISTRY OF COMMERCE, UNDER SECTIONS 2 AND 13 OF THE PETROLEUM (PRODUCTION) ACT (NORTHERN IRELAND) 1964.

The Ministry of Commerce, in exercise of the powers conferred on it by sections 2 and 13 of the Petroleum (Production) Act (Northern Ireland) 1964(a) and of all other powers enabling it in that behalf hereby makes the following Regulations:—

Citation and Commencement

1. These Regulations may be cited as the Petroleum Production (Licences) Regulations (Northern Ireland) 1965 and shall come into operation on 15th March, 1965.

Applicants for licences

2. Any person may apply in accordance with these Regulations for a licence to search and bore for and get petroleum.

(a) 1964. c. 28 (N.I.).

Applications for licences

3.—(1) An application for a licence shall be made in writing to the Ministry of Commerce (in these Regulations referred to as "the Ministry") and shall be in the form set out in Schedule 1 and shall be accompanied by—

(*a*) appropriate evidence in support of the matters referred to in that Schedule and in particular in the case of an application from an alien or from a body corporate incorporated outside the United Kingdom, full particulars of any body corporate incorporated in, or proposed to be incorporated in, the United Kingdom in whose name it is intended that the licence shall be taken out;

(*b*) the prescribed fee;

(*c*) two copies of the one inch Ordnance Survey Map or such other Ordnance Survey Map as may be required by the Ministry upon which shall be delineated the boundaries of the area in respect of which a licence is applied for.

(2) An applicant for a licence, upon request by the Ministry, shall furnish such further information or evidence as may be required by the Ministry in connection with the application, and if such further information or evidence shall not have been furnished to the satisfaction of the Ministry within two months of the request therefor, the application shall unless the Ministry otherwise determines be void.

(3) If any of the matters stated in an application or any information or evidence furnished in connection therewith shall change after the application is made but before a licence is granted or before the Ministry informs the applicant that the application is refused, the applicant shall forthwith give notice in writing to the Ministry giving particulars of the change.

(4) All information comprised in, or furnished to the Ministry in connection with, an application made in accordance with these Regulations shall be treated by the Ministry as confidential.

(5) Nothing in these Regulations shall prevent a licence being held jointly by more than one person or more than one licence being granted to the same licensee.

Fees

4. With every application for a licence there shall be paid a fee at the rate of one pound for each square mile applied for, but if and so far as the application is refused the Ministry shall repay to the applicant three-quarters of the fee relating to the area in respect of which a licence is not granted.

Extent of areas of licences

5.—(1) A licence may be granted in respect of such area as the Ministry may determine.

(2) Where an applicant requires a licence for two or more separate areas, a separate application shall be made in respect of each such area but the Ministry may grant to such applicant one licence in respect of two or more such areas.

6. Every licence shall incorporate (directly or by reference) such of the model clauses in Schedule 2 as the Ministry shall think fit.

Sealed with the Official Seal of the Ministry of Commerce for Northern Ireland this tenth day of March, 1965.

(L.S.) *H. Ruben,*
Assistant Secretary.

SCHEDULE 1

PETROLEUM (PRODUCTION) ACT (NORTHERN IRELAND) 1964

Form of Application for a Licence to search and bore for and get Petroleum (to be sent to the Secretary, Ministry of Commerce, Belfast)

1. Name(s) of Applicant(s) in full.

2. If application is by an individual or individuals, in each case state—

(*a*) Permanent residential address
(*b*) Nationality with accompanying evidence thereof
(*c*) Occupation.

3. If application is by a body corporate or bodies corporate, in each case state—

(*a*) Date and place of incorporation
(*b*) Nature of business carried on
(*c*) Principal place of business
(*d*) Place of central management and control
(*e*) Particulars of the members of the board of directors or other governing body of the body corporate, as follows:—

(1) *Full names*	(2) *Permanent residential addresses*	(3) *Nationalities*

(*f*) Particulars of capital authorised and issued as follows:—

(1) *Class of Capital*	(2) *Amount authorised*	(3) *Amount issued*	(4) *Voting rights of each class*

Column (4) need not be completed if a copy of the memorandum and articles of association, or other document setting out or defining the constitution of the body corporate accompanies the application

(*g*) Particulars of all holdings of not less than 5 per cent. in number or value of any class of capital which has been issued by the body corporate as follows:—

(1) *Name of holder and names of joint holders in full*	(2) *Class of holding*	(3) *Amount*	(4) *Nationality of holder(s)*

(*h*) Particulars of all capital issued to bearer as follows:—

(1) *Class of Capital*	(2) *Total amount issued*	(3) *Amount issued to bearer*

4. Situation and approximate size of the area for which application is made.

5. Brief particulars of previous experience in oil prospecting or oilfield development work.

6. Names and qualifications of technical experts or advisers.

7. State amount of capital for operations under the licence applied for
(*a*) at present available
(*b*) which applicant(s) can make available and the source.

