
STATUTORY INSTRUMENTS

2004 No. 352

PETROLEUM

**The Petroleum Licensing (Exploration and Production)
(Seaward and Landward Areas) Regulations 2004**

Made - - - - *11th February 2004*
Laid before Parliament *12th February 2004*
Coming into force *5th March 2004*

**THE PETROLEUM LICENSING (EXPLORATION
AND PRODUCTION) (SEAWARD AND
LANDWARD AREAS) REGULATIONS 2004**

1. Citation and Commencement
 2. Interpretation
 3. Model Clauses
- Signature

SCHEDULE 1 — MODEL CLAUSES FOR EXPLORATION LICENCES

1. Interpretation
2. Grant of Licence
3. Prospecting methods
4. Term of licence
5. Right of Licensee to determine licence
6. Payment of consideration for licence
7. Commencement, abandonment and plugging of Wells
8. Distance of Wells from boundaries of Exploration Area
9. Avoidance of harmful methods of working
10. Fishing and navigation
11. Licensee to keep records
12. Returns
13. Licensee to keep samples
14. Reports to be treated as confidential
15. Power to inspect records
16. Rights of access
17. Power to execute works

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Petroleum Licensing (Exploration and Production) (Seaward and Landward Areas) Regulations 2004. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

18. Indemnity against third party claims
19. Agreement not to assign
20. Power of revocation
21. Arbitration
22. Ministry of Defence
23. Department for the Environment Food and Rural Affairs/Scottish Executive

SCHEDULE 2 — MODEL CLAUSES FOR PRODUCTION LICENCES RELATING TO FRONTIER AREAS—NO BREAK CLAUSE

1. Interpretation, etc
2. Grant of Licence
3. Term of Licence
4. Option to continue Licence into a Second Term
5. Option to Continue Licence into a Third Term
6. Option to continue the Licence after the Third Term
7. Power further to extend term of Licence
8. Right of Licensee to determine Licence or surrender part of Licensed Area
9. Areas surrendered
10. Payment of consideration for Licence
11. Measurement of Petroleum obtained from the Licensed Area
12. Keeping of accounts
13. Working obligations
14. Development and production programmes
15. Provisions supplementary to clause 14
16. Commencement and abandonment and plugging of Wells
17. Distance of Wells from boundaries of Licensed Area
18. Control of Development Wells
19. Provision of storage tanks, pipes, pipelines or other receptacles
20. Avoidance of harmful methods of working
21. Appointment of operators
22. Fishing and navigation
23. Training
24. Unit development
25. Directions as to Oil Fields across boundaries
26. Licensee to keep records
27. Returns
28. Licensee to keep samples
29. Reports to be treated as confidential
30. Inspection of records etc.
31. Rights of access
32. Power to execute works
33. Right of distress
34. Diligence
35. Indemnity against third party claims
36. Advertisements, prospectuses etc.
37. Restrictions on assignment, etc.
38. Power of revocation
39. Arbitration
40. Ministry of Defence
41. Department for the Environment Food and Rural Affairs/Scottish Executive

SCHEDULE 3 — MODEL CLAUSES FOR PRODUCTION LICENCES RELATING TO FRONTIER AREAS—INCLUDING BREAK CLAUSE

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1. Interpretation, etc.
2. Grant of Licence
3. Term of Licence
4. Option to continue Licence into a Second Term
5. Expiry of the Licence on Failure to Complete Certain Work
6. Option to Continue Licence into a Third Term
7. Option to continue the Licence after the Third Term
8. Power further to extend term of Licence
9. Right of Licensee to determine Licence or surrender part of Licensed Area
10. Areas surrendered
11. Payment of consideration for Licence
12. Measurement of Petroleum obtained from the Licensed Area
13. Keeping of accounts
14. Working obligations
15. Development and production programmes
16. Provisions supplementary to clause 15
17. Commencement and abandonment and plugging of Wells
18. Distance of Wells from boundaries of Licensed Area
19. Control of Development Wells
20. Provision of storage tanks, pipes, pipelines or other receptacles
21. Avoidance of harmful methods of working
22. Appointment of operators
23. Fishing and navigation
24. Training
25. Unit development
26. Directions as to Oil Fields across boundaries
27. Licensee to keep records
28. Returns
29. Licensee to keep samples
30. Reports to be treated as confidential
31. Inspection of records etc.
32. Rights of access
33. Power to execute works
34. Right of distress
35. Diligence
36. Indemnity against third party claims
37. Advertisements, prospectuses etc.
38. Restrictions on assignment, etc.
39. Power of revocation
40. Arbitration
41. Ministry of Defence
42. Department for the Environment Food and Rural Affairs/Scottish Executive

