



Le 10 mai 2004

Madame Danielle Dallaire
Coordonnatrice du secrétariat de la commission
Bureau d'audiences publiques sur l'environnement
575, rue Saint-Amable, bureau 2.10
Québec (Québec) G1R 6A6

**Objet : Réponses à la question concernant les processus d'évaluation
environnementale pour les projets d'exploration pétrolière aux
États-Unis, en Norvège et en Grande-Bretagne**

Madame,

Tel que convenu, nous avons fait une recherche d'information concernant l'objet en titre. Le mandat du comité d'experts ne portait pas explicitement sur cette question. Néanmoins, plusieurs renseignements du rapport du comité s'inspirent de recommandations en provenance de colloques ou d'ateliers de travail à caractère international. Cette recherche a permis d'obtenir des documents sur le sujet en provenance de ces divers pays.

États-Unis :

- Les politiques du US Department of Interior recommande qu'un « Environmental Impact Statements » (EIS) soit réalisé en conformité avec le « National Environmental Policy Act » (NEPA) lors de la préparation du « 5-Years Leasing Programs and lease sales ».
- « Outer Continental Shelf Land Act » exige qu'un « EIS » soit préparé au moins une fois pour l'approbation d'un plan de développement et de production dans une région située à l'extérieur du golfe du Mexique pour chaque zone où des ventes de baux multiples sont prévues. Une évaluation environnementale (EA) de chaque lot individuel est réalisée par la suite juste avant la vente.

...2

- Un moratoire est en vigueur jusqu'en 2012 pour les activités reliées à l'exploration et l'exploitation pétrolière sur toute la côte est américaine, les côtes de la Floride, la Californie, l'Oregon, Washington, la baie de Bristol en Alaska. Il n'y a donc pas d'octroi de baux. Une *carte du Mineral Management Service* (MMS) est annexée à la présente lettre sur le programme des baux d'exploration pétrolière aux États-Unis.
- Les activités sismiques qui ont pour but d'autres motifs que l'exploration pétrolière dont, par exemple, les activités de recherche ne sont pas couvertes par le moratoire, ce qui explique certaines activités près des côtes de la Californie.
- En absence de bail, il ne peut y avoir d'exploration pétrolière et gazière donc aucun projet de levés sismiques associé à la recherche de gaz ou de pétrole.
- Le MMS relève du US Department of Interior et délivre les permis pour les activités reliées à l'exploration géologique et géophysique à l'extérieur des limites de la plate-forme continentale.
- Les représentants du MMS peuvent procéder à des vérifications concernant les activités d'exploration ou de recherche en cours même si elles ont fait l'objet d'un permis. Ils pourront déterminer si les activités ont un effet négatif sur l'environnement, la vie aquatique, les ressources archéologiques ou autres usages de la zone.
- Le MMS peut temporairement suspendre le permis :
 - si les activités causent des dommages importants, irréparables ou immédiats à l'environnement marin, côtier, humain ou aux ressources archéologiques;
 - si le détenteur de permis ne respecte pas une loi, un règlement ou une exigence liés à l'obtention du permis.
- Le MMS peut émettre des « avis aux détenteurs de bail » (Notices to Lessees) pour clarifier les exigences de la réglementation. L'avis MMS NTL 2004-G01 explique les mesures de mitigations qui doivent être appliquées aux levés sismiques dans le golfe du Mexique. Tous les mammifères marins incluant les tortues marines et les dauphins sont protégés par la mise en place de ces mesures. Le document *NTL 2004-G01* est annexé à la présente lettre.

Avant la délivrance d'un permis autorisant un projet de levés sismiques, le MMS doit s'assurer que le projet respecte plusieurs lois à caractère environnemental dont notamment :

NEPA	National Environmental Policy Act
ESA	Endangered Species Act
MMPA	Marine Mammal Protection Act
FCMA	Fishery Conservation Management Act
MBTA	Migratory Bird Treaty Act

Norvège :

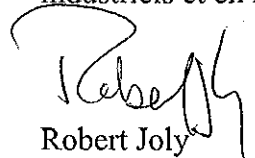
Le territoire marin est divisé en 4 zones dont le statut diffère selon certains paramètres, notamment environnementaux. Une évaluation environnementale stratégique, de type régionale, doit être réalisée par les promoteurs avant d'entreprendre des activités d'exploration ou d'exploitation. Les activités d'exploration englobent les levés sismiques. La réponse reçue porte essentiellement sur les procédures légales de ce pays qui réglementent ce type d'activité. On y apprend qu'un promoteur doit aviser les autorités responsables au plus tard cinq semaines avant de procéder aux levés sismiques. Le projet est alors analysé pour autorisation avec ou sans modification. Les documents « *Regulations to act relating to petroleum activities; Act 29 November 1996 No. 72; License for petroleum exploration* » détaillant les procédures légales sont annexés à la lettre.

Grande-Bretagne :

Finalement, nous profitons de l'occasion pour vous faire part d'un guide sur les levés sismiques en provenance de la Grande-Bretagne qui tient compte de la nouvelle réglementation sur les habitats (mai 2001). Le document « *Guidance notes for oil and gas surveys and shallow drilling* » est également annexé à la présente.

Espérant que ces renseignements répondent à vos attentes, veuillez agréer, Madame, l'expression de mes sentiments les meilleurs.

Le chef du service des projets
industriels et en milieu nordique,



Robert Joly

p.j. (4)



NORWEGIAN PETROLEUM
DIRECTORATE

193

annexe 1

Les enjeux liés aux levés sismiques dans
l'estuaire et le golfe du Saint-Laurent

6212-08-001

Ministère de l'Environnement
Direction des évaluations environnementales
Édifice Marie Guyart, 6e étage
675, boul. René-Lévesque Est
Québec G1R 5V7, CANADA

Ministère de l'Environnement REÇU LE
05 MAI 2004
Service des projets industriels et en milieu nordique

Attn: Diane Gagnon

Your ref.

Our ref. (please quote)

NPD 04/8- /PD

Date

27 APR. 2004

INFORMATION REGARDING SEISMIC ACTIVITIES IN NORWEGIAN WATERS - LEGAL REQUIREMENTS AND PROSEDURES

Reference is made to your E-mail of 21 April 2004.

- ./ We are enclosing a copy of Act 29 November 1996 No. 72 relating to petroleum activities ("The Petroleum Act"). We are also enclosing a copy of Regulations to Act relating to petroleum activities. As far as seismic surveys are concerned please study chapter 2 in the act and chapter 2 in the current regulations issued pursuant to the act. With regard to surveys of pipeline routes and other soil surveys, we particularly draw your attention to section 30 in the enclosed regulations.
- ./ Further, we are also enclosing a copy of an exploration licence showing the more detailed provisions about how the licensee should behave when performing seismic surveys. Please note particularly section 4 in the formulary.

Fore your information, we shall give you some information about how we handle seismic cases in general.

The seismic survey may in some cases be in conflict with the plans and wishes of the fishermen. Then we regard it as one of our tasks in the handling of these cases to find solutions where both parties can work together with as little damage as possible on either side. Yet, however, it is not always possible to achieve results where both parties are fully satisfied.

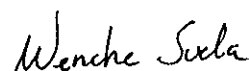
A planned seismic survey should be notified no later than 5 weeks in advance to Norwegian Petroleum Directorate (NPD), The Fishery Directory (FD) and current military authorities, cf. section 6 in the regulations to the Petroleum Act. The procedure is that FD submits comments and recommendations to NPD about the planned seismic survey. If FD has no objections to the current survey, we inform this to the licensee. If FD has objections, we inform the licensee about this as well. At the same time, NPD informs the licensee that if the current survey can be performed fully in accordance with the recommendations from FD, we have no objections. If the company involved answers that the survey can not be executed in the manner FD recommends, (often that may refer to the time period of the execution of the survey) the licensee must notify NPD about this within a fixed time limit. Then it is the task of NPD to decide if the survey should be carried out as planned or if we (or recommend that the Ministry of Oil and Energy) decide that the survey must be postponed.

We hope that this general information may be of some use to you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Per Duus'. The signature is stylized with a large 'P' and a long horizontal stroke at the end.

Per Duus
Legal Senior Advisor

A handwritten signature in black ink, appearing to read 'Wenche Sveta'. The signature is written in a cursive style.

Wenche Sveta
Wenche Sveta
Senior Executive Officer

Enclosure

Regulations to Act relating to petroleum activities. Laid down by Royal Decree 27 June 1997 pursuant to Act 29 November 1996 no 72 relating to petroleum activities, section 10-18 and Act 10 February 1967 relating to procedure in cases concerning the public administration, section 13 c third paragraph and section 19 third paragraph. Last amended by Royal Decree 12 December 2003 no 1504.

CONTENTS

CONTENTS

CHAPTER 1 INTRODUCTORY PROVISIONS

Section 1 Scope of application

Section 2 Definitions

CHAPTER 2 EXPLORATION LICENCES

Section 3 Applications for exploration licences

Section 4 Exploration activities authorised by the licence

Section 5 Payment for the exploration licence

Section 6 Submission of information in connection with exploration

CHAPTER 3 PRODUCTION LICENCES ETC

Section 7 Public announcement

Section 8 Applications for production licences

Section 9 Handling fee

Section 10 Criteria for granting production licences

Section 11 Conditions and requirements

Section 12 State participation

Section 13 Work obligation

Section 14 Extension of production licences

Section 15 Shape and size of areas

CHAPTER 4 PRODUCTION ETC OF PETROLEUM

Section 16 Evaluation of a petroleum deposit

Section 17 Statement that production will not be commenced

Section 18 Test production

Section 19 Approval of agreements relating to sale and deliveries of gas

Section 20 Plan for development and operation of a petroleum deposit

Section 21 Description of the development in the plan for development and operation of a petroleum deposit

Section 22 Impact assessment programme for environmental impact assessment in plan for development and operation of a petroleum deposit

Section 22a Impact assessment in plan for development and operation of a petroleum deposit

Section 22b Exemption from the requirement relating to impact assessment

Section 22c Impact assessment in the case of significant transboundary environmental effects.

Section 23 Stipulation of production schedule etc

Section 24 Field report

Section 25 Measures to obtain information

Section 26 Metering of petroleum produced

Section 27 Monitoring of the deposit and process during production

Section 28 Licence to install and to operate facilities for transport and utilisation of

Section 29 Contents of plan to install and to operate facilities for transport and

Section 30 Surveys of pipeline routes and other soil surveys

CHAPTER 5 PRODUCTION FEES AND AREA FEES

Section 31 Rates applicable to production fees etc

Section 32 Stipulation of value of petroleum etc

Section 33 Payment of production fees

Section 34 Collection of production fees in the form of petroleum

Section 35 Documentation relating to settlement of fees

Section 36 Use of currency exchange rates

Section 37 Joint sale of petroleum
Section 38 Audit of the basis for the settlement fees
Section 39 Rates applicable to area fees etc
Section 40 Payment of area fees
Section 41 Refund of area fees
Section 42 Deduction for area fee in the production fee

CHAPTER 6 DECOMMISSIONING PLAN

Section 43 Decommissioning plan
Section 44 Disposal part of the decommissioning plan
Section 45 Impact assessment

CHAPTER 7 INFORMATION AND DOCUMENTATION

Section 46 Drilling and well activities
Section 47 Annual status report for fields in production
Section 48 Information on petroleum produced etc
Section 49 Information on sale of petroleum
Section 50 Information on plans and budgets etc
Section 51 Information on research and development projects
Section 52 Information from areas outside the Norwegian continental shelf
Section 53 Submission of material and information
Section 54 Transfer of software
Section 55 Safekeeping duty

CHAPTER 8 MANAGEMENT SYSTEMS FOR THE PETROLEUM ACTIVITIES

Section 56 Management systems
Section 57 Documentation
Section 58 Follow-up of the management system

CHAPTER 9 ACCESS TO UPSTREAM PIPELINE NETWORKS

Section 59 Principles for access to upstream pipeline networks
Section 60 Definitions
Section 61 Entering into agreements in the primary market
Section 62 Allocation of new capacity resulting from expansions
Section 63 Tariff for agreements in the primary market
Section 64 Transferring rights to use capacity in an upstream pipeline network – the secondary market
Section 65 The Ministry's handling of agreements for use
Section 66 Responsibility for the system
Section 67 Orders
Section 68 Disputes
Section 69 Scope of application of individual provisions in this chapter
Section 70 Final provisions

CHAPTER 10 GENERAL PROVISIONS

Section 71 Organisation of the activities on shore
Section 72 Transfer of a licence
Section 73 Insurance
Section 74 Audit
Section 75 Use of labour
Section 76 Use of the Norwegian language
Section 77 Publicly available information
Section 78 Trade union activities
Section 79 Naming etc of petroleum deposits
Section 80 Information relating to suppliers
Section 81 Regulatory supervision etc
Section 82 Observers
Section 83 Expert and laboratory services
Section 84 Training of civil servants
Section 85 Procedures and duty of secrecy
Section 86 Delegation and dispensation

Section 87 Penal provision

Section 88 Entry into force etc ²⁾

CHAPTER 1 INTRODUCTORY PROVISIONS

Section 1 Scope of application

These regulations shall be applicable to the petroleum activities as mentioned in Act 29 November 1996 no 72 relating to petroleum activities, section 1-4.

Section 2 Definitions

In these regulations the following definitions shall apply:

- a) *the Ministry*, the Royal Ministry of Petroleum and Energy,
 - b) *the Act*, Act 29 November 1996 no 72 relating to petroleum activities,
 - c) *public entity*, any body corporate on which the public authorities, directly or indirectly, can exercise decisive influence by virtue of ownership, capital interests or rules governing the body corporate. The requirement to decisive influence shall be assumed to have been met when public authorities, in relation to a body corporate, either directly or indirectly:
 - owns the majority of the subscribed capital of the body corporate, or
 - controls the majority of the votes associated with shares issued by the body corporate, or
 - can appoint more than 50 per cent of the members of the administrative, executive or controlling body of the body corporate,
 - d) *test production*, production of petroleum for a limited period of time prior to ordinary production. Test production is production for the purpose of acquiring information about the commerciality of a petroleum deposit, its production properties or applicable production technology.
- For fiscal purposes the following terms shall in these regulations be understood to mean:
- e) *shipment point*:
 - in the case of shipment by ship, the side of the ship,
 - in the case of transportation by pipeline, the entry flange of the landing pipeline, or, if pumping units have been installed for the purpose of driving petroleum through the landing pipeline, the entry flange of such pumping units,
 - f) *oil*, petroleum which is liquid at the shipment point,
 - g) *production area*, the area which covers the petroleum deposits which are produced through the same production system, and which are located in blocks which have been granted to the same licensee. The same production system may consist of one or more production facilities which have either joint or separate processing or shipment installations.

The definitions of the Act are applicable to these regulations.

CHAPTER 2 EXPLORATION LICENCES

Section 3 Applications for exploration licences

Application for exploration licences according to the Act section 2-1 shall be submitted to the Norwegian Petroleum Directorate and shall contain information regarding:

- a) name, address and nationality of the applicant. If the application comprises more than one applicant, all the names, addresses and nationalities shall be stated,
- b) who in Norway will be the representative in relation to the authorities,
- c) the area which is comprised by the application,
- d) the purpose and the nature of the exploration.

The Norwegian Petroleum Directorate may require additional information.

Attestation for payment of fee, cf. section 5, shall be enclosed with the application.

Application for an exploration licence with enclosures shall be written in Norwegian or English.

Section 4 Exploration activities authorised by the licence

The exploration licence authorises geological, petrophysical, geophysical, geochemical and geotechnical activities. Shallow drilling may be carried out to a depth stipulated by the Norwegian Petroleum Directorate. The Norwegian Petroleum Directorate may limit the individual exploration licence to apply to particular types of exploration.

The Norwegian Petroleum Directorate may make it a condition for an exploration licence that information shall be given about sale or exchange of exploration results, and may stipulate conditions for the implementation of the exploration activities.

Section 5 Payment for the exploration licence

In respect of an exploration licence, a fee amounting to NOK 60 000 per calendar year shall be paid in advance to the State via the Norwegian Petroleum Directorate. The Ministry may adjust the fee in accordance with changes in the monetary value.

The exploration licence lapses if the licensee fails to pay the fee for the following year by 31 December.