8. If any applicant is an alien, or a body corporate incorporated outside the United Kingdom, state full particulars of any body corporate, incorporated in, or proposed to be incorporated in, the United Kingdom in whose name it is intended that the licence shall be taken out, including where practicable particulars similar to those specified in 3 and 6 above.

I/We hereby declare that the information given above or annexed to this application is correct.

Date:..... Signature of Applicant(s).....
(If an applicant is a body corporate, state capacity in which application is signed.)

SCHEDULE 2

Model Clauses

Interpretation

1.—(1) In the following Clauses:—

"the Act" means the Petroleum (Production) Act (Northern Ireland) 1964;

"Licensee" means the person to whom the Licence is granted, his personal representatives or any person or persons to whom the rights conferred by the Licence may lawfully have been assigned;

"the licensed area" means the area for the time being upon which the Licensee may exercise the rights granted by the Licence;

the expressions "petroleum", "crude oil", "casinghead petroleum spirit" and "natural gas" have the meanings respectively assigned to them in section 15 of the Act;

"ancillary right" means any facility, right or privilege other than rights granted by the Licence at any time vested in the Licensee in respect of any part of the licensed area;

"the Ministry" means the Ministry of Commerce.

(2) Where a Licence is granted to or held by more than one person the obligations which are to be observed and performed under the Licence shall be joint and several obligations.

Term of Licence

2.—(1) The Licence unless sooner determined under any of the provisions thereof shall be and continue in force for the term of five years from the commencing date therein stated (hereinafter called "the initial term").

(2) If at any time not later than three months before the expiry of the initial term

(*a*) the Licensee makes application in writing to the Ministry for a renewal of the Licence for a further term of five years (hereinafter called "the five year renewal term"), and

(*b*) the Licensee has fully observed and performed the terms and conditions of the Licence

the Ministry shall grant such renewal but subject to the condition that the Licensee shall be required to surrender such part as shall be not less than one-fourth of the area originally granted by the Licence.

(3) If at any time not later than three months before the expiry of the five year renewal term

(*a*) there is located in the area then comprised in the Licence a well or wells producing or which can be shown to the satisfaction of the Ministry to be capable of producing petroleum in commercial quantities; and

(*b*) the Licensee makes application in writing to the Ministry for a renewal of the Licence for a further term of thirty years (hereinafter called "the thirty year renewal term"); and

(*c*) the Licensee has fully observed and performed the terms and conditions of the Licence

the Ministry shall grant such renewal but subject to the condition that the Licensee shall be required to surrender such part as shall be together with the area surrendered under sub-paragraph (2) not less than one half of the area originally granted by the Licence.

(4) Each of the parts surrendered under the foregoing sub-clauses may be made up of such number of separate areas as the Ministry may approve, but so that each such area shall not be less than one twenty-fifth part of the area originally granted by the Licence and shall be in the shape of a rectangle of which the length shall not exceed three times the width, or of such other shape as the Ministry may approve.

Right of Licensee to determine Licence

3. Without prejudice to any obligation or liability imposed by or incurred under the terms and conditions thereof the Licensee may determine the Licence by giving to the Ministry previous notice in writing of not less than three months in the case of the initial term and in the case of the five year renewal term, and of not less than eighteen months in the case of the thirty year renewal term.

Right of Licensee to surrender portions of the licensed area

4. Without prejudice to any obligation or liability imposed by or incurred under the terms and conditions thereof the Licensee may at any time during the currency of the Licence by giving six months' notice in writing to the Ministry surrender the rights granted in respect of any portion of the area to which the Licence relates: provided that any such portion shall (*a*) be taken into account when calculating the areas to be surrendered under sub-clauses (2) and (3) of the Clause the marginal whereof is "Term of Licence"; and (*b*) comply with the of sub-clause (4) of the same Clause.