SCHEDULE 4 — MODEL CLAUSES FOR STANDARD PRODUCTION LICENCES

1. Interpretation, etc.
2. Grant of Licence
3. Term of Licence
4. Option to continue Licence into a Second Term
5. Option to continue the Licence after the Second Term
6. Power further to extend term of Licence
7. Right of Licensee to determine Licence or surrender part of Licensed Area
8. Areas surrendered

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9. Payment of consideration for Licence
10. Measurement of Petroleum obtained from the Licensed Area
11. Keeping of accounts
12. Working obligations
13. Development and production programmes
14. Provisions supplementary to clause 13
15. Commencement and abandonment and plugging of Wells
16. Distance of Wells from boundaries of Licensed Area
17. Control of Development Wells
18. Provision of storage tanks, pipes, pipelines or other receptacles
19. Avoidance of harmful methods of working
20. Appointment of operators
21. Fishing and navigation
22. Training
23. Unit development
24. Directions as to Oil Fields across boundaries
25. Licensee to keep records
26. Returns
27. Licensee to keep samples
28. Reports to be treated as confidential
29. Inspection of records etc.
30. Rights of access
31. Power to execute works
32. Right of distress
33. Diligence
34. Indemnity against third party claims
35. Advertisements, prospectuses etc.
36. Restrictions on assignment, etc.
37. Power of revocation
38. Arbitration
39. Ministry of Defence
40. Department for the Environment Food and Rural Affairs/Scottish Executive

SCHEDULE 5 — TWO YEAR BREAK CLAUSE

1. After paragraph (1) of model clause 3 in Schedule 4...
2. For references to “the Work Programme” in model clauses 4(2)(b)...

SCHEDULE 6 — MODEL CLAUSES FOR PETROLEUM EXPLORATION AND DEVELOPMENT LICENCES

1. Interpretation
2. Right to search and bore for and get Petroleum
3. Term of Licence
4. Option to continue Licence as to part of the Licensed Area
5. Continuance of Licence after the Second Term
6. Power further to extend term of Licence
7. Right of Licensee to determine Licence or surrender part of Licensed Area
8. Consequences of determination or surrender by Licensee
9. Payment of consideration for Licence
10. Measurement of Petroleum obtained from the Licensed Area
11. Keeping of accounts
12. Working obligations
13. Development and production programmes
14. Provisions supplementary to clause 13

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Petroleum Licensing (Exploration and Production) (Seaward and Landward Areas) Regulations 2004. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

15. Commencement and abandonment and plugging of Wells
16. Distance of Wells from boundaries of Licensed Area
17. Control of Development Wells
18. Provision of storage tanks, pipes, pipelines or other receptacles
19. Avoidance of harmful methods of working
20. Appointment of operators
21. Fishing and navigation
22. Training
23. Unit development
24. Licensee to keep records
25. Returns
26. Licensee to keep samples
27. Reports to be treated as confidential
28. Inspection of records, etc.
29. Rights of access
30. Power to execute works
31. Right of distress
32. Diligence
33. Indemnity against third party claims
34. Advertisements, prospectuses, etc.
35. Restrictions on assignment, etc.
36. Power of revocation
37. Arbitration

SCHEDULE 7 — THREE YEAR BREAK CLAUSE

1. After paragraph (1) of model clause 3 in Schedule 6...
2. For references to “the Work Programme” in model clauses 4(1)(b)...

Explanatory Note

Changes to legislation:

There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Petroleum Licensing (Exploration and Production) (Seaward and Landward Areas) Regulations 2004. Any changes that have already been made by the team appear in the content and are referenced with annotations.