Section 6 Submission of information in connection with exploration

The licensee shall no later than five weeks prior to the commencement of activities according to an

exploration licence, submit the following information to the Norwegian Petroleum Directorate, the Directorate of Fisheries and the Ministry of Defence:

- a) time, duration and accurate information about the area of the exploration activities, stating position lines,
- b) exploration methods to be used,
- c) what vessel is to be used,
- d) the form in which the results of the exploration will be available.

The name of the fishery expert shall be submitted to the said authorities as soon as possible, and no later than five days prior to commencement of the activities.

The Norwegian Petroleum Directorate may exempt from the time limit stated in the first and second paragraphs.

Well in advance, normally 30 days prior to commencement of activities according to an exploration licence, the licensee shall send to be inserted as advertisement in 'Etterretninger for Sjøfarende' ('Notifications to Seafarers') information regarding the exact time and place for the activities, the name and speed of the exploration vessel, and the length of seismic cables, if any.

While the activities according to an exploration licence are in progress, the licensee shall on a weekly basis submit information to the Norwegian Petroleum Directorate and to other public authorities as prescribed in the individual exploration licence, with regard to the time, the place and the nature of the activities, the movements of the exploration vessel and its arrival in Norwegian internal waters.

If the activities are not completed within the time stated, the licensee shall submit a new notification about the duration of the activities to the authorities as described in the first paragraph.

As soon as possible and no later than three months after the individual activity according to an exploration licence has been completed, the licensee shall submit data, records and results from the activities to the Norwegian Petroleum Directorate. Unless the Norwegian Petroleum Directorate requests raw data to be submitted, data requiring processing in excess of 3 months shall be submitted as soon as they are processed. The licensee shall furthermore state whether the results etc from the exploration activities are to be commercially available.

This section applies correspondingly to exploration activities carried out according to a production licence.

CHAPTER 3 PRODUCTION LICENCES ETC

Section 7

Public announcement

The public announcement shall, in addition to what follows from the Act section 3-5, state the expected time for the granting of the licence.

If applications from individual physical persons or bodies corporate are preferred, this shall be stated in the announcement.

The criteria for granting a licence mentioned in section 10 of these regulations shall be included in the announcement. The Ministry decides the format of the announcement. If conditions and requirements are altered after the public announcement, the Ministry shall notify the physical persons or bodies corporate having submitted, or who must be expected to submit, application for the granting of a production licence, within the time limit stipulated for such application.

Section 8

Applications for production licences

Application for a production licence shall be submitted to the Ministry with a copy to the Norwegian Petroleum Directorate. The application shall contain:

- a) name, address and nationality of the applicant, and indication whether the applicant is a physical person or a body corporate,
- b) indication of who in Norway will be the representative in relation to the authorities,
- c) indication of the area or areas to which an application for a production licence applies,
- d) indication of the priorities of the applicant in respect of the areas, in case the application applies to more than one area,
- e) information concerning the activities of the licensee, including financial capacity,
- f) a geological evaluation of the area or areas to which an application for a production licence applies, and how effective petroleum activities are planned for this area,
- g) a financial evaluation of the area or areas to which an application for a production licence applies,
- h) information concerning experience and technical competence of significance to the area or areas to which an application for a production licence applies,
- i) description of the organisation and expertise which the applicant will have available in Norway and elsewhere for activities in connection with the area or areas to which an application for a production licence applies,
- j) attestation that the handling fee has been paid.

The Ministry may exempt from the requirement relating to the contents of the application according to the first paragraph, and also require further information.

Application for a production licence shall be written in Norwegian or English.

Section 9

Handling fee

For the handling of an application for a production licence, a fee of NOK 60 000 shall be paid to the State via the Norwegian Petroleum Directorate.

If the fee has not been paid, the application will not be regarded as received.

Section 10

Criteria for granting production licences

In the interest of furthering the best possible resource management, production licences are granted on the basis of the following criteria:

- a) the technical competence and financial capacity of the applicant,
- b) the applicant's plan for exploration and production in the area for which a production licence is sought.

If the applicant is or has been a licensee according to an exploration licence, the Ministry may also take into consideration any form of inadequate efficiency or inadequate responsibility that may have been demonstrated by the applicant as a licensee.

The criteria for granting a licence shall in accordance with section 3-5 third paragraph first sentence of the Act be formulated and applied in a non-discriminatory manner among the applicants. The first sentence applies correspondingly in relation to criteria relating to the composition of the group of licensees and the appointment of an operator.

If two or more applications are regarded to be equal on the basis of the criteria above, other relevant objective and non-discriminatory criteria that will make possible a final choice between the applications, may be used as basis for granting the licence.

Section 11

Conditions and requirements

Conditions and requirements for granting a production licence and for conducting petroleum activities pursuant to a production licence, shall be based solely on the need to ensure that the petroleum activities within the area comprised by the production licence, are carried out in a proper manner.

Conditions for conducting activities pursuant to a production licence shall be based on consideration for national security, public order, public health, transport safety, environment protection, protection of biological resources and national treasures of artistic, historic or archaeological value, the safety of the facilities and the employees, systematic resource management (eg production rate or the optimisation of the production activities) or the need to ensure fiscal revenues.

This section shall be applicable only to production licences granted after 1 September 1995.

Section 12

State participation

The King may appoint a body corporate to manage the direct state participation as mentioned in the Act section 3-6.

The following principles shall be applicable to the decision-making process in a production licence:

- a) the state participant or the manager of the direct state participation shall exercise his voting right on the basis of visible, objective and non-discriminatory criteria. The exercise of voting right shall not constitute an obstacle to decisions being made on the basis of ordinary business principles,
- b) the state participant or the manager of the direct state participation may vote to the full extent for his share on all issues with the following exceptions: the state participant or the manager of the direct state participation shall not receive information about or have the right to vote in decisions relating to suppliers to the activities comprised by these regulations. The state participant or the manager of the direct state participation shall not in conjunction with one or several public entities constitute a majority vote in other decisions.

The provision in the second paragraph litera b) shall not impede the state participant or the manager of the direct state participation from opposing decisions made by the licensee which would not comply with the conditions and requirements that are stated in the production licence with regard to the production policy of the State or the financial interests of the State.

The King shall decide how the further specific rules relating to the decisionmaking process in respect of each individual production licence shall be set out.

This section shall be applicable only to production licences granted after 1 September 1995.

Section 13

Work obligation

The work obligation mentioned in the Act section 3-8 may consist of exploration and exploration drilling of a certain number of wells down to specified depths or geological formations. The contents, extent of and the time limit for complying with the work obligation, shall be stipulated in the individual production licence. If a shorter period has not been stipulated, the work obligation shall be fulfilled within the period of time stipulated pursuant to the Act section 3-9 first paragraph.

The Ministry may, upon application, exempt from the work obligation.

Section 14

Extension of production licences

Application for extension of a production licence pursuant to the Act section 3-9 first paragraph, shall be submitted to the Norwegian Petroleum Directorate within four months prior to the expiry of the production licence, unless otherwise decided by the Norwegian Petroleum Directorate.

Demand for extension pursuant to the Act section 3-9 second paragraph, shall be submitted to the Norwegian Petroleum Directorate within two months prior to the expiry of the production licence, unless otherwise decided by the Norwegian Petroleum Directorate. The licensee shall specify the area for which the extension is sought.

Section 15

Shape and size of areas

The areas to be relinquished by the licensee pursuant to the Act sections 3-9 and 3-14, shall be contiguous and delimited by meridians and parallels of latitude expressed in whole minutes of a degree. This applies correspondingly to the areas retained by the licensee.

Areas to be partitioned off pursuant to section 3-10 of the Act shall be contiguous and delimited by

meridians and parallels of latitude expressed in whole minutes of a degree. The Ministry may, when particular reasons so warrant, approve a horizontal division of the area of a production licence.

The Norwegian Petroleum Directorate shall approve the shape and size of the areas and may exempt from the requirement that the areas are to be contiguous. When particular reasons so warrant, the Norwegian Petroleum Directorate may exempt from the requirement to delimitation in whole minutes of a degree.

CHAPTER 4 PRODUCTION ETC OF PETROLEUM

Section 16

Evaluation of a petroleum deposit

When a petroleum deposit has been proven by drilling, the licensee shall submit to the Norwegian Petroleum Directorate information on plans for further exploration as well as results from exploration of the deposit.

An evaluation of the petroleum deposit shall be submitted in writing to the Norwegian Petroleum Directorate within six months of the deposit being proven.

If probability of the petroleum deposit having mobile petroleum has been established through tests, sampling or logging, the licensee shall in addition indicate the size of the petroleum deposit and submit plans for the continued activities.

The Norwegian Petroleum Directorate may require further evaluations and information to be submitted.

Section 17

Statement that production will not be commenced

No later than two years after the time when the last exploration well was drilled the licensee shall notify the Ministry in writing if the licensee decides not to commence production from a petroleum deposit. A copy of the notification shall be submitted to the Norwegian Petroleum Directorate. A report shall be enclosed with the statement, accounting for the basis for the decision and a summary of reservoir related, technical and economic aspects as well as studies which have been carried out or which are planned to be carried out with a view to determine if the petroleum deposit is or can become commercial.

Section 18

Test production

Application for test production, of the Act section 4-4 fifth paragraph, shall as a rule contain:

- a) description of the purpose of the test production,
- b) description of geological and reservoir engineering aspects,
- c) test production programme,
- d) description of facilities that will be used,
- e) description of equipment for metering petroleum, including fiscal measurement,
- f) overview of expenses,
- g) description of overall safety issues,
- h) description of environmental impact.

The application shall be submitted to the Ministry with a copy to the Norwegian Petroleum Directorate. If a facility is to be placed on land or seabed subject to private property rights, a copy shall also be submitted to the Directorate for Fire and Explosion Prevention.

For test production, permission pursuant to section 4-4, second and third paragraphs of the Act, shall also be obtained.

Petroleum produced during test production shall, as a general rule, be stored for subsequent utilisation or sale. Test production shall normally cease prior to submission of the plan for development and operation or an application for exemption from the requirement for such plan. If warranted for particular reasons, the licensee may submit to the Ministry for approval a plan for development and operation pursuant to section 4-2 of the Act before the test production has ceased.

Section 19

Approval of agreements relating to sale and deliveries of gas

Agreements relating to sale and deliveries of rich and dry gas shall be submitted to the Ministry for approval. The same applies to amendments in, exceptions from and additions to such agreements.

Section 20

Plan for development and operation of a petroleum deposit

Plan for development and operation of one or more petroleum deposits, of the Act section 4-2, shall contain a description of the development and an impact assessment. Comments submitted in relation to the impact assessment shall be included in the evaluation process when the plan for development and operation is approved. The plan shall be submitted to the Ministry and the Ministry of Local Government and Regional Development with a copy to the Norwegian Petroleum Directorate. If a facility is to be placed on the land territory or sea bed subject to private property rights, a copy shall also be submitted to the Directorate for fire and explosion prevention.

A plan for development and operation of a petroleum deposit which entails construction and building measures in conflict with the land-use part of a binding decision on planning pursuant to the planning and building Act, cannot be approved by the Ministry until the consent of the planning authority has been obtained.

The Ministry may require the individual licensee to supply information on how the licensee intends to finance his part of the development.

The Ministry shall, in a separate document that is to be made public, state the reason for the decision to approve or not to approve the plan for development and operation. The statement of reasons shall, inter alia, include a list of possible conditions of an environmental nature to the approval and measures which may be

required in order to remedy significant negative effects on the environment. Information subject to statutory provisions relating to professional secrecy shall not be made public.

In the event of substantial alterations in or deviation from the plan, notification shall be submitted to the Ministry. The Ministry may require a new or amended plan to be submitted.

Section 21

Description of the development in the plan for development and operation of a petroleum deposit
Description of the development with associated documentation shall be adapted to the extent of the development. The description shall give an account of economic, resource related, technical, environmental and safety related aspects of the development.

The description of the development shall to the extent necessary contain:

- a) description of development strategy and development concept, as well as the criteria for the choices that have been made, description of subsequent development stages, if any, tie-ins with other fields, and if relevant co-ordination of petroleum activities,
- b) description of geological and reservoir engineering aspects, and production schedule,
- c) description of technical solutions, including solutions aimed at preventing and minimising environmentally harmful discharges and emissions,
- d) information on management systems, including information on the planning, organising and implementation of the development,
- e) information on operation and maintenance,
- f) information on economic aspects,
- g) information on what licences, approvals or consents have been applied for, or that are planned to be applied for, pursuant to other applicable legislation, if a facility is to be placed on the land territory or seabed subject to private property rights,
- h) information as to how the facilities may be disposed of when the petroleum activities have ceased,
- i) information on facilities for transportation or utilisation comprised by the Act section 4-3,
- j) information on how the gas shall be marketed,
- k) description of technical measures for emergency preparedness,
- l) information on other factors of importance to the resource management,
- m) other information required pursuant to the safety regulations in force at any time.

The Ministry may require studies of alternative solutions.

Section 22

Impact assessment programme for environmental impact assessment in plan for development and operation of a petroleum deposit

Well in advance of submission of a plan for development and operation of a petroleum deposit, the licensee shall present to the Ministry a proposed programme for environmental impact assessment. The proposal shall give a short description of the development, of relevant development solutions and, based on available knowledge, of envisaged effects in relation to other commercial activities and to the environment, including possible transboundary environmental impact. Furthermore the proposal shall define the need for documentation. If an impact assessment has been prepared for the area where the development is planned to be carried out, the proposal shall clarify the need for supplementary documentation or updating.

The Ministry shall forward the proposed impact assessment programme to the authorities concerned and to central industrial organisations for their comments. The Ministry shall approve the final environmental impact assessment programme.

Section 22a

Impact assessment in plan for development and operation of a petroleum deposit

An impact assessment in a plan for development and operation of a petroleum deposit shall state the reasons for the effects that the development may have on commercial activities and environmental aspects, including measures to prevent and remedy such effects. The impact assessment shall, inter alia:

- a) describe alternative development solutions which the licensee has examined and state the reasons for the choice of development solution and development strategy, state the reasons for the criteria on which the choice has been made, and describe any subsequent development stages, tie-ins to other fields and shore facilities, and, if relevant, co-ordination of petroleum activities,
- b) describe the environment which may be significantly affected, consider and make a balanced judgement with regard to the environmental impact of the development, including:
 - describe emissions to sea, air and soil,
 - describe possible material assets and monuments of cultural heritage which may be affected as a result of the development,
 - consider the consequences of the technical solutions chosen,
 - clarify how environment criteria and impact on the environment have been taken into account in the technical solutions that have been chosen,
 - describe possible and planned measures in order to prevent, reduce and if possible compensate for any significant adverse effects on the environment,
- c) consider what licences, approvals or consents are to be applied for pursuant to other applicable legislation, if a facility is to be placed on the land territory, on sea bed subject to private property rights, in internal waters or the territorial sea,
- d) consider how the facilities may be disposed of when the petroleum activities have ceased,
- e) consider facilities for transportation or utilisation comprised by the Act section 4-3,
- f) consider technical measures for emergency preparedness,
- g) consider how monitoring of the environment in the area can be carried out,
- h) provide a summary of the above items.

The impact assessment shall be prepared on the basis of an prescribed impact assessment programme established pursuant to section 22 and shall be adapted to the extent of the development and to the degree to

which the development is considered comprised by an impact assessment for a larger defined area. The impact assessment shall be submitted to the Ministry at the latest concurrently with a description of the development. In areas where more than one field is to be developed, the licensee may in accordance with the Act section 4-2 third paragraph prepare an impact assessment in respect of a larger defined area. In respect of developments for which an impact assessment is also required pursuant to other legislation, a common impact assessment may be prepared.

If the licensee proves that the development is comprised by an existing relevant impact assessment for a field or a larger defined area, of the Act section 4-2 third paragraph, an impact assessment will only be required if the Ministry considers this to be necessary.

The Ministry shall forward the impact assessment to the authorities concerned and to central industrial organisations for their comments, and shall at the same time announce in the Norwegian Gazette that this has been done.

When the requirements for the environmental impact assessment have been considered to be complied with, the Ministry will notify the licensee thereof in writing.

Section 22b

Exemption from the requirement relating to impact assessment

The Ministry may, on application from the licensee, grant exemption from the requirement relating to impact assessment if the development concerned will not entail production of oil and natural gas for commercial purposes where the amount produced exceeds 4,000 barrels per day in respect of oil and 500,000 m³ natural gas per day in respect of gas, and it is otherwise not expected to have significant effects on commercial activities or the environment.