5. Such royalties as shall be payab[le] Licence shall be paid to the Min[istry] of the period ending on 31st D[ecember] ment of the Licence and in [each] year during the currency of [the] the end of the last such [year] determination of the Licence from the end of the particul[ar]

[*Note*: *Provision will b[e made] payment of royalties as [to] petroleum obtained.*]

6. As soon as practicable af[ter] Licence the Licensee shall carry scheme of prospecting and develop[ment] survey by any physical or chemical [method] drilling or any of them agreed by the and set out in the Schedule to the petroleum shall at any time be found Licence the Licensee shall immediately during the remainder of the currency of ment of such petroleum to such extent as reasonably practicable.

Establishment of boundary marks

7. Where the area covered by the Licence [adjoins] another licensed area, the Licensee shall, if so required by the Ministry in writing, at any time during the currency of the Licence and so far as he lawfully may, install and maintain substantial boundary marks at every angle or corner of the boundary line of the licensed area. Such boundary marks shall be referenced by survey to at least two readily identifiable points in such a manner that the boundaries of the licensed area can be accordingly traced on the ground. The Licensee shall ensure that the area demarcated on the ground shall conform as closely as possible to the area delineated on the map attached to the Licence.

Unit Development

8.—(1) If at any time during the currency of the Licence the Ministry shall be satisfied that the licensed area or any part thereof forms part of a single geological petroleum structure or petroleum field (hereinafter referred to as "an oil field") in respect of other parts of which other licences granted in pursuance of the Act are then in force and the Ministry shall consider that it is in the public interest in order to secure the maximum ultimate recovery of petroleum and to avoid unnecessary competitive drilling that the oilfield should be worked and developed as a unit in co-operation by all the persons, including the Licensee, whose licences extend to or include any part thereof. the following provisions shall apply:—

(*a*) the Licensee shall, upon being so required by notice in writing by the Ministry, co-operate with such other persons, being persons holding licences under the Act in respect of any part or parts of the oilfield (hereinafter called "the other Licensees"), as may be specified in the said notice in the preparation of a scheme (hereinafter called "a development scheme") for the working and development of the oilfield as a unit by the Licensee and the other Licensees in co-operation, and shall, jointly with the other Licensees, submit such scheme for the approval of the Ministry;

(*b*) the said notice shall also contain a description by reference to a map of the area or areas in respect of which the Ministry requires a development scheme to be submitted and shall state the period within which such scheme is required to be submitted for the approval of the Ministry.

(2) If a development scheme shall not be submitted to the Ministry within the period specified in that behalf by the said notice, or if a development scheme submitted in pursuance of the foregoing provisions of this Clause shall not be approved by the Ministry, the Ministry shall itself prepare a development scheme which shall be fair and equitable to the Licensee and the other Licensees, and the Licensee shall perform and observe all the terms and conditions thereof.

(3) If the Licensee shall object to any such development scheme prepared by the Ministry, he may within twenty-eight days from the date on which notice in writing of the said scheme shall have been given to him by the Ministry refer the matter to arbitration in accordance with the provisions of the Arbitration Act (Northern Ireland) 1937, the arbitrator to be appointed by agreement between the Ministry, the Licensee and the other Licensees: provided that notwithstanding any such reference to arbitration the Licensee shall, unless the arbitrator otherwise determines, perform and observe the terms and conditions of the development scheme pending the decision of the arbitrator.

Local resident manager

9. The Licensee shall, before commencing any operations in the licensed area, furnish to the Ministry the name and address of the manager resident in Northern Ireland under whose supervision such operations are to be carried on. Any notice which the Ministry or any person authorised by it is in accordance with the terms of the Licence required or entitled to serve upon the Licensee shall be sufficiently served if the same shall be delivered or sent by post to such manager at such address.

Avoidance of harmful methods of working

10.—(1) The Licensee shall maintain all apparatus and appliances and all boreholes and wells in the licensed area in good repair and condition and shall execute all operations in

or in connection with the licensed area in a proper and workmanlike manner in accordance with methods and practice customarily used in good oilfield practice and without prejudice to the generality of the foregoing provision the Licensee shall take all steps practicable in order:—

(*a*) to control the flow and to prevent the escape or waste of petroleum discovered in or obtained from the licensed area;

(*b*) to conserve the licensed area for productive operations;

(*c*) to prevent damage to adjoining petroleum bearing strata;

(*d*) to prevent the entrance of water through wells to petroleum bearing strata except for the purposes of secondary recovery; and

(*e*) to prevent the escape of petroleum into any water, well, spring, stream, river, lake, reservoir, estuary or harbour.