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Changes and effects yet to be applied to :

- Sch. 1 excluded by [S.I. 2009/2814 reg. 3](#)
- Sch. 1 clause 5A inserted by [2008 c. 32 Sch. 3 para. 16\(2\)](#)
- Sch. 1 clause 7(4A)-(4D) inserted by [2008 c. 32 Sch. 3 para. 16\(3\)\(b\)](#)
- Sch. 1 clause 20A inserted by [2008 c. 32 Sch. 3 para. 16\(4\)](#)
- Sch. 1 clause 20(2)(ee) inserted by [S.I. 2006/784 reg. 3\(7\)\(a\)](#)
- Sch. 1 clause 20(2)(c) words inserted by [S.I. 2006/784 reg. 3\(5\)\(a\)](#)
- Sch. 1 clause 20(2)(d) words inserted by [S.I. 2006/784 reg. 3\(5\)\(a\)](#)
- Sch. 1 clause 20(2)(e) words inserted by [S.I. 2006/784 reg. 3\(5\)\(a\)](#)
- Sch. 1 clause 20(2)(c) words inserted by [S.I. 2006/784 reg. 3\(6\)\(a\)](#)
- Sch. 1 clause 7(2) words substituted by [2008 c. 32 Sch. 3 para. 16\(3\)\(a\)](#)
- Sch. 1 words substituted by [S.I. 2007/3224 Sch. para. 41\(1\)](#)
- Sch. 1 words substituted by [S.I. 2009/229 Sch. 2 para. 14\(1\)](#)
- Sch. 2 excluded by [S.I. 2008/225 reg. 2\(2\)](#)
- Sch. 2 clause 9A inserted by [2008 c. 32 Sch. 3 para. 17\(2\)](#)
- Sch. 2 clause 16(5A)-(5D) inserted by [2008 c. 32 Sch. 3 para. 17\(3\)\(b\)](#)
- Sch. 2 clause 38A inserted by [2008 c. 32 Sch. 3 para. 17\(5\)](#)
- Sch. 2 clause 37A inserted by [2023 c. 52 Sch. 21 para. 48](#)
- Sch. 2 clause 38(2)(j)(k) inserted by [2023 c. 52 Sch. 21 para. 49\(2\)\(a\)](#)
- Sch. 2 clause 16(7A) inserted by [S.I. 2006/784 reg. 3\(3\)\(a\)](#)
- Sch. 2 clause 38(2)(ee) inserted by [S.I. 2006/784 reg. 3\(7\)\(b\)](#)
- Sch. 2 clause 38(3)-(5) omitted by [2023 c. 52 Sch. 21 para. 49\(3\)](#)
- Sch. 2 clause 38(1) substituted by [2023 c. 52 Sch. 21 para. 50\(2\)](#)
- Sch. 2 clause 16(9) substituted by [S.I. 2006/784 reg. 3\(4\)\(a\)](#)
- Sch. 2 clause 16(6) words inserted by [2008 c. 32 Sch. 3 para. 17\(3\)\(c\)](#)
- Sch. 2 clause 38(4) words inserted by [2008 c. 32 Sch. 3 para. 17\(4\)](#)
- Sch. 2 clause 38(2) words inserted by [2023 c. 52 Sch. 21 para. 49\(2\)\(b\)](#)
- Sch. 2 clause 38(2)(c) words inserted by [S.I. 2006/784 reg. 3\(5\)\(b\)](#)
- Sch. 2 clause 38(2)(d) words inserted by [S.I. 2006/784 reg. 3\(5\)\(b\)](#)
- Sch. 2 clause 38(2)(e) words inserted by [S.I. 2006/784 reg. 3\(5\)\(b\)](#)
- Sch. 2 clause 38(2)(c) words inserted by [S.I. 2006/784 reg. 3\(6\)\(b\)](#)
- Sch. 2 clause 16(2) words substituted by [2008 c. 32 Sch. 3 para. 17\(3\)\(a\)](#)
- Sch. 2 clause 38A(2) words substituted by [2023 c. 52 Sch. 21 para. 50\(3\)](#)
- Sch. 2 clause 16(6) words substituted by [S.I. 2006/784 reg. 3\(2\)\(a\)](#)
- Sch. 2 words substituted by [S.I. 2007/3224 Sch. para. 41\(2\)\(a\)](#)
- Sch. 2 words substituted by [S.I. 2007/3224 Sch. para. 41\(2\)\(b\)](#)
- Sch. 2 words substituted by [S.I. 2007/3224 Sch. para. 41\(2\)\(c\)](#)
- Sch. 3 excluded by [S.I. 2008/225 reg. 2\(2\)](#)
- Sch. 3 clause 10A inserted by [2008 c. 32 Sch. 3 para. 18\(2\)](#)
- Sch. 3 clause 17(5A)-(5D) inserted by [2008 c. 32 Sch. 3 para. 18\(3\)\(b\)](#)
- Sch. 3 clause 39A inserted by [2008 c. 32 Sch. 3 para. 18\(5\)](#)
- Sch. 3 clause 38A inserted by [2023 c. 52 Sch. 21 para. 52](#)
- Sch. 3 clause 39(2)(j)(k) inserted by [2023 c. 52 Sch. 21 para. 53\(2\)\(a\)](#)
- Sch. 3 clause 17(7A) inserted by [S.I. 2006/784 reg. 3\(3\)\(b\)](#)
- Sch. 3 clause 39(2)(ee) inserted by [S.I. 2006/784 reg. 3\(7\)\(c\)](#)
- Sch. 3 clause 39(3)-(5) omitted by [2023 c. 52 Sch. 21 para. 53\(3\)](#)
- Sch. 3 clause 39A(1) substituted by [2023 c. 52 Sch. 21 para. 54\(2\)](#)
- Sch. 3 clause 17(9) substituted by [S.I. 2006/784 reg. 3\(4\)\(b\)](#)
- Sch. 3 clause 17(6) words inserted by [2008 c. 32 Sch. 3 para. 18\(3\)\(c\)](#)
- Sch. 3 clause 39(4) words inserted by [2008 c. 32 Sch. 3 para. 18\(4\)](#)