Provided the development cannot be expected to have significant transboundary environmental impact, the requirement relating to impact assessment may in exceptional cases be deviated from partly or entirely, even if the development exceeds the threshold values mentioned in the first paragraph. Prior to granting such exemption, the Ministry shall inform the EFTA Surveillance Authority of the reasons on which the exemption is based.

Section 22c

Impact assessment in the case of significant transboundary environmental effects.

If a development may have significant transboundary environmental effects, the Ministry shall forward the environmental impact assessment programme and information about the requirement in respect of approval of the plan for development and operation to States that may be affected, at the latest at the same time as the impact assessment programme is sent out on circulation for comments. Such information shall also be forwarded if a State which may be significantly affected so requests.

States that are affected may participate in the impact assessment process, and may in this connection submit to the Ministry a statement about the impact assessment programme and the impact assessment. The Ministry shall forward the impact assessment to the appropriate authority in the States that are affected at the same time as the impact assessment is sent out on circulation for comments in Norway.

The Ministry shall on approval of the plan for development and operation forward the document mentioned in section 20 fourth paragraph to the appropriate authority in the States that are affected.

Section 23

Stipulation of production schedule etc

The licensee shall submit application to the Ministry for a production permission, including also permission relating to burning and cold venting, within the time limits stipulated by the Ministry. A copy of the application shall be submitted to the Norwegian Petroleum Directorate. The duration of the permission can be adapted to the size of the field as well as to other factors of importance.

The Ministry may, in cases as mentioned in the Act section 4-4, make a decision relating to production or injection from each individual well, deposit or field.

The Ministry may further decide on the contents and the format of the application to be submitted pursuant to the Act section 4-4 second and third paragraphs.

Section 24

Field report

If the Ministry requires the licensee to produce a report on field related matters pursuant to the Act section 4-4 sixth paragraph, a time limit of no less than six months shall be given for the preparation of such report, unless particular circumstances warrant a shorter time limit.

Section 25

Measures to obtain information

The Norwegian Petroleum Directorate may require that special measures shall be taken to obtain information, if this is considered necessary to judge whether the operation of a petroleum deposit is conducted in a prudent manner, or to initiate joint operations between several licensees.

Particularly expensive measures, such as the drilling of a well, may not be required to be carried out unless the Ministry considers the measure to be obviously necessary.

Section 26

Metering of petroleum produced

The licensee shall meter and analyse petroleum produced, including petroleum that has been sold, in accordance with generally accepted procedures. The equipment and the procedures shall be approved by the Norwegian Petroleum Directorate.

If it is demonstrated that the volume of petroleum produced or sold has been incorrectly calculated, the licensee shall inquire into the matter and produce documentation that provides basis for determining correct volume. The Norwegian Petroleum Directorate may issue further provisions relating to such correction.

Section 27

Monitoring of the deposit and process during production

The licensee shall continually monitor the deposit during production, including pressure and flow conditions, produced or injected volumes per well, zone and reservoir, the composition of components of petroleum etc. By zone is meant part of a petroleum deposit which can be regarded as being partly separated from the rest of the deposit by limitations in the pressure and permeability connections.

The total monthly production and injection volumes of the field shall be apportioned to each individual well on a monthly basis according to recognised norm.

The process facilities shall be monitored in such way as to achieve optimal operation.

Section 28

Licence to install and to operate facilities for transport and utilisation of

Application for licence to install and to operate facilities for transport and utilisation of petroleum, of the Act section 4-3, shall include a plan which is to contain a description of the project and an impact assessment. Comments to the impact assessment shall be included in the evaluation when the plan to install and to operate facilities is approved. The application shall be forwarded to the Ministry and to the Ministry of Local Government and Regional Development with a copy to the Norwegian Petroleum Directorate. If a facility is to be placed on the land territory or on seabed subject to private property rights, a copy shall also be submitted to the Directorate for Fire and Explosion Prevention. If an application is submitted by anyone other than the licensee according to a production licence, the provisions of section 8 shall be applicable as appropriate.

The Ministry may stipulate conditions for a licence to install and to operate facilities for transport and utilisation of petroleum, inter alia relating to:

- a) ownership of the facility,
- b) the destination of the pipeline,
- c) the route of the pipeline, dimension and transportation capacity.

When granting a licence to install and to operate facilities for transport and utilisation of petroleum, and at a later stage, the Ministry may:

- a) stipulate tariffs for use of the facility in respect of the owner's own petroleum and other petroleum,
- b) order that the facility shall be tied in with other facilities, that its capacity shall be increased and that the facility shall be modified to be able to transport other types of petroleum than those for which it was originally built. Such orders must not raise the costs or unreasonably impede use of the facility which has been assured by approval of the Ministry. As further decided by the Ministry, the costs of implementation of orders as mentioned shall be borne by the party or parties in whose favour the order was given or shall be taken into account when the tariff is stipulated,
- c) decide which petroleum shall be transported in a pipeline, however it may not be decided that petroleum shall be transported instead of petroleum which has been assured transportation in a pipeline by approval of the Ministry.

Section 29

Contents of plan to install and to operate facilities for transport and

Plan to install and to operate facilities for transport and utilisation of petroleum shall deal with economic, resource related, technical, environmental and safety aspects of the project. The documentation shall be adapted to the extent of the project.

Plan to install and to operate facilities for transport and utilisation of petroleum, of the Act section 4-3, shall to the necessary extent contain:

- a) information on the destination of the pipeline, route, dimension and transportation capacity, as well as the criteria for the choices that have been made,
- b) information on the ownership of the facility,
- c) description of technical solutions, including solutions to prevent and minimise environmentally harmful discharges and emissions,
- d) information on management systems, including information on the planning, organising and implementation of the development,
- e) information on operation and maintenance,
- f) information on economic aspects,
- g) information as to what licences, approvals or consents have been applied for, or that are planned to be applied for, pursuant to other applicable legislation, if a facility is to be placed on the land territory or seabed subject to private property rights,
- h) information as to how the facilities may be disposed of when the petroleum activities have ceased,
- i) description of technical measures for emergency preparedness,
- j) information on other factors of importance to the resource management,
- k) other information required pursuant to the safety regulations in force at any time.

The Ministry may exempt from the requirement to documentation according to the first paragraph, and in this connection also require studies of alternative solutions.

The Ministry may on application from the licensee grant exemption from the requirement relating to impact assessment if the project does not concern transport of petroleum in pipelines with a diameter of more than 800 mm and a length of more than 40 km, and it is otherwise not expected to have significant effects on commercial activities or the environment. The provisions of sections 20, fourth paragraph, section 22, section 22 b second paragraph and section 22 c apply correspondingly. The provisions of section 22 a are applicable as appropriate.

The Act section 4-2 third, fourth, sixth and seventh paragraphs apply correspondingly to the plan to install and to operate facilities.

Section 30

Surveys of pipeline routes and other soil surveys

The licensee shall, no later than five weeks prior to the commencement of surveys of pipeline routes and other soil surveys, submit the following information to the Norwegian Petroleum Directorate, the Directorate of Fisheries and the Ministry of Defence:

- a) the purpose of the surveys,
- b) time, duration and place of the surveys,
- c) survey methods,
- d) what vessel is to be used
- e) the depth to which drilling will be carried out, if any.

The name of the fishery expert shall be submitted to the said authorities as soon as possible, and no later than five days prior to commencement of the activities.

The Norwegian Petroleum Directorate may exempt from the time limits stated in the first and second paragraphs.

During surveys of pipeline routes and other soil surveys, drilling to depths more than 200 meters below the seabed must not take place.

CHAPTER 5 PRODUCTION FEES AND AREA FEES

Section 31

Rates applicable to production fees etc

The licensee shall not pay production fees for petroleum produced from deposits where plan for development and operation is approved or the requirement for such plan is waived after 1 January 1986.

With regard to petroleum produced from deposits where plan for development and operation is approved 1 January 1986 or earlier, the licensee shall pay a production fee of 8 % of the value of the quantity of oil produced. From the time when the quantity of oil produced from one production area reaches the following average quantities over a 30-day period, a production fee shall be paid on the value of the total quantity amounting to:

6 500 Sm ³ per day	10 %
16 000 Sm ³ per day	12 %
35 000 Sm ³ per day	14 %
55 000 Sm ³ per day	16 %

If the daily average for the first 30 days of production from a production area exceeds the level at which the fee is 8 %, the production fee shall be raised from the day when the production first exceeded the level in question.

If the daily average from a production area for which a production fee of more than 12% has been paid should later fall under the relevant limit during a 30-day period, the production fee shall be reduced correspondingly in accordance with the table from and including this period, however not to less than 12%.

On produced petroleum other than oil, the production fee is 0 %.

The Ministry may reduce the rate applicable to production fees or exempt from production fees if particular circumstances so warrant.

Production fees shall be paid on petroleum that escapes unless the licensee can prove that the escape was not due to negligence on his part or on the part of anyone acting on his behalf. If the quantity in question cannot be metered, the Ministry shall stipulate the quantity, which is deemed to have escaped.

The second to fourth paragraphs do not apply to production licences granted pursuant to the Royal Decree 9 April 1965 relating to exploration for and exploitation of submarine petroleum resources. In respect of such licences, the licensee shall pay a production fee of 10 % of the value of the produced quantity of oil.

Section 32

Stipulation of value of petroleum etc

The value of petroleum which shall be used as a basis for the calculation of production fees shall be stipulated by the Ministry. The basis shall be the price stipulated in accordance with regulations of 25 June 1976 no 5 relating to the stipulation of norm price, with deduction for any transport costs in those cases where the price reference point is different from the point of calculating production fees. No deduction shall be made for CO₂ tax accrued between the price reference point and the point of calculating production fees.

Costs of installation and operation of pipelines from the individual production facility to the production area shipment point shall upon application from the licensee be deducted when calculating the production fees, if the Ministry regards it reasonable in view of the distance of the transportation and other prevailing circumstances.

The production fee for petroleum for which no norm price is stipulated, shall be stipulated by the Ministry on the basis of prices obtained and other comparable estimations of the value.

Section 33

Payment of production fees

Production fees for the half year 1 January to 30 June shall be paid by 1 October. Production fees for the half year 1 July to 31 December shall be paid by 1 April the following year. Production fees shall be paid to the State via the Norwegian Petroleum Directorate.

If no final value upon which the calculation of production fees shall be based, cf. section 32, has been stipulated by the expiry of the time limit for payment, payment shall, as a provisional arrangement, be effected in accordance with the provisional stipulations of values carried out pursuant to section 3 of Regulations of 25 June 1976 no 5 relating to the stipulation of norm price, or corresponding provisions, with adjustments, if relevant, for transportation and terminal costs. On petroleum for which no norm price can be stipulated, the Ministry may stipulate such provisional value.

If production fees are not paid within the due date, interest shall be paid on the fees due in accordance with

Act 17 December 1976 no 100 relating to interest on overdue payments etc.

If payment has taken place in accordance with the provisional stipulation of value, interest shall, at the time of the settlement when the final production fee has been determined, be calculated according to the rate of interest applicable at any time to overpayments or underpayments of instalment tax. The account shall be settled within 15 days of final computation of production fees. This also applies in cases when the stipulation of value has been the subject of appeal to a superior public body.

Section 34

Collection of production fees in the form of petroleum

The licensee may demand reimbursement for the costs of transportation, processing and storage of royalty petroleum between the production area shipment point and the place where royalty petroleum is made available, cf. the Act section 4-9 fourth paragraph. Such costs shall be no higher than those incurred by the licensee for his own petroleum. If special tariffs for transportation, processing and storage of the licensee's petroleum have not been agreed upon, the Ministry shall stipulate such tariffs for royalty petroleum after having received proposals from the licensee. When stipulating these tariffs, a reasonable commercial profit shall be provided for.

Section 35

Documentation relating to settlement of fees

When submitting the settlement of fees for a given fiscal period, it shall be clearly indicated how the production fee has been calculated.

In the calculation of gross production value, the settlement of fees shall as a minimum contain the following data on a monthly basis: Price obtained, quantity and currency exchange rate, if relevant.

The calculation of deductible expenses must be specified.

All income and expenses shall be documented by copies of invoices or by making specified references to the accounts of the operator.

Section 36

Use of currency exchange rates

When converting petroleum prices and deductible expenses invoiced in a foreign currency into NOK, the Bank of Norway's monthly average of the banks' daily currency exchange rates for sales and purchases between NOK and the relevant foreign currencies for the delivery month shall be used.

Four decimal places shall be used in conversion calculations. The final amount shall be rounded off to the nearest whole NOK.

Section 37

Joint sale of petroleum

In the case of joint sale of petroleum, the operator shall on behalf of the licensee, calculate the gross production fees and the joint deductible expenses which are apportioned to the individual licensees.

Section 38

Audit of the basis for the settlement fees

The Norwegian Petroleum Directorate may at any time carry out an audit of the operator and the licensee in order to verify the settlement submitted to the Norwegian Petroleum Directorate.

Section 39

Rates applicable to area fees etc

After expiry of the period stipulated pursuant to the Act section 3-9 first paragraph first sentence, the area fee shall be as follows: The first year the fee is NOK 7 000 per km². Thereafter, the fee increases by NOK 7 000 per km² per year until it has reached NOK 70 000 per km². Subsequently, the fee shall be NOK 70 000 per km² per year for the remaining part of the duration of the licence. When calculating the fee, the area shall be rounded off to the nearest km².

With regard to production licences in the Barents Sea, ie north of 70°N and west of 16°E, as well as the areas north of 69°30'N and east of 16°E, the fees shall, after expiry of the period mentioned in the Act section 3-9 first paragraph first sentence, be NOK 7 000 per km² for the remaining part of the duration of the licence.

In the case of division of the area covered by a production licence pursuant to the Act section 3-10, an area fee shall, before the expiry of the current year, be payable in advance for the area partitioned off according to the rate applicable at this time to the original area. Thereafter the area fee rate shall be as if no partitioning had taken place.

The Ministry may adjust the area fee at intervals of at least five years in order to bring it in agreement with changes in the monetary value of the NOK. The basis for the adjustment shall be the consumer price index of the Central Bureau of Statistics.

In the case of production licences granted pursuant to Royal Decree of 9 April 1965 relating to exploration for and exploitation of submarine petroleum resources, the licensee shall pay an area fee of NOK 33 000 per km² per year. The Ministry may adjust the fee at intervals of at least 10 years.

In production licences where there is no pre-emption right to the benefit of others than the State, the licensee may claim a 40% reduction in the rate applicable at any time for the calculation of area fees. Claims as mentioned in the first sentence shall be submitted to the Ministry not later than 1 December in the year preceding the fiscal year as from which the reduction will take effect.

The Ministry may decide that area fees shall be exempted from wholly or partly or that the duty to pay the fees shall be postponed.

Section 40

Payment of area fees

Area fees shall be paid in advance for each calendar year after expiry of the period stipulated in the Act

section 3-9 first paragraph first sentence. The area fee is due for payment before the current year end. The operator is himself responsible for calculation and payment of the area fee.

Area fees shall be paid to the State via the Norwegian Petroleum Directorate.

If the area fee is not paid when due, interest shall be payable on the amount due in accordance with Act 17 December 1976 no 100 relating to interest on overdue payments etc.

In the case of production licences granted pursuant to Royal Decree of 9 April 1965 relating to exploration for and exploitation of submarine petroleum resources, the area fee shall be paid in advance for one year at a time with the allocation date as the due date. The same rate of fee shall be applicable to the whole year.

Section 41 **Refund of area fees**

If production licences granted pursuant to Royal Decree of 9 April 1965 relating to exploration for and exploitation of submarine petroleum resources are surrendered, cf. the Act section 3-15, that part of the area fee which has been paid for the period after the surrender takes effect shall be refunded.

Section 42 **Deduction for area fee in the production fee**

In the case of production licences issued pursuant to Royal Decree of 9 April 1965 relating to exploration for and exploitation of submarine petroleum resources and Royal Decree of 8 December 1972 relating to exploration for and exploitation of petroleum in the seabed and substrata, the following shall apply: In the payment of production fees, deduction shall be made for area fees which have been paid for the production licence in the same payment period. If the area fee is larger than the production fee for petroleum produced under the relevant production licence, the production fee shall not be payable.