(2) The Licensee shall comply with any instructions from time to time given by the Ministry in writing relating to any of the matters set out in sub-clause (1) hereof. If the Licensee objects to any such instruction on the ground that it is unreasonable, he may, within fourteen days from the date on which the same was given, refer the matter to arbitration in the manner provided by the Clause the marginal note whereof is "Arbitration".

(3) The Licensee shall give notice to the Ministry of any event causing escape or waste of petroleum, damage to petroleum bearing strata or entrance of water through wells to petroleum bearing strata, except for the purposes of secondary recovery, within three days of the occurrence of that event or, in the case of an event the happening of which is not immediately apparent, within three days of the time when the happening thereof might reasonably have become known to the Licensee.

Compensation for damage

11. Where any person suffers any damage or injury resulting from or arising out of the exercise by the Licensee of any right authorised by the Licence or of any ancillary right which the Licensee is authorised to exercise by virtue of section 3 of the Act, the Licensee shall make to such person reasonable amends and satisfaction therefor.

Preservation of amenities

12. The Licensee shall carry out all operations within the licensed area in such a manner as not to interfere unnecessarily with the amenities of the locality in which the licensed area is situate.

Safety, health and welfare of employees

13. The Licensee shall comply with any reasonable instructions from time to time given by the Ministry in writing for securing the safety, health and welfare of persons employed in or about the licensed area.

Notice of site and commencement of boreholes and wells

14.—(1) As soon as the site of any borehole or well has been decided the Licensee shall notify the Ministry in writing of the situation thereof and the same shall be described by a certain number in the plans and records which the Licensee is required to keep under the provisions of the Licence.

(2) No borehole or well shall be commenced and no borehole or well shall be recommenced after work has been discontinued thereat for more than six months unless two weeks' notice in writing shall first have been given to the Ministry.

Distance of drilling from boundaries

15. No borehole or well shall be drilled or made within a distance of a quarter mile from the boundaries of the licensed area without the consent in writing of the Ministry, or within a distance of three hundred feet from any building or structure without the consent in writing of the owner thereof.

Measurement of petroleum obtained from the licensed area

16.—(1) The Licensee shall measure or weigh by a method or methods customarily used in good oilfield practice and from time to time approved by the Ministry all crude oil won and saved, all casinghead petroleum spirit recovered and all natural gas won and saved other than natural gas used for the purpose of carrying on drilling or production operations or pumping to field storage and refineries.

(2) The Licensee shall not make any alteration in the method or methods of measurement or weighing used by him or any appliances used for that purpose without the consent in writing of the Ministry and the Ministry may in any case require that no alteration shall be made save in the presence of a person authorised by the Ministry.

(3) The Ministry may from time to time direct that any measuring or weighing apparatus shall be tested or examined in such manner, upon such occasions or at such intervals and by such persons as may be specified by the Ministry's direction, and the Licensee shall pay such expenses for test or examination as the Ministry may specify.

(4) If any measuring or weighing appliance shall upon any such test or examination as is mentioned in the last foregoing sub-clause be found to be false or unjust the same shall, if the Ministry so determines, after considering any representations made in writing by the Licensee, be deemed to have existed in that condition during the period since the last occasion upon which the same was tested or examined.

Storage obligations

17. The Licensee shall use methods and practice customarily used in good oilfield practice for storing or otherwise confining the petroleum obtained from the licensed area.

Protection of mines and mineral deposits

18. Where any borehole or well drilled within the licensed area shall penetrate any mine workings or any workable mineral deposit the Licensee shall take such steps as may be necessary to prevent any water or petroleum in the borehole or well from entering such mine workings or workable deposit.

Notice of accident or fire

19. Notice shall be given to the Ministry by the Licensee within twenty-four hours of the occurrence of any accident or fire causing loss of life or serious personal injury or damage to property in or about the licensed area in relation to any employment or works connected with the purpose for which the Licence is granted.

Disposal of refuse, waste oil and salt water

20. The Licensee shall exercise due diligence to prevent injury or damage from or escape of refuse, waste oil and salt water and shall dispose of same in a safe and proper manner.

Disposal of crude oil, etc.