- Sch. 3 clause 39(2) words inserted by 2023 c. 52 Sch. 21 para. 53(2)(b)
- Sch. 3 clause 39(2)(c) words inserted by S.I. 2006/784 reg. 3(5)(c)
- Sch. 3 clause 39(2)(d) words inserted by S.I. 2006/784 reg. 3(5)(c)
- Sch. 3 clause 39(2)(e) words inserted by S.I. 2006/784 reg. 3(5)(c)
- Sch. 3 clause 39(2)(c) words inserted by S.I. 2006/784 reg. 3(6)(c)
- Sch. 3 clause 17(2) words substituted by 2008 c. 32 Sch. 3 para. 18(3)(a)
- Sch. 3 clause 39A(2) words substituted by 2023 c. 52 Sch. 21 para. 54(3)
- Sch. 3 clause 17(6) words substituted by S.I. 2006/784 reg. 3(2)(b)
- Sch. 3 words substituted by S.I. 2007/3224 Sch. para. 41(2)(a)
- Sch. 3 words substituted by S.I. 2007/3224 Sch. para. 41(2)(b)
- Sch. 3 words substituted by S.I. 2007/3224 Sch. para. 41(2)(c)
- Sch. 4 excluded by S.I. 2008/225 reg. 2(2)
- Sch. 4 clause 8A inserted by 2008 c. 32 Sch. 3 para. 19(2)
- Sch. 4 clause 15(5A)-(5D) inserted by 2008 c. 32 Sch. 3 para. 19(3)(b)
- Sch. 4 clause 37A inserted by 2008 c. 32 Sch. 3 para. 19(5)
- Sch. 4 clause 36A inserted by 2023 c. 52 Sch. 21 para. 56
- Sch. 4 clause 37(2)(j)(k) inserted by 2023 c. 52 Sch. 21 para. 57(2)(a)
- Sch. 4 clause 15(7A) inserted by S.I. 2006/784 reg. 3(3)(c)
- Sch. 4 clause 37(2)(ee) inserted by S.I. 2006/784 reg. 3(7)(d)
- Sch. 4 clause 37(3)-(5) omitted by 2023 c. 52 Sch. 21 para. 57(3)
- Sch. 4 clause 37A(1) substituted by 2023 c. 52 Sch. 21 para. 58(2)
- Sch. 4 clause 15(9) substituted by S.I. 2006/784 reg. 3(4)(c)
- Sch. 4 clause 15(2) words inserted by 2008 c. 32 Sch. 3 para. 19(3)(a)
- Sch. 4 clause 15(6) words inserted by 2008 c. 32 Sch. 3 para. 19(3)(c)
- Sch. 4 clause 37(4) words inserted by 2008 c. 32 Sch. 3 para. 19(4)
- Sch. 4 clause 37(2) words inserted by 2023 c. 52 Sch. 21 para. 57(2)(b)
- Sch. 4 clause 37(2)(c) words inserted by S.I. 2006/784 reg. 3(5)(d)
- Sch. 4 clause 37(2)(d) words inserted by S.I. 2006/784 reg. 3(5)(d)
- Sch. 4 clause 37(2)(e) words inserted by S.I. 2006/784 reg. 3(5)(d)
- Sch. 4 clause 37(2)(c) words inserted by S.I. 2006/784 reg. 3(6)(d)
- Sch. 4 clause 37A(2) words substituted by 2023 c. 52 Sch. 21 para. 58(3)
- Sch. 4 clause 15(6) words substituted by S.I. 2006/784 reg. 3(2)(c)