If the same petroleum deposit is covered by more than one production licence, the Ministry shall decide what part of the production shall be regarded as produced under each individual production licence. If a production licence covers several blocks, deduction shall only be given for the block or blocks which cover the deposit.

If the State makes use of its right to require production fees in the form of produced petroleum, the provisions of the first and second paragraphs shall apply correspondingly, so that area fees paid for the production licence in question in such cases shall be wholly or partly refunded at the settlement of production fees for the relevant period. In the stipulation of value, section 32 shall apply correspondingly.

CHAPTER 6 **DECOMMISSIONING PLAN**

Section 43 **Decommissioning plan**

The decommissioning plan which is to be prepared pursuant to the Act section 5-1, shall consist of one part dealing with disposal and an impact assessment.

The decommissioning plan may contain proposed disposal of several facilities.

The Ministry shall be notified of any changes in factual information after the decommissioning plan has been submitted.

The decommissioning plan shall be submitted to the Ministry and the Ministry of Local Government and Labour with a copy to the Norwegian Petroleum Directorate.

Section 44 **Disposal part of the decommissioning plan**

The disposal part of the decommissioning plan shall contain a description of:

- a) the field history,
- b) the facility, including location, depth, type of material etc.
- c) deposit and production,
- d) the possibility for continued production,
- e) relevant disposal alternatives,
- f) other aspects of importance to the choice of disposal solution
- g) recommended disposal solution, including a time schedule for implementation of the disposal.

For each of the relevant disposal alternatives the following shall be dealt with:

- a) technical, safety related, environmental and economic aspects,
- b) relationship to other users of the sea, including information and evaluations on the impact on fisheries and shipping.

The Ministry may exempt from the requirement to contents in the disposal part, and in this connection also require further information and evaluations.

With regard to facilities placed on the land territory or on seabed subject to private property rights, the disposal part shall only deal with the disposal alternative further use in the petroleum activities.

Section 45 **Impact assessment**

The impact assessment shall contain a description of the effect that each of the relevant disposal alternatives may have on commercial and the environmental aspects, and what can be done to reduce discharges and emissions in connection with disposal, and to remedy any damage or inconvenience.

The impact assessment shall be prepared on the basis of an approved impact assessment programme, cf. fourth paragraph, and shall be adapted to the extent of the disposal. The impact assessment shall be submitted to the Ministry at the latest concurrently with the disposal part of the decommissioning plan.

The Ministry may exempt from the requirement to impact assessment if the disposal is not expected to have significant effects on commercial and environmental aspects.

Well in advance of submission of a decommissioning plan the licensee shall forward to the Ministry a proposed programme for the impact assessment. The proposal shall give a short account of the relevant disposal alternatives and, based on available knowledge, of envisaged effects to the environment and to other commercial activities. Furthermore the proposal shall clarify the need for documentation. The Ministry shall decide the impact assessment programme.

In respect of disposals for which an impact assessment is also required pursuant to other legislation, a common impact assessment may be prepared.

CHAPTER 7 INFORMATION AND DOCUMENTATION

Section 46

Drilling and well activities

The Norwegian Petroleum Directorate shall be notified of drilling and well activities. The Norwegian Petroleum Directorate shall stipulate further provisions for drilling and well activities, including provisions relating to applications, documentation, data collection, reporting, time limits etc.

Section 47

Annual status report for fields in production

An annual status report for fields in production shall be submitted to the Norwegian Petroleum Directorate by 1 November each year. The report shall describe activities and measures to serve as basis for the authorities' evaluation of production strategy, environmental issues etc.

The Norwegian Petroleum Directorate may stipulate further provisions relating to the contents and format of the report.

Section 48

Information on petroleum produced etc

The licensee shall submit to the Norwegian Petroleum Directorate information on the volume of petroleum produced and on the composition of the petroleum etc, also including test production and the extraction of petroleum in connection with formation testing.

Information shall furthermore be given on use, injection, cold venting and burning of petroleum. The information shall, as far as possible, be based on metering.

Information on volumes and other results of monitoring as stated in section 27, as well as monitoring procedures, shall be submitted to the Norwegian Petroleum Directorate.

The Norwegian Petroleum Directorate may stipulate further provisions relating to reporting. The Norwegian Petroleum Directorate may require additional information.

Section 49

Information on sale of petroleum

Within 15 days after the expiry of each quarter, particulars of the quantities which have been sold during the quarter, to whom they have been sold, and the prices obtained shall, be submitted to the Ministry. Furthermore, information shall be given of the quantities which have been used for internal further production or refining or which have been disposed of to affiliated companies etc, and of the settlement prices which have been employed.

Licensees shall also give complete information about other special circumstances which may have affected prices or terms of payment.

It is not necessary to give information pursuant to this section to the extent corresponding information is given pursuant to Act 13 June 1975 no 35 relating to the taxation of submarine petroleum resources etc and regulations issued pursuant thereto.

Section 50

Information on plans and budgets etc

As soon as plans and budgets for activities as mentioned in chapters 3 and 4 of the Act have been established for the following year, copies thereof shall be submitted to the Ministry and to the Norwegian Petroleum Directorate for their information. Substantial changes in plans and budgets shall be forwarded. Supplementary information may be required.

The licensee is obliged to make available to the Ministry annual reports and accounts relating to its activities. This applies correspondingly to the parent company of the licensee and any affiliates registered in Norway.

Section 51

Information on research and development projects

The licensee shall, upon request from the Ministry, provide information on planned, ongoing or concluded research and development projects with relevance for the petroleum activities on the Norwegian continental shelf.

Section 52

Information from areas outside the Norwegian continental shelf

The licensee of a production licence is obliged to make available free of charge to the Norwegian Petroleum Directorate geological and geophysical material from areas outside the Norwegian continental shelf, which have been purchased or traded in connection with the activities pursuant to the production licence, and which the Directorate considers to be of relevance for the understanding of the geology on or inside the Norwegian continental shelf.

Section 53**Submission of material and information**

The Norwegian Petroleum Directorate may decide what standard format shall be used in submission of material and information, as well as routines for such submission to the extent this is considered reasonable. Format in this context means physical shape, including medium. By format is also meant the structure, including data structure and packaging etc.

Reformatting of old data may only be required to the extent that this is considered reasonable based on costs and the need of the authorities for such data.

Section 54**Transfer of software**

Materials and information which the Ministry and the Norwegian Petroleum Directorate may require to be submitted pursuant to the Act section 10-4 and provisions contained in these regulations, also comprise software which is used to process the former, plus the necessary documentation in this connection. The licensee shall pay the transfer costs to the machines of the users to the extent this is considered reasonable.

Section 55**Safekeeping duty**

The licensee shall retain for safekeeping material and information necessary to ensure that the Ministry can verify whether the petroleum activities are carried out in accordance with the statutory framework of legislation, for as long as it provides necessary information about the petroleum activities.

If the operator wishes to destroy material or information which may be of importance to the management of resources, the Norwegian Petroleum Directorate shall receive a list of material and information prior to it being destroyed, and may within a reasonable time after having received the list order handing over or further safekeeping free of charge. In the case of handing over, sufficient documentation in relation to such material and information shall be included.

CHAPTER 8**MANAGEMENT SYSTEMS FOR THE PETROLEUM ACTIVITIES****Section 56****Management systems**

The main objective of management systems established according to the Act section 10-6 in order to ensure compliance with statutory requirements, shall be to contribute to ensuring and furthering the quality of the work carried out in the petroleum activities.

The management system shall specify the applicable statutory requirements and shall to the extent necessary include internal requirements to and routines for compliance with statutory requirements. Furthermore the management system shall include internal requirements to and routines for organisation, division of responsibility, division of authority in the individual case and between the licensee and other participants in the petroleum activities, competence, resources and work performance in relation to the party establishing the management system according to the first paragraph.

Section 57**Documentation**

The management system shall be documented in order to ensure compliance with the applicable statutory requirements.

Section 58**Follow-up of the management system**

The management system shall be subject to review on a regular basis and shall if necessary be updated in order to ensure conformity with the requirements of sections 56 and 57.

CHAPTER 9**ACCESS TO UPSTREAM PIPELINE NETWORKS****Section 59****Principles for access to upstream pipeline networks**

Natural gas undertakings and eligible customers who have a duly substantiated reasonable need of transportation and/or processing of natural gas shall, on objective and non-discriminatory conditions, have right of access to upstream pipeline networks, including facilities supplying technical services incidental to such access, in accordance with the rules of this chapter.

The operator, owner and the party entitled to use the upstream pipeline network shall ensure, on receiving inquiries from natural gas undertakings and eligible customers for access to use capacity in upstream pipeline networks, that such inquiries are handled within a reasonable period of time.

The right to use capacity in the upstream pipeline network is subject to the specifications of the natural gas to be transported and/or processed being reasonably compatible with the technical requirements for and efficient operation of the upstream pipeline network, including adequate pressure at the inlet so that the natural gas can reach the outlet.

Further conditions and procedures for application of this provision shall be determined by the operator after consulting the owner and users of the upstream pipeline network.

Access may be refused by the operator if the conditions for the right of use pursuant to this provision are not satisfied.

Section 60 Definitions

For the purposes of this chapter "owner" means the joint venture and companies that own upstream pipeline networks, as well as the participants in such joint ventures and companies.

For the purposes of this chapter "spare capacity" means the capacity that is physically available at any time, with the exception of the capacity necessary to meet existing contracts concerning transportation of natural gas and the right to use capacity in the upstream pipeline network, and to ensure efficient operation of the upstream pipeline network.

For the purposes of this chapter an "agreement in the primary market" means an agreement for the right to use spare capacity in upstream pipeline networks entered into by a natural gas undertaking or eligible customer with the owner of the upstream pipeline network acting in his capacity as owner, or with the operator acting on behalf of the owner in his capacity as owner.

For the purposes of this chapter an "agreement in the secondary market" means an agreement for the transfer of rights to use capacity in upstream pipeline networks other than contracts in the primary market.

For the purposes of this chapter "tariff" means payment for the right to use capacity in upstream pipeline network.

Section 61 Entering into agreements in the primary market

The owner shall make spare capacity in upstream pipeline network in the primary market available to the operator, who shall make it available collectively. Spare capacity may only be made available to natural gas undertakings and eligible customers. Agreements in the primary market are to be entered into with the operator on behalf of the owner.

The operator shall present a recommendation to the owner as to what shall be regarded as physically available capacity. The operator may not base determination of spare capacity on this recommendation until it has been approved by the owner. The physically available capacity determined for an upstream pipeline network shall be as high as possible, having regard to efficient operations.

At announced points in time the operator shall allow natural gas undertakings and eligible customers to reserve a right to use spare capacity in the upstream pipeline network for specified periods of time. The operator shall determine, on the basis of rules contained in or pursuant to this chapter, what is to be considered as spare capacity at any time. A time limit shall be imposed for making such reservations. Reservation of spare capacity may take place both on a short-term and a long-term basis.

If on expiry of the time limit the sum of the reservations applied for as mentioned in the third paragraph, does not exceed the capacity for which reservation was allowed, the natural gas undertakings and eligible customers shall be allocated the right to use spare capacity in accordance with their reservations. After such allocation has taken place, remaining spare capacity for which there is a demand and for which reservation is allowed according to the third paragraph, shall be allocated to natural gas undertakings and eligible customers consecutively.

Rights to use spare capacity on a long-term basis shall be allocated before rights to use spare capacity on a short-term basis. Before allocating rights to use spare capacity on a long-term basis, the operator may stipulate that a part of the spare capacity shall be retained for allocation on a short-term basis at a later date.

If the sum of reservations applied for exceeds the spare capacity for which reservation is allowed according to the third paragraph, rights to use the spare capacity shall be allocated to natural gas undertakings and eligible customers according to a distribution formula. The distribution formula shall be determined by the operator for a specific period of time, based on the production of the individual natural gas undertakings and eligible customers, and on their sales, loans or purchases of natural gas that give rise to a need for transport and/or processing in the upstream pipeline network, adjusted for their existing rights of use.

Nevertheless, when allocating rights to use spare capacity in an upstream pipeline network, consideration shall first be given to the owner's duly substantiated reasonable needs, limited upwards to twice the owner's equity interests in the upstream pipeline network in question. If the sum of the reservations applied for by the owners pursuant to the first sentence, exceeds the capacity for which reservation is allowed, rights of use shall be allocated among the owners based on the distribution formula in the sixth paragraph.

Section 62 Allocation of new capacity resulting from expansions

When allocating rights to use increased spare capacity in an upstream pipeline network, consideration shall first be given to the duly substantiated reasonable needs of the party who bore the cost of such capacity, limited upwards to that party's share of the investment. The Ministry may decide that the upward limit to the individual party's share of the investment according to the first sentence shall not apply, including determining a different limit.

Section 63

Tariff for agreements in the primary market

Tariffs for agreements in the primary market shall be in accordance with the provisions laid down in and pursuant to this chapter.

A tariff shall be paid for the right the user has to capacity in the upstream pipeline network irrespective of whether that capacity is actually used.

The tariff consists of a capital element and an operating element.

The capital element is stipulated by the Ministry. When stipulating it, consideration shall be given to promoting the best possible management of resources. Furthermore, the capital element must be so stipulated that the owner can expect a reasonable return on the capital invested. Other special circumstances may also be taken into account.

The operating element must be such that neither the owner nor the operator has any loss or profit on management of the upstream pipeline network, other than the return stipulated pursuant to the fourth paragraph. The Ministry may stipulate which costs shall be taken into account when calculating the operating element. If consideration of efficient management so dictates, the Ministry may consent to exemption from the principle as mentioned in the first sentence of this paragraph.

The Ministry stipulates how costs relating to obligations concerning the future disposal of facilities for the transportation of natural gas shall be covered.

Section 64

Transferring rights to use capacity in an upstream pipeline network – the secondary market

The right to use capacity in an upstream pipeline network may be transferred by agreement in the secondary market. Such agreements may only be entered into with natural gas undertakings and eligible customers who have a duly substantiated reasonable need for transport and/or processing of natural gas that accords with the requirements applying to the relevant upstream pipeline network, cf. section 59, third paragraph. Before such an agreement is entered into, or as soon as possible after such an agreement is entered into, the operator shall decide on whether the conditions for right to access are satisfied and thus whether right to access shall be granted in accordance with the agreement.

When a party who has a right to use capacity in an upstream pipeline network no longer has a duly substantiated reasonable need for all or part of that capacity, the natural gas undertakings and eligible customers who satisfy the condition in the first paragraph, shall have a right of access to this capacity.

The operator shall be informed of circumstances as mentioned in the second paragraph and shall be notified when an agreement is entered into in the secondary market.

The operator shall arrange and conduct a market place for transferring rights to use capacity in upstream pipeline networks. The operator shall draw up rules for the market place, which shall be subject to approval by the Ministry. None other than the operator may conduct a market place for transferring rights to use capacity in upstream pipeline networks, which are not under their management, without the consent of the Ministry. The Ministry may decide that all transfers of rights of use in the secondary market shall be made through the market place.

Section 65

The Ministry's handling of agreements for use

The individual agreement for the use of capacity in an upstream pipeline network that is entered into with a natural gas undertaking or eligible customer shall not be forwarded to the Ministry for approval, unless otherwise decided by the Ministry.

Agreements in the primary market shall be entered into in accordance with a standard agreement drawn up by the operator and approved by the Ministry. When drawing up the standard agreement, the operator shall consult the owner and users of the relevant upstream pipeline network and give their interests reasonable consideration.

The Ministry may decide that agreements for use of capacity in an upstream pipeline network and the conditions for transferring rights of use in the secondary market as mentioned, shall be reported to the Ministry or its appointed representative.

Section 66

Responsibility for the system

The operator shall be responsible for the operation of the upstream pipeline network, including maintenance and maintenance planning, in a good and prudent manner. The operator shall act in an impartial and non-discriminatory manner. The operator shall co-ordinate maintenance planning for the connected fields. In addition, the operator shall co-ordinate processes for further development of upstream pipeline networks and shall also make his own assessment of the need for implementing such further development.

Nominations of gas quality at inlets and outlets from the upstream pipeline network shall be co-ordinated by the operator.

