

## NOTICES FROM MEMBER STATES

### **United Kingdom Government notice concerning European Parliament and Council Directive 94/22/EEC on the conditions for granting and using authorisations for the prospection, exploration and production of hydrocarbons**

(Text with EEA relevance)

(2016/C 244/05)

#### **Announcement of United Kingdom 29th Offshore Oil and Gas Licensing Round**

**Department of Energy and Climate Change**

**The Petroleum Act 1998**

#### **Offshore Licensing Round**

1. The Secretary of State for Energy and Climate Change invites interested persons to apply for Seaward Production Licences in respect of certain acreage on the United Kingdom Continental Shelf.
2. Full details of the offer, including lists and maps of the acreage on offer and guidance about licences, the terms which those licences will include, and how to apply, are available on the gov.uk website (see below).
3. All applications will be determined in accordance with the terms of the Hydrocarbons Licensing Directive Regulations 1995 (S.I. 1995 No 1434), the Petroleum Licensing (Applications) Regulations 2015 (SI 2015 No 766) and the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015 (SI 2015 No 385). Further guidance in relation to all safety and environmental requirements can be found at [www.hse.gov.uk/osdr/assets/docs/osd-licensing-operatorship-safety-environmental-aspects%20.pdf](http://www.hse.gov.uk/osdr/assets/docs/osd-licensing-operatorship-safety-environmental-aspects%20.pdf). Determinations will be made against a background of the continuing need for expeditious, thorough, efficient and safe exploration to identify the United Kingdom's oil and gas resources with due regard to environmental considerations.

#### **Innovate Framework**

4. Licence applications will be considered in light of a new innovative approach being taken for Initial Term Work Programmes ('Work Programmes') for licences, which utilises the flexibility provided under the current Model Clauses. These Work Programmes will incorporate a flexible combination of up to three Phases (A, B and C) in the Initial Term. This will help to ensure Work Programmes for the block(s) that are being applied for are appropriate to the geotechnical and other challenges that must be addressed in an area, whilst optimising the factors listed in Paragraph 3. The flexibility afforded by the combination of up to three phases also enables applicants to design a Work Programme which is appropriate for their own particular plans and requirements.

Phase A of the Work Programme comprises a period in which Geotechnical Studies and Geophysical Data Reprocessing will be undertaken; Phase B of the Work Programme will be a period in which New Seismic data will be Shot; Phase C of the Work Programme will be for exploratory and/or appraisal drilling. Applicants may decide the Phase combination, whether all three Phases, straight to Phase B followed by Phase C, straight to Phase C, or Phase A direct to Phase C.

Phase A and Phase B are not mandatory and may not be appropriate in particular circumstances, but every application must propose a Phase C, except where the applicant doesn't think any exploration is needed and proposes to go straight to development (i.e. 'straight to Second Term').

All licences awarded in this round will have an Initial Term of up to 9 years duration and may contain surrender provisions in accordance with clause 5 of the current Model Clauses.

5. Applications where the starting Phase is Phase A or B will be judged on the basis of the following criteria:
  - (a) The financial viability of the applicant;
  - (b) The technical capability of the applicant which will be assessed in part as demonstrated by the quality of analysis related to the block;

- (c) The way in which the applicant proposes to carry out the activities that would be permitted under the licence, including the quality of the Work Programme submitted for evaluating the full potential of the area applied for; and
- (d) Where the applicant holds or has held a licence granted under or treated as having been granted under the Petroleum Act 1998, any lack of efficiency and responsibility displayed by the applicant in operations under that licence.

In accordance with the current Model Clauses, licences with a Phase B will specify a time period under clause 4(2) so the licence will expire at the end of this phase if the Licensee has not satisfied DECC of its technical and financial capability to complete the Work Programme. For licences with a Phase A but no Phase B, the licence will also specify a period under clause 4(2) so the licence will expire at the end of this phase if the Licensee has not satisfied DECC of its technical and financial capability to complete the Work Programme.

6. Applications where the starting Phase is Phase C will be judged on the basis of the following criteria:

- (a) the financial viability of the applicant and its financial capacity to carry out the activities that would be permitted under the licence during the Initial Term including the Work Programme submitted for evaluating the full potential of the area within the block;
- (b) the technical capability of the applicant to carry out activities that would be permitted under the licence during the Initial Term, including the identification, delineation and analysis of hydrocarbon prospects within the block. The technical capability will be assessed in part upon the quality of the applicant's analysis related to the block;
- (c) the way in which the applicant proposes to carry out the activities that would be permitted under the licence, including the quality of the Work Programme submitted for evaluating the full potential of the area applied for; and
- (d) where the applicant holds or has held a licence granted under or treated as having been granted under the Petroleum Act 1998, any lack of efficiency and responsibility displayed by the applicant in operations under that licence.

### **Guidance**

7. Further guidance can be viewed on the gov.uk website: <https://www.gov.uk/oil-and-gas-licensing-rounds>

### **Licence Offers**

- 8. Unless an Appropriate Assessment in relation to a particular Block is required (see Para. 11 below), any offer by the Secretary of State of a licence pursuant to this invitation, will be made within eighteen months of the date of this Notice.
- 9. The Secretary of State accepts no liability for any costs incurred by the applicant in considering or making its application.

### **Environmental Assessments**

10. The Secretary of State has conducted a Strategic Environmental Assessment (SEA) pursuant to Directive 2001/42/EC on the Assessment of the Effects of Certain Plans and Programmes on the Environment of all of the areas to be offered in this Round. The findings of that SEA can be found at the gov.uk offshore energy SEA website:

<https://www.gov.uk/offshore-energy-strategic-environmental-assessment-sea-an-overview-of-the-sea-process>

11. Licences pursuant to this invitation will only be offered if, in accordance with the Habitats Directive (Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora):

- (a) the activities to be carried out under the licence are not likely to have a significant effect on the management of a Special Area of Conservation(SAC) or Special Protection Area (SPA); or if
- (b) an Appropriate Assessment has ascertained that the activities will have no adverse effects on the integrity of such SACs or SPAs; or

- (c) in a case where the activities are assessed as likely to cause such adverse effects, subject to
- (i) there being imperative reasons of overriding public interest for awarding the licence,
  - (ii) the taking of appropriate compensatory measures, and
  - (iii) there being no alternative solutions.

12. Contact: Ricki Kiff, The Oil and Gas Authority, 21 Bloomsbury Street, London WC1B 3HF, United Kingdom.  
(Tel. +44 3000671637).

The gov.uk website: <https://www.gov.uk/oil-and-gas-licensing-rounds>

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