- Sch. 4 words substituted by S.I. 2007/3224 Sch. para. 41(3)(a)
- Sch. 4 words substituted by S.I. 2007/3224 Sch. para. 41(3)(b)
- Sch. 4 words substituted by S.I. 2007/3224 Sch. para. 41(3)(c)
- Sch. 5 excluded by S.I. 2008/225 reg. 2(2)
- Sch. 6 clause 8A inserted by 2008 c. 32 Sch. 3 para. 20(2)
- Sch. 6 clause 15(5A)-(5D) inserted by 2008 c. 32 Sch. 3 para. 20(3)(b)
- Sch. 6 clause 36A inserted by 2008 c. 32 Sch. 3 para. 20(5)
- Sch. 6 clause 35A inserted by 2023 c. 52 Sch. 21 para. 60
- Sch. 6 clause 36(2)(j)(k) inserted by 2023 c. 52 Sch. 21 para. 61(2)(a)
- Sch. 6 clause 15(7A) inserted by S.I. 2006/784 reg. 3(3)(d)
- Sch. 6 clause 36(2)(ee) inserted by S.I. 2006/784 reg. 3(7)(e)
- Sch. 6 clause 36(3)-(5) omitted by 2023 c. 52 Sch. 21 para. 61(3)
- Sch. 6 clause 36(1) substituted by 2023 c. 52 Sch. 21 para. 62(2)
- Sch. 6 clause 15(9) substituted by S.I. 2006/784 reg. 3(4)(d)
- Sch. 6 clause 15(6) words inserted by 2008 c. 32 Sch. 3 para. 20(3)(c)
- Sch. 6 clause 36(4) words inserted by 2008 c. 32 Sch. 3 para. 20(4)
- Sch. 6 clause 36(2) words inserted by 2023 c. 52 Sch. 21 para. 61(2)(b)
- Sch. 6 clause 36(2)(c) words inserted by S.I. 2006/784 reg. 3(5)(e)
- Sch. 6 clause 36(2)(d) words inserted by S.I. 2006/784 reg. 3(5)(e)
- Sch. 6 clause 36(2)(e) words inserted by S.I. 2006/784 reg. 3(5)(e)
- Sch. 6 clause 36(2)(c) words inserted by S.I. 2006/784 reg. 3(6)(e)
- Sch. 6 clause 1(1) words omitted by S.I. 2009/3283 reg. 3(2)
- Sch. 6 clause 15(2) words substituted by 2008 c. 32 Sch. 3 para. 20(3)(a)
- Sch. 6 clause 36(2) words substituted by 2023 c. 52 Sch. 21 para. 62(3)
- Sch. 6 clause 15(6) words substituted by S.I. 2006/784 reg. 3(2)(d)
- Sch. 6 words substituted by S.I. 2007/3224 Sch. para. 41(4)(a)

- Sch. 6 words substituted by [S.I. 2007/3224 Sch. para. 41\(4\)\(b\)](#)
- Sch. 6 words substituted by [S.I. 2009/229 Sch. 2 para. 14\(2\)\(a\)](#)
- Sch. 6 words substituted by [S.I. 2009/229 Sch. 2 para. 14\(2\)\(b\)](#)
- reg. 2 words substituted by [S.I. 2009/3283 reg. 3\(1\)](#)
- reg. 3(2) excluded by [S.I. 2009/2814 reg. 3](#)
- reg. 3(3)-(6) excluded by [S.I. 2008/225 reg. 2\(2\)](#)