In case of unforeseen events the operator may require that users, for short periods of time, adapt their supplies of natural gas at the inlet to the upstream pipeline network, to ensure that produced natural gas does not create

significant operational disturbances or deterioration in the quality of the gas in such manner that specification requirements at the outlet from the upstream pipeline network are not met. In special circumstances the operator may require that a licensee of a production licence under which petroleum is being produced, adapt his operations under the production licence for a short period to comply with the concerns set out in the first sentence. The operator shall, after consulting the affected parties, draw up procedures for application of this provision. Adaptations exceeding short periods may only be required upon consent from the Ministry in each particular case.

The operator shall make available information regarding spare capacity in the upstream pipeline network and such capacity as mentioned in section 64, third paragraph, to natural gas undertakings and eligible customers requesting such information. The operator is obliged to ensure that business secrets disclosed to him in accordance with these regulations are not disclosed to others, unless this is required pursuant to law or regulations.

Owners of upstream pipeline networks may not instruct the operator in his performance of tasks assigned to him in or pursuant to this chapter, unless otherwise is specifically stipulated in these regulations.

Section 67 **Orders**

If natural gas undertakings and eligible customers are not given right of access to upstream pipeline networks in accordance with the provisions of this chapter, the Ministry, directly or through the operator, may order the owner or the party entitled to use the upstream pipeline facility to give them the right to use capacity.

The Ministry may issue orders concerning the distribution and redistribution of capacity if the Ministry finds that capacity has not been distributed or is not being distributed in a manner ensuring the best possible management of resources, including regularity of supplies and regularity of production. Further, the Ministry may issue orders concerning the distribution and redistribution of capacity to avoid difficulties in upstream pipeline networks which cannot be reasonably overcome, and that could impair the efficient, current and planned future production of petroleum, including that from deposits of limited economic viability.

Natural gas undertakings and eligible customers from which capacity is taken pursuant to the first and second paragraphs, shall be given compensation that take account of the costs of acquiring such capacity.

Section 68 **Disputes**

Disputes relating to access to an upstream pipeline network may be referred to the Ministry or the party authorised by the Ministry for final decision. Such decisions shall be made without undue delay after referral. The Ministry or the party authorised by the Ministry may, as the dispute settlement authority, require the owner of such facilities to render separate accounts for transportation in the upstream pipeline network, as well as any other information for resolving the dispute.

Section 69 **Scope of application of individual provisions in this chapter**

The rules in sections 59, fourth paragraph, 61 except for the first sentence of the seventh paragraph, 63, 64, third and fourth paragraphs, 65 and 66, third and fourth sentences of the first paragraph, and the second, third, fourth and fifth paragraphs are applicable only to upstream gas pipeline networks that are encompassed by the Regulations relating to stipulation of tariffs.

The Ministry may decide that other facilities linked to upstream pipeline networks, such as processing plants, terminals and the final receiving terminal, as well as facilities for the transport and processing of condensate, shall be encompassed by the rules concerning upstream pipeline networks that are laid down in or pursuant to these Regulations.

The Ministry shall no later than by 1 January 2008, assess whether the system of a preferential right for the owners as described in the seventh paragraph of section 61, shall be continued.

Section 70 **Final provisions**

The Ministry stipulates supplementary provisions to the rules of this chapter through regulations or by individual decisions.

The Ministry may decide that one or more of the provisions of this chapter, with the exception of section 59, shall not apply in regard to certain specific agreements regarding transportation of natural gas in upstream pipeline networks approved pursuant to section 4-8 of the Act, before these Regulations enter into force.

CHAPTER 10 **GENERAL PROVISIONS**

Section 71 **Organisation of the activities on shore**

After the granting of a licence as mentioned in the Act sections 3-3 and 4-3, the Ministry may require that the licensee shall submit to the Ministry a plan specifying the intended localisation and organisation of the activities on the land territory or on seabed subject to private property rights.

Section 72

Transfer of a licence

When applying for approval to transfer a licence pursuant to the Act section 10-12 first paragraph, the provisions of sections 8, 10, 28 and 29 of these regulations shall apply to the extent that they are appropriate in relation to the intended transferee or transferees.

Section 73 Insurance

The activities conducted by the licensee pursuant to the Act Chapters 3 and 4 shall be insured at all times. The insurance must at least cover:

- a) damage to facilities,
- b) pollution damage and other liability towards third parties,
- c) wreck removal and cleanup as a result of accidents,
- d) insurance of the licensee's own employees who are engaged in the activities.

The licensee shall ensure that contractors and subcontractors engaged in the activities take out insurance for their employees to the same extent as the operator insures his own employees.

When taking out insurance as mentioned in the first paragraph literas a) to c), the licensee shall provide reasonable insurance cover, taking into consideration risk exposure and premium costs. Insurance as mentioned under litera d) shall be taken out as further agreed with the organisations of the employees.

The Ministry may consent to the licensee using another form of security arrangement.

At the end of each calendar year, the licensee shall inform the Ministry about existing insurance agreements, with an indication of the main terms. The Ministry may require further insurance to be taken out.

Section 74 Audit

In licences with state participation the operator shall ensure that accounts for the licence, that are prepared in accordance with the license, are audited by a state authorised public accountant. The audit report, in accordance with RS 800, shall be available no later than four months after the end of the financial year.

Section 75 Use of labour

The licensee is responsible for seeing that all foreign employees who are required to have a work permit, possess the necessary permit before work is commenced.

The licensee shall not make use of labour that is hired out in violation of Norwegian legislation. The licensee shall see to it that this provision is complied with by the contractors and subcontractors of the licensee.

Section 76 Use of the Norwegian language

The Norwegian language should be used to the greatest extent possible in the petroleum activities. Other languages may be used when necessary or reasonable for the execution of the activities.

Section 77 Publicly available information

The licensee is obliged, through the operator, to make information about petroleum activities publicly available to the greatest possible extent as and when such information becomes available to the licensee.

Section 78 Trade union activities

Elected representatives of the employees in a trade union which has a wage agreement with the licensee, contractors or subcontractors performing work for him shall, to a reasonable extent, be allowed access to the work site in order to attend to duties relating to tariffs after having given notice to the local management.

Section 79 Naming etc of petroleum deposits

Designations given to petroleum deposits, fixed facilities and wells as well as use of proper names in naming of fields, shall be approved by the Norwegian Petroleum Directorate.

The Norwegian Petroleum Directorate may stipulate further provisions supplementing this section.

Section 80 Information relating to suppliers

The licensee cannot, pursuant to the Act, be ordered to provide information relating to future or present suppliers, unless the Ministry so requests on the basis of consideration for public morals, order and security, public health, protection of life and health for people and animals, plant life, national treasures of artistic, historical or archaeological value, or the industrial or commercial property right.

Section 81 Regulatory supervision etc

Representatives from the Ministry, the Norwegian Petroleum Directorate or other authorities as decided by the Norwegian Petroleum Directorate, shall at all times have access to vessels and facilities for petroleum activities, as well as to existing data and materials which are necessary to perform regulatory supervision, and shall have the right to take part in exploration activities. Representatives from the authorities have the right to stay on vessels and facilities for as long it is necessary. The licensee shall provide transportation of representatives from the authorities to and from vessels and facilities, as well as their stay on board.

Section 82

Observers

Representatives from the Ministry and the Norwegian Petroleum Directorate shall have the right to participate as observers in co-operative bodies established in accordance with agreements as mentioned in the Act section 3-3, with a view to joint activities as mentioned in the Act section 4-7, and if applicable, in co-operative bodies established in connection with the placing and operation of facilities as mentioned in the Act section 4-3.

Section 83

Expert and laboratory services

To the extent that this is considered reasonable, the Norwegian Petroleum Directorate may require the licensee to make expert and laboratory services available to the Norwegian Petroleum Directorate for the purpose of solving particular problems in connection with the petroleum activities.

Section 84

Training of civil servants

The licensee may be required to carry out training of personnel from the Ministry, the Norwegian Petroleum Directorate or other Norwegian authorities. The training shall be carried out according to further agreement.

The Ministry may impose on the licensee to make provision for teachers teaching petroleum related subjects in Norwegian educational institutions to obtain practical on the job training at the offices, plants and facilities of the licensee.

Section 85

Procedures and duty of secrecy

The rules of the Act 10 February 1967 relating to procedures in cases concerning the public administration (the public administration Act) section 18, first paragraph regarding the right of a party to acquaint himself with the documents of the case, are not applicable to applications for production licences.

Information of any kind communicated to the authorities in connection with an application for production licence shall be subject to duty of secrecy until the production licences for the areas in question have been granted. Thereafter, the information shall be subject to duty of secrecy to the extent this is in accordance with the public administration Act, for a period of 20 years, cf. the public administration Act section 13 c), third paragraph.

Anyone performing services or work for a public body shall have a duty to prevent unauthorised persons from gaining access to or knowledge of what they become acquainted with in their service or work about aspects of geology, reservoir engineering or production engineering from reports or other material submitted to public authorities. With regard to data subject to the duty of secrecy according to the first sentence, the duty of secrecy shall have the following duration calculated from the time when the data became available to the owner of the data:

- a) 2 years for data which are not commercially available, and which are owned as joint property by the licensees in a production licence, and which originate from the production licence in question,
- b) 10 years for data, which have been commercially available from the time when they became available to the owner,
- c) 5 years for other data.

With regard to data as mentioned in the third paragraph, the following shall apply: In respect of data which are owned as joint property by licensees holding a production licence and which originate from the production licence in question, the duty of secrecy lapses as from the time when the licence is surrendered or the area where the data originate from is relinquished. Information as to whether the data shall be commercially available shall be submitted to the Norwegian Petroleum Directorate according to section 6 seventh paragraph. The Norwegian Petroleum Directorate may determine what shall be considered to be commercially available data. With regard to interpreted data the duty of secrecy shall have a duration of 20 years. The Norwegian Petroleum Directorate may on application shorten the period for duty of secrecy for interpreted data and may extend or shorten the period for duty of secrecy for data as mentioned in the third paragraph.

Otherwise the provisions relating to confidentiality in sections 13 to 13f of the public administration Act shall apply to public bodies receiving or dealing with information or material relating to petroleum activities, notwithstanding that the duty of secrecy shall cease after 20 years, cf. section 13 c) third paragraph of the public administration Act.

The provisions in this section shall not prevent the Ministry from making general statements about the activities and the possibilities of finding petroleum deposits, nor shall they prevent the exchange of information as assumed in the Act 3 June 1994 no55 relating to the Central Coordinating Register of Legal Entities ('Enhetsregisteret') and the Register of Business Reporting Obligation ('Oppgavepliktregisteret'), chapter 6 a.

Further the provisions in this section shall not prevent the exchange of information with the Ministry of Labour and Government Administration and the Petroleum Safety Authority Norway.

Section 86

Delegation and dispensation

The Ministry may issue such regulations and give such orders as may be necessary for the implementation of these regulations.

The Ministry may make its own decisions or delegate authority to others, regardless of whether authority has been delegated to the Norwegian Petroleum Directorate pursuant to these regulations.

Authority in connection with regulatory supervision may in particular cases be delegated to others than public bodies.

In particular cases, the Ministry may grant dispensation from provisions contained in or issued pursuant to these regulations.

When authority in these regulations has been delegated to the Norwegian Petroleum Directorate, this also comprises authority pursuant to the first and fourth paragraphs.

Section 87
Penal provision

Violation of these regulations or of decisions made pursuant to these regulations shall be punishable as stated in the Act section 10-17.

Section 88
Entry into force etc ²⁾

These regulations enter into force 1 July 1997. As from the same time, the following shall be repealed:

1. Regulations 14 June 1985 no 1158 to Act relating to petroleum activities.
2. Regulations 1 April 1980 no 9464 relating to the collection of royalty on production of petroleum resources in Norwegian internal waters, in Norwegian sea territory and that part of the continental shelf which is under Norwegian sovereignty.

2) The Ministry of Petroleum and Energy may in consultation with the Ministry of the Environment and other relevant public authorities decide that if an application for approval of the plan for development and operation or the plan to install and to operate has been received prior to the entry into force of these [Amendments dated 4 June 1999] Regulations, the Regulations to Act relating to petroleum activities, laid down by Royal Decree 27 June 1997 No. 653, shall apply without the amendments that ensue from these Regulations.

Act 29 November 1996 No. 72 relating to petroleum activities. Last amended by Act 14 December 2001 No 98, 28 June 2002 No 61, 20 December 2002 No 88 and 27 June 2003 No 68.

CONTENTS

CONTENTS

CHAPTER 1 INTRODUCTORY PROVISIONS

- Section 1-1 The right to subsea petroleum deposits and resource management
- Section 1-2 Resource management
- Section 1-3 Requirements relating to licence etc.
- Section 1-4 Scope of application
- Section 1-5 Other Norwegian law
- Section 1-6 Definitions

CHAPTER 2 EXPLORATION LICENCE

- Section 2-1 Granting of exploration licence etc.
- Section 2-2 The area covered by the exploration licence

CHAPTER 3 PRODUCTION LICENCE ETC.

- Section 3-1 Opening of new areas
- Section 3-2 Division of the continental shelf
- Section 3-3 Production licence
- Section 3-4 Agreements with a view to applying for a production licence
- Section 3-5 Announcement and granting of a licence
- Section 3-6 State participation
- Section 3-7 Operator
- Section 3-8 Work obligation
- Section 3-9 The duration of a production licence etc.
- Section 3-10 Dividing the area of a production licence
- Section 3-11 Right for others to exploration
- Section 3-12 Right for others to place facilities etc.
- Section 3-13 Natural resources other than petroleum resources etc.
- Section 3-14 Relinquishment of areas
- Section 3-15 Surrender of a production licence

CHAPTER 4 PRODUCTION ETC. OF PETROLEUM

- Section 4-1 Prudent production
- Section 4-2 Plan for development and operation of petroleum deposits
- Section 4-3 Specific licence to install and to operate facilities for transport and utilisation of petroleum
- Section 4-4 Stipulation of production schedule etc.
- Section 4-5 Postponement of exploration drilling and development
- Section 4-6 Preparation, commencement and continuation of production
- Section 4-7 Joint petroleum activities
- Section 4-8 Use of facilities by others
- Section 4-9
Extended operator responsibility for the overall operation of upstream pipeline network etc.
- Section 4-10 Area fee, production fee etc.
- Section 4-11 Landing of petroleum
- Section 4-12 Supplies to cover national requirements
- Section 4-13 Supplies in the event of war, threat of war etc.

CHAPTER 5 CESSATION OF PETROLEUM ACTIVITIES

- Section 5-1 Decommissioning plan
- Section 5-2 Notification of termination of use
- Section 5-3 Decision relating to disposal
- Section 5-4 Liability
- Section 5-5 Encumbrances

Section 5-6 Takeover by the State**CHAPTER 6 REGISTRATION AND MORTGAGING**Section 6-1 Registration of licencesSection 6-2 Mortgaging of licencesSection 6-3 Scope of the mortgageSection 6-4 The rights of the mortgagee etc.**CHAPTER 7 LIABILITY FOR POLLUTION DAMAGE**Section 7-1 DefinitionSection 7-2 Scope and applicable lawSection 7-3 The liable party and the extent of liabilitySection 7-4 Channelling of liabilitySection 7-5 RecourseSection 7-6 Petroleum activities without a licenceSection 7-7 Public announcement. Preclusive noticeSection 7-8 Legal venue**CHAPTER 8 SPECIAL RULES RELATING TO COMPENSATION TO NORWEGIAN FISHERMEN**Section 8-1 Scope of application and definitionsSection 8-2 Occupation of a fishing areaSection 8-3 Pollution and wasteSection 8-4 Joint and several liabilitySection 8-5 Facility etc. causing damageSection 8-6 Commissions etc.**CHAPTER 9 SPECIAL REQUIREMENTS TO SAFETY**Section 9-1 SafetySection 9-2 Emergency preparednessSection 9-3Emergency preparedness against deliberate attacksSection 9-4 Safety zones etc.Section 9-5 Suspension of the petroleum activities etc.Section 9-6 Requirements to safety documentationSection 9-7 Qualifications**CHAPTER 10 GENERAL PROVISIONS**Section 10-1 Requirements to prudent petroleum activitiesSection 10-2 Management of the petroleum activities, bases etc.Section 10-3 Regulatory supervision of the petroleum activitiesSection 10-4 Material and information concerning the petroleum activitiesSection 10-5 Agreements between affiliated companiesSection 10-6 Obligation to comply with the Act and to see to it that provisions are complied withSection 10-7 SecuritySection 10-8 Responsibility for commitmentsSection 10-9 Liability for damage causedSection 10-10 Commission of inquirySection 10-11 TrainingSection 10-12 Transfer etc.Section 10-13 RevocationSection 10-14 Consequences of revocation, surrender of rights or lapse for other reasonsSection 10-15 Immunity etc. for civil servants of other statesSection 10-16 Enforcement measuresSection 10-17 Penal provisionsSection 10-18 Authority to issue regulations and stipulate conditions**CHAPTER 11 MANAGEMENT OF THE STATE DIRECT FINANCIAL INTEREST**Section 11-1 The State's participation in petroleum activitiesSection 11-2 Management company

Section 11-3 The State's responsibility for the company

Section 11-4 Raising of loans etc.