21. So long as the crude oil or products thereof or natural gas or products thereof obtained from the licensed area can be consumed in the United Kingdom, the Licensee shall if so required by the Ministry ensure that such crude oil or products thereof or natural gas or products thereof, shall be sold only for consumption in the United Kingdom.

Keeping of Accounts

22.—(1) The Licensee shall at all times during the currency of the Licence keep full and correct accounts which shall contain accurate entries of:—

(*a*) the quantity of crude oil won and saved from the licensed area; and

(*b*) the method and results of tests made on the crude oil; and

(*c*) the quantity of casinghead petroleum spirit recovered; and

(*d*) the quantity of crude oil and products thereof and casinghead petroleum spirit used for drilling or production operations or pumping to field storage and refineries; and

(*e*) the quantity of natural gas won and saved from the licensed area other than natural gas used for drilling or production operations or pumping to field storage and refineries; and

(*f*) the name and address of the person to whom any of the foregoing forms of petroleum has been supplied by the Licensee, the quantity so supplied and the price or other consideration therefor; and

(*g*) the quantity of natural gas sold to other Licensees for the purpose of repressuring the natural oil reservoir and the price or other consideration therefor; and

(*h*) such further particulars and statistics as the Ministry may from time to time require.

(2) The Licensee shall within three months after 31st December following the commencement of the Licence and of each subsequent calendar year during the currency of the Licence and of the period from the end of the last such year to the final expiry or determination of the Licence deliver to the Ministry (*a*) an abstract in a form from time to time approved by the Ministry of the accounts for each such period or year; and (*b*) for the purpose of calculating the royalties which the Licensee is required to pay to the Ministry a statement of value in a form from time to time approved by the Ministry of all quantities of crude oil won and saved, casinghead petroleum spirit recovered and natural gas won and saved during such period or year.

Plans and Records

23.—(1) The Licensee shall during the currency of the Licence furnish to the Ministry on or before the fifteenth day of each month or at such other specified intervals as the Ministry may in its discretion determine a record in a form from time to time approved by the Ministry of the progress of the Licensee's operations in the licensed area. Such record shall contain:—

(*a*) the number assigned to each borehole or well, including any change of such number which has been made during the month or other specified interval, and in the case of any borehole or well which was begun, or the number of which has been changed during such period, the site and surface height thereof; and

(*b*) a statement of the depth drilled in each borehole or well; and

(*c*) a statement of any petroleum, water, mines or workable mineral deposit encountered in the course of the said operations; and

(*d*) a statement of all crude oil produced and casinghead petroleum spirit recovered; and

(*e*) a statement of all areas in which any geological work, including surveys by any physical or chemical means, has been carried out.

(2) Within two months after the end of each year of the Licence the Licensee shall furnish to the Ministry a record in a form from time to time approved by the Ministry of the operations conducted in the licensed area during each such year together with a plan upon a scale approved by the Ministry showing the situation of all boreholes or wells. The Licensee shall also indicate on the said plan:—

(*a*) all development and other works executed by him in connection with searching, boring for and getting petroleum; and

(*b*) full particulars of any ancillary rights acquired for the exercise of the rights granted by the Licence.

(3) The Licensee shall keep in Northern Ireland accurate geological plans and maps relating to the licensed area and such other records in relation thereto, including basic data obtained from surveys by any physical or chemical means, as may be necessary to preserve all information which the Licensee has about the geology of the licensed area.

(4) The Licensee shall furnish to the Ministry such other plans and information as to progress of operations in the licensed area as the Ministry may from time to time require.

Samples of strata, petroleum and water

24. As far as reasonably practicable the Licensee shall correctly label and preserve for reference for a period of six months characteristic samples of the strata encountered in every borehole or well and samples of all petroleum or water discovered in every borehole or well in the licensed area. The Ministry or any person authorised by it shall be entitled to require that representative specimens of each such sample be delivered to it and to retain each specimen so delivered.

Record of boreholes

25. The Licensee shall keep accurate records in a form from time to time approved by the Ministry of the drilling, deepening, plugging or abandonment of all boreholes and wells and of any alterations to the casing thereof. A log of all boreholes and wells shall be kept in a form from time to time approved by the Ministry containing particulars of the following matters:—

(*a*) the site, surface height of and number assigned to every borehole or well; and

(*b*) all physical and chemical tests performed in any borehole or well; and

(*c*) the subsoil and strata through which the borehole or well was drilled; and

(*d*) the casing inserted in any borehole or well and any alteration to such casing; and

(*e*) any petroleum, water, mine workings or workable mineral deposit encountered; and

(*f*) such other matters as the Ministry may from time to time require.