Section 11-5 The relationship to company law

Section 11-6 Duties of the Board of Directors

Section 11-7 Duty of submission of the Board of Directors

Section 11-8 Annual report and annual accounts

Section 11-9 The relationship to provisions of the Public Administration Act etc.

Section 11-10 Instructions. Supplementary provisions

CHAPTER 12 ENTRY INTO FORCE AND AMENDMENT OF LAWS

Section 12-1 Entry into force etc.

Section 12-2 Repeal and amendment of acts

CHAPTER 1 INTRODUCTORY PROVISIONS

Section 1-1

The right to subsea petroleum deposits and resource management

The Norwegian State has the proprietary right to subsea petroleum deposits and the exclusive right to resource management.

Section 1-2

Resource management

Resource management is executed by the King in accordance with the provisions of this Act and decisions made by the Storting (Parliament).

Resource management of petroleum resources shall be carried out in a long-term perspective for the benefit of the Norwegian society as a whole. In this regard the resource management shall provide revenues to the country and shall contribute to ensuring welfare, employment and an improved environment, as well as to the strengthening of Norwegian trade and industry and industrial development, and at the same time take due regard to regional and local policy considerations and other activities.

Section 1-3

Requirements relating to licence etc.

None other than the State may conduct petroleum activities without the licences, approvals and consents required pursuant to this Act. Provisions otherwise in the Act and regulations issued pursuant to the Act shall apply to such activities insofar as they are appropriate.

Section 1-4

Scope of application

This Act applies to petroleum activities in connection with subsea petroleum deposits under Norwegian jurisdiction. The Act also applies to petroleum activities inside and outside the realm and the Norwegian continental shelf to the extent such application follows from international law or from agreement with a foreign state.

The Act shall apply to utilisation of produced petroleum that takes place on Norwegian land territory or seabed subject to private property rights only when such utilisation is necessary to or constitutes an integrated part of production or transportation of petroleum.

When a pipeline located in Norwegian internal waters, in Norwegian territorial sea or on the continental shelf starts outside Norwegian jurisdiction, the King may, to the extent this follows from international law, decide which provisions of this Act shall apply to such pipeline with associated equipment.

As regards liability for pollution damage according to Chapter 7 and damage arisen as a result of pollution and waste according to Chapter 8, the special provisions laid down in those chapters shall apply.

The Act does not apply to Svalbard, including its internal waters and territorial sea.

The King may issue regulations to supplement or delimit the provisions of this Section, i.a. with regard to what utilisation is considered necessary to or constitutes an integrated part of production or transportation of petroleum as mentioned in the second paragraph. In case of doubt, the King may decide whether a facility or an activity shall be comprised by the Act or not.

Section 1-5

Other Norwegian law

Norwegian law other than this Act, including provisions relating to licences, consents or approvals required according to the legislation, shall also be applicable to petroleum activities. This applies unless otherwise warranted by an Act, a decision by the King, international law or agreement with a foreign state.

Notwithstanding the above, other Norwegian law shall not apply to mobile facilities under foreign flag other than those that are permanently placed, unless otherwise stipulated by an Act or by a decision made by the King in Council.

Section 1-6

Definitions

In this Act the following definitions shall apply:

- a) petroleum, all liquid and gaseous hydrocarbons existing in their natural state in the subsoil, as well as other substances produced in association with such hydrocarbons.
- b) petroleum deposit, an accumulation of petroleum in a geological unit, limited by rock characteristics by structural or stratigraphic boundaries, contact surface between petroleum and water in the formation, or a combination of these, so that all the petroleum comprised everywhere is in pressure communication through liquid or gas. In cases of doubt, the Ministry will determine what shall be regarded as a petroleum deposit.
- c) petroleum activity, all activities associated with subsea petroleum deposits, including exploration, exploration drilling, production, transportation, utilisation and decommissioning, including planning of such activities, but not including, however, transport of petroleum in bulk by ship.
- d) facility, installation, plant and other equipment for petroleum activities, however not supply and support vessels or ships that transport petroleum in bulk. Facility also comprises pipeline and cable unless otherwise provided.
- e) exploration, geological, petrophysical, geophysical, geochemical and geotechnical activities, including shallow drilling, as well as operation and use of a facility to the extent it is used for the purpose of exploration.
- f) exploration drilling, drilling of wildcat and appraisal wells, as well as operation and use of a facility to the

extent it is used for the purpose of exploration drilling.

- g) production, production of petroleum, including drilling of production wells, injection, improved recovery, treatment and storage of petroleum for transport, and shipment of petroleum for transport by ship, as well as the construction, placing, operation and use of a facility for the purpose of production.
- h) transportation, shipment of petroleum by pipeline as well as the construction, placing, operation and use of a facility for the purpose of transportation.
- i) utilisation, cooling in order to liquefy gas, refining and petrochemical activity, production and transmission of electric power and other use of produced petroleum, storage of petroleum as well as the construction, placing, operation and use of a facility for the purpose of utilisation.
- j) licensee, physical person or body corporate, or several such persons or bodies corporate, holding a licence according to this Act or previous legislation to carry out exploration, production, transportation or utilisation activities. If a licence has been granted to several such persons jointly, the term licensee may comprise the licences collectively as well as the individual licensee.
- k) operator, anyone executing on behalf of the licensee the day to day management of the petroleum activities.
- l) continental shelf, the seabed and subsoil of the submarine areas that extend beyond the Norwegian territorial sea, throughout the natural prolongation of the Norwegian land territory to the outer edge of the continental margin, but no less than 200 nautical miles from the base lines from which the breadth of the territorial sea is measured, however not beyond the median line in relation to another state.
- m) Upstream pipeline network, any pipeline or network of pipelines operated or constructed as part of an oil or gas production project, or used to convey natural gas from one or more production facilities of this type to a processing plant, a terminal or a final landing terminal. Those parts of such networks and facilities that are used for local production activities of a deposit where the natural gas is produced are not regarded as upstream pipeline networks.
- n) Natural gas undertaking, any natural or legal person carrying out at least one of the following functions: production, transmission, distribution, supply, purchase or storage of natural gas, including liquefied natural gas (LNG), and which is responsible for the commercial and technical tasks or maintenance related to these functions, but shall not include final customers.
- o) Eligible customers, gas-fired power generators, irrespective of their annual consumption level, as well as other final customers consuming more than 25 million cubic metres of gas per year and per consumption site and having access to the system in the EEA State in which the party in question is domiciled.

CHAPTER 2 EXPLORATION LICENCE

Section 2-1

Granting of exploration licence etc.

The Ministry may grant to a body corporate a licence to explore for petroleum within limited areas of the seabed or its subsoil. Exploration licence may also be granted to a physical person domiciled in an EEA state.

The exploration licence gives the right to explore for petroleum. It does not give exclusive right to exploration in those areas that are mentioned in the licence, nor any preferential right when production licences are granted. Production licence may be granted to others, or licence may be granted according to Section 4-3 in areas covered by exploration licences, without giving rise to any liability or any obligation to refund fees that have been paid.

Exploration licence is granted for a period of 3 calendar years unless another period of time is stipulated.

The Ministry may authorise a licensee holding an exploration licence to undertake other exploration activities.

The King may issue regulations relating to the contents of an application for exploration licence, the scope of such licence, the further conditions of the licence and the fee to be paid.

Section 2-2

The area covered by the exploration licence

The exploration licence shall state the area covered by the licence. The exploration licence does not give any right to exploration in areas covered by production licences, unless otherwise decided by the Ministry in accordance with Section 3-11.

CHAPTER 3 PRODUCTION LICENCE ETC.

Section 3-1

Opening of new areas

Prior to the opening of new areas with a view to granting production licences, an evaluation shall be undertaken of the various interests involved in the relevant area. In this evaluation, an assessment shall be made of the impact of the petroleum activities on trade, industry and the environment, and of possible risks of pollution, as well as the economic and social effects that may be a result of the petroleum activities.

The opening of new areas is a matter which shall be put before local public authorities, central trade and industry associations and other organisations which may be presumed to have a particular interest in the matter.

Furthermore it shall be made known through public announcement which areas are planned to be opened for petroleum activities, and the nature and extent of the activities in question. Interested parties shall be given a period of time of no less than 3 months to present their views.

The Ministry decides on the administrative procedure to be followed in each individual case.

Section 3-2
Division of the continental shelf

Offshore areas inside the outer boundary of the continental shelf are divided into blocks of 15 latitude minutes and 20 longitude minutes in size, unless adjacent land areas, common boundaries with the continental shelf of other states, or other circumstances warrant otherwise.

Section 3-3
Production licence

The King in Council may, on conditions to be further stipulated, grant production licence. A production licence may cover one or several blocks or parts of blocks.

Production licence may be granted to a body corporate established in conformity with Norwegian legislation and registered in the Norwegian Register of Business Enterprises, insofar as other requirements are not applicable pursuant to international agreements. Production licence may also be granted to a physical person domiciled in a state of the European Economic Area (EEA).

A production licence entails an exclusive right to exploration, exploration drilling and production of petroleum deposits in areas covered by the licence. The licensee becomes the owner of the petroleum which is produced.

The King may stipulate as a condition for granting a production licence that the licensees shall enter into agreements with specified contents with one another.

Section 3-4
Agreements with a view to applying for a production licence

Co-operation agreements entered into with a view to applying for a production licence shall be submitted to the Ministry. The Ministry may require alterations to be made in such agreements.

Section 3-5
Announcement and granting of a licence

Prior to the granting of a production licence, the Ministry shall, as a rule, announce the area for which applications for production licences may be submitted.

The announcement shall be published through notification in The Norwegian Gazette (Norsk Lysingsblad) and the Official Journal of the European Communities. The notification shall stipulate a time limit for the filing of applications of not less than 90 days, and it shall contain such information as decided by the Ministry.

The granting of a production licence shall be done on the basis of factual and objective criteria, and the requirements and conditions stated in the notification. The King is not obliged to grant any production licence on the basis of the applications received.

The King may grant production licences without announcement. Prior to such granting of a production licence, the licensees of production licences in all adjacent areas shall be given the opportunity to apply for a production licence for the area in question. Notification shall be published in The Norwegian Gazette (Norsk Lysingsblad) and the Official Journal of the European Communities indicating the blocks which are affected.

Further regulations about the content of an application for production licence, and about the payment of application fees, are issued by the King.

Section 3-6
State participation

The King may decide that the Norwegian State shall participate in petroleum activities according to this Act.

Section 3-7
Operator

When granting a production licence, the Ministry shall appoint or approve an operator.

Change of operator must be approved by the Ministry. When warranted for particular reasons, the Ministry may undertake the change of operator.

If the Ministry appoints or approves an operator who is not a licensee according to the production licence, the provisions concerning the obligations of the licensee established in or pursuant to this Act shall apply correspondingly to the operator unless otherwise specifically provided. Notwithstanding the above, an operator who is not a licensee according to the production licence shall not be responsible under Section 5-4 second paragraph.

This provision shall apply correspondingly to specific licence to install and to operate facilities according to Section 4-3.

Section 3-8
Work obligation

The King may impose on the licensee a specific work obligation for the area covered by the production licence.

Section 3-9
The duration of a production licence etc.

The production licence shall be granted for up to 10 years. If the production licence is granted for a shorter period of time, the Ministry may subsequently extend the licence period within the 10 years limit.

A licensee who has fulfilled the work commitment according to Section 3-8 and the conditions otherwise applicable to the individual production licence, may demand that the licence shall be extended after the expiry of the period stipulated pursuant to the first paragraph. The extension period shall be stipulated in the individual production licence, and shall as a general rule be up to 30 years, but may in specific cases be up to

50 years.

When granting a licence, the King shall stipulate what part of the area covered by the production licence the licensee may demand an extension for pursuant to the second paragraph. The size of the area stipulated according to the first sentence shall as a rule constitute 50 percent of the area covered by the production licence, notwithstanding that the licensee shall be entitled to keep at least 100 square kilometres. The Ministry may on application consent to the licensee keeping more than the area stipulated when the licence is granted according to this provision.

The King may issue regulations relating to delimitation of the areas to be relinquished according to the third paragraph.

The Ministry may, on application from the licensee and when particular reasons so warrant, extend the production licence in excess of the extension according to the second paragraph. Application for extension must have been submitted no later than 5 years prior to the expiry of the production licence, unless otherwise approved or decided by the Ministry. The Ministry stipulates the conditions for such particular extension.

Section 3-10

Dividing the area of a production licence

The Ministry may on application from a licensee approve that part of the area covered by the production licence is partitioned off and issue a separate production licence for the area partitioned off.

The King may issue regulations relating to delimitation of the area partitioned off.

Section 3-11

Right for others to exploration

The Ministry may, in specific cases, grant to someone other than the licensee the right to carry out exploration in an area covered by a production licence. The Ministry shall determine the kind of exploration that may be carried out and the duration of the activities.

Section 3-12

Right for others to place facilities etc.

A licensee cannot oppose the laying of pipelines, cables or wires of various kinds, or the placing of other facilities on, in or above the area covered by the production licence. Such facilities must not cause unreasonable inconvenience to the licensee.

The provision of the first paragraph applies correspondingly to necessary route and soil surveys prior to such placement.

Section 3-13

Natural resources other than petroleum resources etc.

A production licence does not preclude the granting to others than the licensee of rights to undertake exploration for and production of natural resources other than petroleum resources, provided it does not cause unreasonable inconvenience to the petroleum activities conducted by a licensee pursuant to the production licence. The same applies to scientific research.

If there has been any discovery of natural resources other than petroleum resources in an area covered by a production licence, and if continued activities cannot take place without causing unreasonable inconvenience to the petroleum activities conducted by the licensee pursuant to the production licence, the King shall decide which of the activities shall be postponed, and, if applicable, to what extent. In so deciding, account shall be taken of the nature of the discovery made, investments undertaken, the stage the activities have reached, the duration and extent of the activities and their economic and social impact etc., seen in relation to the activities conducted pursuant to the production licence.

Anyone subject to postponement of his activities may require extension of the licence for a period of time corresponding to the postponement. If the postponement only applies to a limited part of the activities which may be conducted pursuant to the licence, the Ministry may stipulate a shorter period for the extension, decide that extension shall not be granted or that extension shall only be granted for part of the area to which the licence applies.

If the postponement has the effect that the work obligation imposed according to Section 3-8 cannot be accomplished within the stipulated time limit, the time limit shall be extended to the extent necessary.

If the petroleum activities are postponed, the area fee for the extension period shall be waived or reduced according to the discretionary judgement of the Ministry. Fees which have been paid in advance shall not be refunded.

If the postponement according to the second paragraph must be assumed to be of particularly long duration, the relevant licence may instead be revoked.

The King may decide that the party authorised to maintain his activities shall wholly or partly refund to the party that has to postpone or curtail his activities the costs incurred and, to a reasonable extent, cover other losses.

Section 3-14

Relinquishment of areas

The licensee may during the period mentioned in Section 3-9, first paragraph, with 3 months notice, relinquish parts of the area covered by the production licence. Thereafter, relinquishment of parts of the area may take place at the end of each calendar year, provided notice of such relinquishment has been given at least 3 months in advance. The Ministry may require the obligations stipulated according to the production licence and the conditions on which it has been granted to be fulfilled prior to relinquishment.

The King may issue regulations relating to delimitation of relinquished areas.

Section 3-15

Surrender of a production licence

The licensee may during the period mentioned in Section 3-9, first paragraph, with 3 months notice, surrender

a production licence in its entirety. Thereafter, surrender may take place at the end of each calendar year, provided notice of such surrender has been given at least 3 months in advance. The Ministry may require the obligations stipulated according to the production licence and the conditions on which it has been granted to be fulfilled prior to surrender.