The Licensee shall deliver copies of the said records and log to the Ministry as and when required.

Reports to be treated as confidential

26. All logs, records, plans, maps, specimens and information which the Licensee is or may be from time to time required to furnish under the provisions of the Licence shall be supplied at the expense of the Licensee and shall (except with the consent

in writing of the Licensee which shall not be unreasonably withheld) be treated by the Ministry as confidential. The Ministry shall nevertheless be entitled at any time to make use of any information received from the Licensee for the purpose of preparing and publishing aggregate returns and general reports on the extent of operations under the Act.

Abandonment and plugging of boreholes

27.—(1) The Licensee shall give to the Ministry not less than seven days' previous notice in writing of his intention to abandon any producing borehole or well and no cemented string or other form of casing shall be withdrawn from any such borehole or well which it is proposed to abandon without the prior consent in writing of the Ministry.

(2) The Licensee shall give to the Ministry not less than twenty-four hours previous notice in writing of his intention to abandon any other borehole or well and no cemented string or other permanent form of casing shall be withdrawn from any such borehole or well which it is proposed to abandon if during that time the Ministry shall object to such withdrawal.

(3) Every borehole or well which the Licensee intends to abandon shall, unless the Ministry otherwise determines, be so securely plugged by the Licensee as to shut off in accordance with good oilfield practice all water from all petroleum bearing strata, mine workings or any workable mineral deposits.

(4) Before commencing to plug any producing borehole or well which it is intended to abandon, the Licensee shall submit to the Ministry for its approval particulars in writing of the method of plugging which it is proposed to adopt.

(5) The Ministry may in any case require that no borehole or well shall be plugged or any works be executed for that purpose save in the presence of a person authorised by it.

Expiry or determination of rights

28. Not less than one month before the determination or expiry of any right in respect of any part of the licensed area, whether any ancillary right or a right granted by the Licence, the Licensee shall, unless the Ministry otherwise determines, plug in accordance with good oilfield practice all boreholes and wells in that part of the licensed area.

Advertisements, Prospectuses, etc.

29. No statement shall be made either in any notice, advertisement, prospectus or other document issued by or to the knowledge of the Licensee, or in any other manner, claiming or suggesting whether expressly or by implication that the Government of Northern Ireland or any department or any person or body acting on behalf thereof has formed or expressed any opinion that the licensed area is, from its geological formation or otherwise, one in which petroleum is likely to be obtainable.

Indemnity

30. The Licensee shall at all times keep the Ministry effectually indemnified against all actions, proceedings, costs, charges, claims and demands whatsoever which may be made or brought against the Ministry by any third party by reason of any matter or thing done or purported to be done by the Licensee, his servants or agents under the Licence or any breach by the Licensee of the terms and conditions of the Licence.

Security

31.—(1) As security for the observance and performance by the Licensee of the terms and conditions hereof (including without prejudice to the generality of this sub-clause any obligation under the Clause the marginal note whereof is "Compensation for damage") the Licensee shall on the execution of the Licence furnish to the Ministry a Banker's Guarantee for a sum of

twenty-five pounds for each square mile of the licensed area to the intent nevertheless that the total sum comprised in the said Banker's Guarantee shall not be less than five thousand pounds.

(2) If the Licensee shall within twenty-eight days of the receipt from the Ministry of an account of expenditure incurred by the Ministry under the provisions of the Licence, fail to discharge any such account the Ministry may recoup itself for such expenditure from and to the extent of the Banker's Guarantee aforesaid.

(3) The provisions of sub-clause (2) shall not prejudice any other right of the Ministry under or by virtue of the security provided for by sub-clause (1).

Ancillary Rights

32.—(1) The Licensee shall give notice in writing to the Ministry forthwith upon the service or receipt by the Licensee of any notice as to the determination or forfeiture of any ancillary right and shall give at least six months' notice in writing to the Ministry of the date on which the term for any such right was granted will expire.

(2) The Licensee shall inform the Ministry in writing forthwith of the commencement of any action, suit, proceeding or arbitration either in connection with any ancillary right or arising out of the exercise of the rights and privileges granted by the Licence and shall furnish to the Ministry such information as to any such action, suit, proceeding or arbitration as the Ministry may from time to time require.

Assignment of Licence

33. The Licence shall not without the consent of the Ministry in writing assign or part with any of the rights granted by the Licence in relation to the whole or any part of the licensed area or grant any sub-licence in respect of any such rights.

Licensee ceasing to be a British citizen

34.—(1) If the Licensee being an individual shall cease to be a citizen of the United Kingdom and Colonies he shall forthwith inform the Ministry and apply for its consent to an assignment of the rights granted by the Licence and in the event of the Licensee failing to effect such assignment in accordance with the terms of the Clause the marginal note whereof is "Assignment of Licence" within such time as the Ministry may in its discretion appoint, the Ministry may revoke the Licence.

(2) The revocation of the Licence in pursuance of the foregoing provisions of this Clause shall be subject and without prejudice to any obligation or liability imposed by or incurred under the terms and conditions hereof.

Special Clause

35.—(1) At all times during the currency of the Licence unless the Ministry otherwise determines a majority of the persons employed by the Licensee in or about the licensed area in connection with the exercise of the rights granted by the Licence shall be citizens of the United Kingdom and Colonies.

(2) Where the Licensee or lawful assignee is a body corporate at least one of the directors thereof shall be a citizen of the United Kingdom and Colonies.

(3) The Licence shall be determined if the Licensee being a body corporate shall be or become controlled directly or indirectly by a national of or by a body corporate incorporated in any country the laws and customs of which do not permit citizens of the United Kingdom and Colonies or bodies corporate incorporated in the United Kingdom or bodies corporate incor-

porated in that country controlled directly or indirectly by citizens of the United Kingdom and Colonies or by bodies corporate incorporated in the United Kingdom to acquire, hold and operate petroleum concessions on conditions which in the opinion of the Ministry are reasonably comparable with the conditions upon which such rights are granted to nationals of that country with the addition of conditions corresponding to those imposed by this Clause.

Power of revocation

36. If and whenever the royalties or any part thereof payable in respect of the licence shall be in arrear for two months next after any of the days whereon the same ought to have been paid or if there shall be any breach or non-observance by the Licensee of any of the terms and conditions therein contained or if the Licensee shall become bankrupt or make or enter into any arrangement or composition with his creditors, or, if, where the Licensee is a body corporate, a Receiver shall be appointed or the body corporate shall enter into liquidation whether compulsory or voluntary (except a voluntary liquidation of a solvent company for the purpose of reconstruction) or if the Licensee shall fail to perform and observe the terms and conditions of any development scheme prepared in accordance with the provisions of the Clause the marginal note whereof is "Unit Development" or if the Licensee, being an individual shall cease to be resident in the United Kingdom, or being a body corporate, shall cease to have its central management and control in the United Kingdom then and in any such case the Ministry may revoke the Licence and thereupon the same and all the rights thereby granted shall cease and determine but subject nevertheless and without prejudice to any obligation or liability imposed by or incurred under the terms and conditions thereof.

Power to execute works and to inspect accounts, etc.

37.—(1) If the Licensee shall at any time fail to perform the obligations arising under the terms and conditions of any of the Clauses of the Licence whereof the marginal notes are as follows:—

(*a*) Avoidance of harmful methods of working:

(*b*) Compensation for damage:

(*c*) Safety, health and welfare of employees:

(*d*) Measurement of petroleum obtained from the licensed area:

(*e*) Storage obligations:

(*f*) Protection of mines and mineral deposits:

(*g*) Disposal of refuse, waste oil and salt water:

(*h*) Abandonment and plugging of boreholes:

(*i*) Expiry or determination of rights:

then and in any such case the Ministry shall be entitled, after giving to the Licensee notice in writing and a reasonable opportunity to make good such default, to execute any works or to pay any sum by way of compensation which in the opinion of the Ministry may be necessary to secure the performance of the said obligations or any of them and to recover the costs and expenses of so doing from the Licensee.

(2) Any person authorised by the Ministry may at all reasonable times inspect and make abstracts or copies of any logs, records, plans, maps or accounts which the Licensee is required to keep or make in accordance with the provisions of the Licence.