CHAPTER 4 PRODUCTION ETC. OF PETROLEUM

Section 4-1

Prudent production

Production of petroleum shall take place in such a manner that as much as possible of the petroleum in place in each individual petroleum deposit, or in several deposits in combination, will be produced. The production shall take place in accordance with prudent technical and sound economic principles and in such a manner that waste of petroleum or reservoir energy is avoided. The licensee shall carry out continuous evaluation of production strategy and technical solutions and shall take the necessary measures in order to achieve this.

Section 4-2

Plan for development and operation of petroleum deposits

If a licensee decides to develop a petroleum deposit, the licensee shall submit to the Ministry for approval a plan for development and operation of the petroleum deposit.

The plan shall contain an account of economic aspects, resource aspects, technical, safety related, commercial and environmental aspects, as well as information as to how a facility may be decommissioned and disposed of when the petroleum activities have ceased. The plan shall also comprise information on facilities for transportation or utilisation comprised by Section 4-3. In the event that a facility is to be placed on the territory, the plan shall in addition provide information about what applications for licences etc. have been submitted according to other applicable legislation.

The Ministry may, when particular reasons so warrant, require the licensee to produce a detailed account of the impact on the environment, possible risks of pollution and the impact on other affected activities, in respect of a larger defined area.

If the development is planned in two or more stages, the plan shall, to the extent possible, comprise the total development. The Ministry may limit the approval to apply to individual stages.

Substantial contractual obligations must not be undertaken, nor construction work be started, until the plan for development and operation has been approved, unless by consent from the Ministry.

The Ministry may on application from a licensee waive the requirement to submit a plan for development and operation.

The Ministry shall be notified of and shall approve any significant deviation or alteration of the terms and preconditions on which a plan has been submitted or approved and any significant alteration of facilities. The Ministry may require a new or amended plan to be submitted for approval.

Section 4-3

Specific licence to install and to operate facilities for transport and utilisation of petroleum

The Ministry may on specified conditions grant a specific licence to install and to operate facilities when right to install and to operate facilities does not follow from an approved plan for development and operation pursuant to Section 4-2.

Application shall be submitted containing plan for the construction, placing, operation and use of facilities as mentioned in the first paragraph, including shipment facilities, pipelines, liquefaction facilities, facilities for generation and transmission of electric power and other facilities for transportation or utilisation of petroleum.

Licence may be granted for a fixed period of time, and may on application from the licensee be extended by the Ministry.

The provisions of Section 4-2, with the exception of the first and fifth paragraphs, shall apply correspondingly unless otherwise decided by the Ministry.

Section 4-4

Stipulation of production schedule etc.

The Ministry shall, prior to or concurrently with approval pursuant to Section 4-2 or a licence being granted pursuant to Section 4-3, approve the production schedule. A production schedule other than that which follows from Section 4-1 may be stipulated if warranted by resource management considerations or other significant social considerations.

Burning of petroleum in excess of the quantities needed for normal operational safety shall not be allowed unless approved by the Ministry.

Upon application from the licensee, the Ministry shall stipulate, for fixed periods of time, the quantity which may be produced, injected or cold vented at all times. An application shall be submitted at such times and shall have such contents as decided by the Ministry. The Ministry shall base this stipulation on the production schedule on which the development plan is based, unless new information on the deposit or other circumstances warrant otherwise.

When necessary for weighty social reasons, the King in Council may, for an individual petroleum deposit or several petroleum deposits, stipulate other production schedules than those stipulated or approved pursuant to the first and third paragraph, and may in this connection order improved recovery. If the decision according to this paragraph is to the effect that production shall be reduced in relation to the production schedule stipulated or approved, the Ministry shall endeavour to apportion to a reasonable extent the reduction proportionately between the relevant petroleum deposits. In the event of such apportionment, special considerations shall be given to long-term agreements for the supply of gas and to petroleum deposits which in part are situated on the continental shelf of another state.

Upon application from the licensee, the Ministry may approve test production of a petroleum deposit.

Duration, quantity and other conditions for such test production shall be decided by the Ministry.
The Ministry may require the licensee to produce a report on field related matters, including alternative schemes for production and, if applicable, injection, and the total recovery factor for various production schedules.

Section 4-5

Postponement of exploration drilling and development

The Ministry may decide that exploration drilling or development of a deposit shall be postponed.

The provisions relating to extension of the licence, extension of the time limit set for implementing the work obligation and payment of area fee during the extension period in Section 3-13 third, fourth and fifth paragraphs shall apply accordingly.

Section 4-6

Preparation, commencement and continuation of production

The Ministry may make a decision to require preparation, commencement or continuation of production, and hereunder, that on-going production shall be continued or increased, when this is economically beneficial to society, when necessary to develop an efficient transportation system or to ensure efficient utilisation of facilities comprised by Sections 4-2 and 4-3. Such decision may also be made if it is efficient for reservoir engineering reasons, or when it is desirable that two or more petroleum deposits are produced in conjunction with each other, or when warranted by other significant social reasons.

If the decision according to the first paragraph is to the effect that production shall be prepared or commenced, the licensee shall be given a period of two years to present a plan according to Section 4-2 and a progress schedule. If the decision is to the effect that production shall be continued, the licensee shall be given a period of no less than 6 months to present a plan for implementation.

If the plan according to the second paragraph is not submitted prior to expiry of the time limit, or if the licensee informs the Ministry that he will not prepare, commence or continue production of the deposit, or if the licensee without plausible reason and in spite of order to such effect fails to take the necessary steps to implement the plan, the Ministry may initiate measures to commence or continue production, and in this connection revoke the production licence or parts of the area of the production licence to the extent this is considered necessary to achieve efficient production. The same shall apply if the licensee presents a plan which the Ministry does not consider to be satisfactory, provided that the licensee shall nevertheless be given a period of at least 6 months to present an amended plan.

If the production licence is revoked pursuant to the third paragraph, the licensee's costs for exploration and exploration drilling in connection with the deposit in question shall be reimbursed by the State.

Section 4-7

Joint petroleum activities

If a petroleum deposit extends over more than one block with different licensees, or onto the continental shelf of another state, efforts shall be made to reach agreement on the most efficient co-ordination of petroleum activities in connection with the petroleum deposit as well as on the apportionment of the petroleum deposit. This shall apply similarly when, in the case of several petroleum deposits, joint petroleum activities would obviously be more efficient.

Agreements on joint exploration drilling shall be submitted to the Ministry. Agreements on joint production, transportation, utilisation and cessation of petroleum activities shall be submitted to the Ministry for approval. If consensus on such agreements is not reached within reasonable time, the Ministry may determine how such joint petroleum activities shall be conducted, including the apportionment of the deposit.

Section 4-8

Use of facilities by others

The Ministry may decide that facilities comprised by Sections 4-2 and 4-3, and which are owned by a licensee, may be used by others, if so warranted by considerations for efficient operation or for the benefit of society, and the Ministry deems that such use would not constitute any unreasonable detriment of the licensee's own requirements or those of someone who has already been assured the right of use. Nevertheless, natural gas undertakings and eligible customers domiciled in an EEA State shall have a right of access to upstream pipeline networks, including facilities supplying technical services incidental to such access. The Ministry stipulates further rules in the form of regulations and may impose conditions and issue orders relating to such access in the individual case.

Any agreement on the use of facilities comprised by Sections 4-2 and 4-3 shall be submitted to the Ministry for approval unless otherwise decided by the Ministry. The Ministry may on approving an agreement according to the first sentence, or in the event that no such agreement is reached within a reasonable period of time, as well as in the case of an order according to the first paragraph, stipulate tariffs and other conditions or subsequently alter the conditions that have been approved or stipulated, in order to ensure that implementation of projects is carried out with due regard to considerations relating to resource management and to providing the owner of the facility with a reasonable profit taking into account, among other things, investments and risks.

Section 4-9

Extended operator responsibility for the overall operation of upstream pipeline network etc.

The Ministry may appoint someone to assume extended operator responsibility for the overall operation of upstream pipeline network and associated facilities, including undertake change of operator when warranted for particular reasons.

The overall operation of upstream pipeline network and associated facilities shall be carried out in accordance with prudent technical and sound economic principles. Whoever has the extended operator responsibility as mentioned in the first paragraph, shall act in a neutral and non-discriminatory manner.

The King may issue further rules relating to the responsibility as mentioned in the first and second paragraphs, including deciding that whoever has been assigned to assume this responsibility, shall also make decisions in respect of access to upstream pipeline network, and may order owners and users of upstream pipeline network and associated facilities and licensees of production licences where petroleum is produced, to adapt their activities. Such order might be given to ensure prudent resource management and efficient operation of the of upstream pipeline network in question.

The King may decide that Act of 10 February 1967 relating to procedures in cases concerning public administration and Act of 19 June 1970 No. 69 relating to public information shall not be applicable to the party assigned a particular operator responsibility according to the first paragraph.

Section 4-10

Area fee, production fee etc.

The licensee shall pay a fee for a production licence, after expiry of the period stipulated pursuant to Section 3-9 first paragraph first sentence, calculated per square kilometre (area fee).

The licensee shall furthermore pay a fee calculated on the basis of the quantity and value of petroleum produced at the shipment point of the production area (production fee). With regard to petroleum which is injected, exchanged or stored prior to being delivered to be taken ashore or used for consumption, the production fee shall be calculated on the basis of the quantity and value of the petroleum at the shipment point for the original production area at the time when the petroleum according to contract is delivered to be taken ashore or used for consumption. Nevertheless, production fee shall not be paid for petroleum produced from deposits where the development plan is approved or where the requirement to submit a plan for development and operation is waived after 1 January 1986.

When granting a production licence, a non-recurring fee (cash bonus) may be levied and there may be stipulated a fee which shall be calculated on the basis of production volume (production bonus).

The Ministry may with 6 months' notice decide that the production fee shall be paid wholly or partly in the form of produced petroleum. The Ministry may in such cases require the licensee to make sure that such petroleum is transported, processed, stored and made available at prices, priority and other conditions which are no less favourable than the terms applicable to the licensee's own petroleum from the relevant production area. The Ministry may, with 6 months' notice, decide that the fee shall again be paid in cash.

Petroleum which the State is entitled to receive as production fee, and the State's right to transportation, processing and storage of such petroleum may be transferred to others. Such transfer shall relieve the State of future obligations.

The King may issue regulations relating to the size of the fees and bonuses mentioned in first, second and third paragraphs and on the method of calculation, including provisions on stipulation of the value which shall form the basis for the calculation, on metering of the petroleum e.g. for fiscal purposes, and on information which the licensee shall provide about the production. The King may determine that the fees mentioned in the first and second paragraphs shall not be paid wholly or partly, or that the duty to pay such fees shall be postponed.

Claims for fees with accrued interest and charges are grounds for enforcement of distraint.

Section 4-11

Landing of petroleum

The King decides where and in which way landing of petroleum shall take place.

Section 4-12

Supplies to cover national requirements

The King may decide that the licensee shall make deliveries from his production to cover national requirements, and provide transportation to Norway. The King may further decide to whom such petroleum shall be delivered.

A price shall be paid for the petroleum delivered, which shall be determined in the same way as the price which forms the basis for calculation of the production fee, with the addition of transportation costs. For the transportation, Section 4-9, fourth paragraph, shall apply correspondingly. If agreement is not reached on the further terms of delivery, they shall be determined by the Ministry.

Section 4-13

Supplies in the event of war, threat of war etc.

In the event of war, threat of war or other extraordinary crisis, the King may decide that a licensee shall place petroleum at the disposal of Norwegian authorities.

The provisions of Section 4-11, second paragraph, shall apply correspondingly unless the particular situation warrants otherwise. In such a situation, the King shall with binding effect determine the price.

CHAPTER 5

CESSATION OF PETROLEUM ACTIVITIES

Section 5-1

Decommissioning plan

The licensee shall submit a decommissioning plan to the Ministry before a licence according to Section 3-3 or Section 4-3 expires or is surrendered, or the use of a facility is terminated permanently. The plan shall contain proposals for continued production or shutdown of production and disposal of facilities. Such disposal may inter alia constitute further use in the petroleum activities, other uses, complete or part removal or abandonment. The plan shall contain the information and evaluations deemed necessary in order to make a decision according to Section 5-3. The Ministry may require further information and evaluations, alternatively require a new or amended plan.

Unless the Ministry consents to or decides otherwise, the decommissioning plan shall be submitted at the earliest five years, but at the latest two years prior to the time when the use of a facility is expected to be terminated permanently. A corresponding time limit shall apply when a licence granted pursuant to Sections 3-3 and 4-3 expires, provided the licence expires before the use of the facility is expected to be terminated permanently.

The Ministry may waive the requirement to submit a decommissioning plan.

In the event of revocation of a licence, the provisions of this Section shall apply correspondingly to the extent they are suitable.

Section 5-2

Notification of termination of use

The licensee shall notify the Ministry of the time of termination if the use of the facility is expected to terminate permanently before the expiry of the licence.

Section 5-3

Decision relating to disposal

The Ministry shall make a decision relating to disposal and shall stipulate a time limit for implementation of the decision. In the evaluation on which the decision is based, emphasis shall, inter alia, be attached to technical, safety, environmental and economic aspects as well as to consideration for other users of the sea. The Ministry may stipulate specific conditions in connection with the decision.

The licensee and the owner are under obligation to make sure that a decision relating to disposal is carried out, unless otherwise decided by the Ministry. The obligation to carry out the decision relating to disposal is applicable even if this decision is made or is to be implemented after the expiry of the licence.

If the ownership of a facility has been transferred pursuant to Section 10-12, the licensee and the owner are jointly under obligation to make sure that a decision relating to disposal is carried out, unless otherwise decided by the Ministry.

If the decision is to the effect that the facility shall continue to be used in the petroleum activities or for other purposes, the licensee, owner and user are jointly obliged to make sure that future decisions on disposal are carried out, unless otherwise decided by the Ministry.

If a decision relating to disposal is not carried out within the stipulated time limit, the Ministry may take necessary measures on behalf of the licensee or other responsible party, and for their account and risk. Costs of such measures are grounds for enforcement of distraint.

Use of a facility for purposes other than petroleum activities, complete or part removal or abandonment cannot be decided under this Act for a facility onshore or on seabed subject to private property rights.

Section 5-4

Liability

Whoever is under obligation to implement a decision relating to disposal according to Section 5-3 is liable for damage or inconvenience caused wilfully or negligently in connection with disposal of the facility or other implementation of the decision.

If the decision is abandonment, the licensee or owner shall be liable for damage or inconvenience caused wilfully or inadvertently in connection with the abandoned facility, unless otherwise decided by the Ministry.

If there are more than one party liable according to the first or second paragraph, they shall be jointly and severally liable for financial obligations, unless otherwise decided by the Ministry.

In the event of decisions for abandonment, it may be agreed between the licensees and the owners on one side and the State on the other side that future maintenance, responsibility and liability shall be taken over by the State based on an agreed financial compensation.

Section 5-5

Encumbrances

In the event that the State requires removal of a facility, any liens, charges and encumbrances thereon shall lapse. The same applies if the State takes over the facility according to Section 5-6, however, in such cases the rights of use established with the Ministry's consent shall remain in force.

Section 5-6

Takeover by the State

The State has a right to take over the licensee's fixed facility when a licence expires, is surrendered or revoked, or when the use of such facility has been terminated permanently.

The King decides with binding effect if and to what extent compensation shall be paid for the takeover.

In the event of takeover of a facility onshore or on seabed subject to private property rights, compensation shall be paid to the extent this follows from otherwise applicable rules.

If the State has confirmed that it wishes to exercise its right to take over fixed facilities, the takeover shall take effect 6 months after the time when the licence has expired, has lapsed for other reasons, or the use of the facility has been terminated permanently, unless otherwise agreed or decided by the Ministry.

At the State takeover, the facility with appurtenances shall be in such condition as adequate maintenance to ensure functional capability for operation would require. Any dispute regarding this, and, if applicable, regarding the compensation to be paid to the State for lack of maintenance, shall be determined by appraisal.

Section 6-1
Registration of licences

The Ministry shall keep a register of all production licences, called the Petroleum Register. The Ministry may by regulations decide that the register shall also comprise licences as mentioned in Section 4-3.