Rights of access and distress

38.—(1) The Licensee shall perform and observe all the terms and conditions of the Licence and shall allow any person or persons authorised by the Ministry at all reasonable times to enter into and upon any land for the time being possessed or occupied by the Licensee in the licensed area for the purposes hereinafter mentioned:—

(*a*) to examine the boreholes, walls, plant appliances, buildings and works made or executed by the Licensee in pursuance of the Licence and the state of repair and condition thereof; and

(*b*) to inspect and check the accuracy of the weighing or measuring appliances, weights, measurements, logs, records, plans and maps which the Licensee is required to keep or make in accordance with the provisions of the Licence; and

(*c*) to inspect the samples of strata, petroleum or water and the accounts which the Licensee is required to keep in accordance with the provisions of the Licence; and

(*d*) to execute any works which the Ministry may be entitled to execute in accordance with the provisions of the Licence.

(2) If and whenever any of the royalties reserved by the Licence or any part thereof respectively shall be in arrear or unpaid for twenty-eight days next after any of the days whereon the same ought to be paid (whether the same shall have been legally demanded or not) then and so often as the same may happen the Ministry may (as an additional remedy and without prejudice to the power of distress and other the rights and remedies to which it would be entitled) enter into and upon any land which shall for the time being be possessed or occupied by the Licensee for the purposes of the Licence or the exercise of any of the rights thereby granted and may seize and distrain and sell as landlords may do for rent in arrear all or any of the stocks of petroleum, and products thereof, horses, engines, machinery, tools, implements, chattels and effects belonging to the Licensee which shall be found in or upon the land so entered upon and out of the moneys arising from the sale of such distress may retain and pay all the arrears of the said royalties and also the costs and expenses incident to any such distress and sale rendering the surplus (if any) to the Licensee.

Arbitration

39. If at any time hereafter any dispute, difference or question shall arise between the Ministry and the Licensee touching the construction, meaning or effect of the Licence or any Clause or matter therein contained or any instruction given by the Ministry or the rights or liabilities of the Ministry and Licensee respectively under the Licence or otherwise however in relation to the premises, then every such dispute, difference or question shall, save where it is expressly provided by the Licence that the matter or thing to which the same relates shall be determined or decided by the Ministry or the Licensee, be referred to arbitration in accordance with the provisions of the Arbitration Act (Northern Ireland) 1937, the arbitrator to be appointed by agreement between the Ministry and the Licensee.

EXPLANATORY NOTE

(This Note is not part of the Regulations but is intended to indicate their general purport.)

These Regulations set out the requirements for applications for licences to search and bore for and get petroleum to be issued under the Petroleum (Production) Act (Northern Ireland) 1964. They also prescribe model clauses which may be incorporated in licences granted in pursuance of applications under these Regulations.

1965. No. 48 **[C]**

PETROLEUM PRODUCTION

Royalties

REGULATIONS, DATED 10TH MARCH, 1965, MADE BY THE MINISTRY OF COMMERCE WITH THE CONSENT OF THE MINISTRY OF FINANCE UNDER SECTIONS 2 AND 13 OF THE PETROLEUM (PRODUCTION) ACT (NORTHERN IRELAND) 1964.

The Ministry of Commerce in exercise of the powers conferred on it by sections 2 and 13 of the Petroleum (Production) Act (Northern Ireland) 1964(a) and of all other powers enabling it in that behalf with the consent of the Ministry of Finance hereby makes the following Regulations:—

Citation and Commencement

1. These Regulations may be cited as the Petroleum Production (Royalties) Regulations (Northern Ireland) 1965 and shall come into operation on 15th March, 1965.

Consideration

2. The consideration payable to the Ministry of Commerce (hereinafter referred to as "the Ministry") in respect of a licence granted under section 2 of the Petroleum (Production) Act (Northern Ireland) 1964(a) shall be by way of royalties calculated in manner hereinafter provided.

Calculation of Royalties

3. The royalties referred to in Regulation 2 shall be calculated at the rate of 7½ per cent. of the value of all

(*a*) crude oil won and saved; and

(*b*) casinghead petroleum spirit recovered; and

(*c*) natural gas won and saved

from the licensed area during the period ending on 31st December following the commencement of the licence, during each subsequent calendar year of the licence and during the period from the end of the last such year to the final expiry or determination of the licence: Provided that crude oil or casinghead petroleum spirit or natural gas used for drilling or production operations or pumping to field storage and refineries shall not be taken into account for the purposes of this Regulation.

(a) 1964. c. 28 (N.I.).