Each licence shall be given a separate sheet in the register. The Ministry shall keep a journal of documents to be registered. The Ministry may issue further regulations on how the journal and the register shall be arranged and kept, on obligation of notification for the licensee in the event of transfer and other alterations in connection with the licence, and other aspects of the procedure for registration. This also includes provisions regarding fees that may be levied.

The rules contained in Act of 7 June 1935 No. 1 relating to Public Registration, Chapters 2 and 3, shall apply correspondingly to the extent that they are suitable and unless otherwise provided by this Act or regulations issued pursuant to the Act.

Section 6-2
Mortgaging of licences

The Ministry may consent to the mortgaging by the licensee of an entire licence, or that the individual licensee mortgages his share of the licence as part of the financing of the activities associated with the licence. In special cases, the Ministry may allow the financing to include activities pursuant to a licence other than the one which is mortgaged.

When consent is granted to mortgaging according to the first paragraph the Ministry may consent to allow forced sale and forced usage according to Act of 26 June 1992 No. 86 relating to enforcement of claims to take place without any change in the terms of the licence.

Mortgaging according to this section will gain legal protection by registration in the Petroleum Register.

Section 6-3
Scope of the mortgage

Mortgaging of the entire licence according to Section 6-2 comprises those rights which at any time follow from the licence as well as the mortgagor's other rights in connection with activities carried out in accordance with the licence.

The mortgage does not comprise rights in relation to facilities registered in another register of mortgages or rights in relation to facilities onshore or on seabed subject to private property rights.

In addition the mortgage does not comprise rights in relation to mobile construction machinery which may be mortgaged according to Section 3-8 of the Mortgage Act or rights in relation to other chattels which may be registered in another register of mortgages. The rules of Section 3-4 and Section 3-7 of the Mortgage Act shall apply correspondingly to the extent they are suitable.

In the event of mortgaging of a participating interest in a licence according to Section 6-2, the mortgage comprises the mortgagor's pro rata share of the total assets at any time linked with the licence as well as the mortgagor's other rights in connection with activities carried out in accordance with the licence.

Section 6-4
The rights of the mortgagee etc.

The Ministry shall give the mortgagee notice in writing of revocation or surrender of a licence or of a participating interest in a licence together with the information that the mortgage will lapse if forced sale is not requested without undue delay. If forced sale is requested in time, a new licence may not be granted to the detriment of the mortgagee's rights.

Mortgage rights as mentioned in the first paragraph may not be transferred or mortgaged without the Ministry's consent. Similarly it cannot without such consent be made subject of distraint, arrest, debt settlement proceedings or be included in the mortgagee's estate in bankruptcy.

CHAPTER 7
LIABILITY FOR POLLUTION DAMAGE

Section 7-1
Definition

Pollution damage means damage or loss caused by pollution as a consequence of effluence or discharge of petroleum from a facility, including a well, and costs of reasonable measures to avert or limit such damage or such loss, as well as damage or loss as a consequence of such measures. Damage or loss incurred by fishermen as a consequence of reduced possibilities for fishing is also included in pollution damage.

Ships used for stationary drilling are regarded as a facility. Ships used for storage of petroleum in conjunction with production facilities are regarded as part of the facility. The same applies to ships for transport of petroleum during the time when loading from the facility takes place.

Section 7-2
Scope and applicable law

The provisions of this chapter are applicable to liability for pollution damage from a facility when such damage occurs in Norway or inside the outer limits of the Norwegian continental shelf or affects a Norwegian vessel, Norwegian hunting or catching equipment or Norwegian facility in adjacent sea areas. With regard to measures to avert or limit pollution damage it is sufficient that damage may occur in such area.

The provisions of this chapter are also applicable to pollution damage from facilities used in petroleum activities according to this Act, when the damage occurs in onshore or offshore territory belonging to a state which has acceded to the Nordic Convention on Environment Protection of 19 February 1974.

The King may, irrespective of the provisions contained in this Act, by agreement with a foreign state issue rules relating to liability for pollution damage caused by petroleum activities pursuant to this Act. Such rules shall, however, not restrict the right to compensation according to this Act in respect of any injured party

under Norwegian jurisdiction.

Section 7-3

The liable party and the extent of liability

The licensee is liable for pollution damage without regard to fault. The provisions relating to the liability of licensees apply correspondingly to an operator who is not a licensee when the Ministry has so decided in connection with the approval of operator status.

If there are several licensees under the licence and one of them is the operator, or if the Ministry has made a decision according to the first paragraph, claims for compensation shall initially be directed to the operator. If any part of the compensation is left unpaid on the due date by the operator, this part shall be covered by the licensees in accordance with their participating interest in the licence. If someone fails to cover his share, this shall be allocated proportionately between the others.

If it is demonstrated that an inevitable event of nature, act of war, exercise of public authority or a similar force majeure event has contributed to a considerable degree to the damage or its extent under circumstances which are beyond the control of the liable party, the liability may be reduced to the extent it is reasonable, with particular consideration to the scope of the activity, the situation of the party that has sustained damage and the opportunity for taking out insurance on both sides.

In the event of pollution damage from a facility located in an area outside the Norwegian continental shelf, the party who has approval from the competent authority to conduct the activities to which the facility is connected, is regarded to be a licensee.

Section 7-4

Channelling of liability

The liability of a licensee for pollution damage may only be claimed pursuant to the rules of this Act.

Liability for pollution damage cannot be claimed against:

- a) anyone who by agreement with a licensee or his contractors has performed tasks or work in connection with the petroleum activities.
- b) anyone who has manufactured or delivered equipment to be used in the petroleum activities.
- c) anyone who undertakes measures to avert or limit pollution damage, or to save life or rescue values which have been endangered in connection with the petroleum activities, unless the measures are performed in conflict with prohibitions imposed by public authorities or are performed by someone other than public authorities in spite of express prohibition by the operator or the owner of the values threatened.
- d) anyone employed by a licensee or by someone mentioned under literas a, b or c.

If the licensee has been ordered to pay compensation for pollution damage, but fails to pay within the time limit stipulated by the judgement, the party that has sustained damage may bring action against the party that has caused the damage to the same extent as the licensee may bring action for recourse against the party causing the damage, cf. Section 7-5.

The licensee may claim compensation from the party causing pollution damage to him to the same extent as the licensee may bring action for recourse against the party causing the damage, cf. Section 7-5.

Section 7-5

Recourse

The licensee cannot claim recourse for pollution damage against someone exempted from liability pursuant to the rules of Section 7-4, unless the person in question or someone in his service has acted wilfully or by gross negligence.

Recourse liability may be mitigated to the extent that this is considered reasonable in view of manifested conduct, economic ability and the circumstances in general.

The provisions contained in the Maritime Act of 24 June 1994 No. 39 relating to limitation of liability shall be applicable to the extent recourse is claimed against someone entitled to limitation of liability pursuant to the rules of the Maritime Act.

Any agreement on further recourse in respect of those against whom liability cannot be claimed pursuant to Section 7-4, second paragraph, shall be invalid.

Section 7-6

Petroleum activities without a licence

If pollution damage occurs in a petroleum activity and the activity has been conducted without a licence, the party that has conducted the petroleum activity shall be liable for the damage regardless of fault. The same liability rests on others who have taken part in the petroleum activity and who knew, or should have known, that the activity was conducted without a licence

Section 7-7

Public announcement. Preclusive notice

Unless the Ministry considers it obviously unnecessary, the operator shall without undue delay, by public announcement, provide information regarding the party to whom claims for compensation for pollution damage shall be directed and of the period of limitation.

Announcement shall take place by advertising twice with no less than 1 week's interval in The Norwegian Gazette (Norsk Lysingsblad) and in newspapers and other publications which are generally read in those places where damage is caused, or is presumed to occur.

With the Ministry's consent, possible claimants may be summoned by preclusive notice with the effect that claims which have not been presented within the expiry of the time limit set forth in the preclusive notice will lapse. The Ministry shall in such event, give further rules regarding the notice and the length of the period for the preclusive notice, and may issue rules about the method of settlement.

Section 7-8

Legal venue

Legal action for compensation for pollution damage shall be brought before the courts in the court district where the effluence or discharge of petroleum has taken place or where damage has been caused.

The Ministry decides where the action shall be brought if:

- a) the effluence or discharge has taken place or the damage has been caused outside the area of any court district.
- b) it cannot be demonstrated within which court district the effluence or discharge has taken place or damage has been caused.
- c) the effluence or discharge has taken place in one court district and the damage is caused in another court district.
- d) damage has been caused in more than one court district.

CHAPTER 8 SPECIAL RULES RELATING TO COMPENSATION TO NORWEGIAN FISHERMEN

Section 8-1

Scope of application and definitions

This chapter applies to compensation for financial losses incurred by Norwegian fishermen as a result of the petroleum activities occupying fishing fields or resulting in pollution and waste, or as a result of damage caused by a facility or actions in connection with the placing of a facility.

This chapter does not apply to pollution damage as mentioned in Section 7-1.

The terms pollution and waste in this chapter are defined as pollution and waste as mentioned in Act of 13 March 1981 No. 6 relating to protection against pollution and relating to waste, Section 6, first paragraph subsections 1 and 2, and Section 27, first paragraph, respectively.

Norwegian fishermen are in this chapter defined as persons registered in the registration list of fishermen and owners of vessels listed in the registry of Norwegian fishing vessels subject to registration licences.

The provisions in the remaining chapters of the Act are also applicable to this chapter to the extent they are suitable and are not in conflict with the provisions of this chapter.

Section 8-2

Occupation of a fishing area

In the event of petroleum activities within an area entirely or partly occupying a fishing field, the State is obliged, to the extent that fishing becomes impossible or is substantially impeded, to award compensation in respect of any resulting financial loss.

Compensation may be set entirely or partly as a lump sum or as fixed annual payments. Compensation may normally not be claimed for losses that have occurred more than seven years after the occupation took place.

The State may claim recovery from the licensee if the licensee ought to have averted the loss.

Section 8-3

Pollution and waste

The licensee is liable, regardless of fault, in respect of financial losses incurred as a result of pollution and waste from the petroleum activities, and the cost of reasonable measures to avert or limit such damage or such loss, including damage or loss as a result of such measures.

The liability of the licensee pursuant to the first paragraph also includes damage and inconvenience due to pollution and waste as a result of supply vessel and support vessel traffic, as well as during relocation of the facility to or from the field concerned. The licensee has the right of recourse against the perpetrator actually causing the loss or the shipowner, providing the other prevailing conditions of liability have been fulfilled.

In order to claim compensation for lost fishing time in connection with locating, marking, retrieval or bringing ashore objects, the objects must be properly marked or brought ashore and presented to the police or port authority or other equivalent public authority, unless absolute obstacles exist. Their location must in any case be reported to the police or port authority.

What is mentioned in the third paragraph also applies to compensation for other losses insofar as such marking, indication of location or bringing ashore can reasonably be required.

Liability for damages also comprises other vessels assisting a fishing vessel in bringing objects ashore.

Section 8-4

Joint and several liability

If damage has been caused as described in Section 8-3 and it is not possible to identify who caused the damage, the licensees shall be jointly and severally liable insofar as the damage may be believed to have been caused by petroleum activities in connection with the licence in question.

Section 8-5

Facility etc. causing damage

If a facility or an action in connection with the placing of such facility causes damage, and the injured party does not have a right to compensation pursuant to the provisions of Section 8-2, the licensee shall, regardless of fault, be liable for damages in respect of the financial losses suffered by fishermen as a result of the damage.

Section 8-6

Commissions etc.

Claims made pursuant to this chapter, shall be dealt with by a commission. The King shall issue regulations relating to the composition of the commission and its procedures, as well as provisions regarding the handling of administrative appeal.

Decisions made by the administrative appeal body may be brought straight before the district court, within two months of the party in question having been notified of the decision by summons.

Claims upheld by the commission or the administrative appeal body are grounds for enforcement of distraint after the expiry of the time limit for lodging a complaint or the time limit given in the second paragraph.

The administrative appeal body may grant reinstatement where the *deadline in the second paragraph* is exceeded, pursuant to the provisions of Section 31 of the Public Administration Act. Decisions made by the administrative appeal body regarding the question of reinstatement may be appealed to the district court.

CHAPTER 9 SPECIAL REQUIREMENTS TO SAFETY

Section 9-1 Safety

The petroleum activities shall be conducted in such manner as to enable a high level of safety to be maintained and further developed in accordance with the technological development.

Section 9-2 Emergency preparedness

The licensee and other participants in the petroleum activities shall at all times maintain efficient emergency preparedness with a view to dealing with accidents and emergencies which may lead to loss of lives or personal injuries, pollution or major damage to property. The licensee shall see to it that necessary measures are taken to prevent or reduce harmful effects, including the measures required in order, to the extent possible, to return the environment to the condition it had before the accident occurred. The Ministry may issue rules about such emergency preparedness and such measures, and may in this connection order co-operation between several licensees in matters of emergency preparedness.

In the event of accidents and emergencies as mentioned in first paragraph, the Ministry may decide that other parties shall make available necessary contingency resources for the account of a licensee. The Ministry may also for the account of the licensee take measures to obtain the necessary additional resources in other ways.

The rules of Act of 15 December 1950 No. 7 relating to special measures in time of war, threat of war and similar circumstances, Chapter V, relating to compulsory surrender to the public authorities, shall apply correspondingly to the extent they are suitable.

Section 9-3 Emergency preparedness against deliberate attacks

The licensee shall initiate and maintain security measures to contribute to avoiding deliberate attacks against facilities and shall at all times have contingency plans to deal with such attacks.

The licensee shall place facilities at the disposal of public authorities for drills and shall participate in such drills to the extent this is necessary.

The Ministry may order implementation of such measures as referred to in the first and second paragraphs.

Section 9-4 Safety zones etc.

Around and above facilities there shall be a safety zone unless otherwise decided by the Ministry. In the event of accidents and emergencies the Ministry may establish or extend safety zones. The extent of zones referred to in the first and second sentences shall be determined by the King. This provision is not applicable to pipelines and cables.

The King may decide that a safety zone shall extend across the border line onto the continental shelf of another state. Furthermore, the King may decide that there shall be a safety zone on the Norwegian continental shelf even if the facility in question is located outside the Norwegian continental shelf.

The Ministry may decide that a zone corresponding to the safety zone shall be established in reasonable time prior to the placing of facilities as mentioned in first paragraph.

The Ministry may decide that there shall be a safety zone around and above abandoned or dumped facilities, or parts of such facilities.

Unauthorised vessels, hovercrafts, aircrafts, fishing gear or other objects must not be present in zones as mentioned in the first, second, third and fourth paragraphs. If fishing can take place in the zone or in parts of the zone without threatening safety or interfering with the exercise of the petroleum activities, the Ministry may nevertheless decide that such fishing can take place.

The Ministry may issue such regulations as are considered necessary to secure access for facilities as mentioned in the first paragraph to zones as mentioned in the third paragraph.

This section is not applicable to facilities onshore or on seabed subject to private property rights.

Section 9-5 Suspension of the petroleum activities etc.

In the event of accidents and emergencies as mentioned in Section 9-2, the licensee or anyone else responsible for the operation and use of the facility shall, to the extent necessary, suspend the petroleum activities for as long as the requirement to prudent operations warrants such suspension.

When special reasons exist, the Ministry may order the petroleum activities to be suspended to the extent necessary, or impose particular conditions to allow continuation of the activities.

When a decision as mentioned in the second paragraph is based on circumstances not caused by the licensee, the Ministry may, upon application, extend the period of time for which the licence applies and, to a reasonable extent, mitigate the obligations resting on the licensee.

Section 9-6

Requirements to safety documentation

If the licensee decides to prepare plans with a view to approval or licence according to Sections 4-2 or 4-3, such plans and the licensee's documentation for implementation of this work shall be submitted to the Ministry as a part of the regulatory safety supervision.

Section 9-7

Qualifications

The licensee and other persons engaged in petroleum activities shall possess the necessary qualifications to perform the work in a prudent manner. Training shall be given to the extent necessary.

In addition the licensee shall see to it that anyone carrying out work for him complies with the provisions contained in the first paragraph.

CHAPTER 10 GENERAL PROVISIONS

Section 10-1

Requirements to prudent petroleum activities

Petroleum activities according to this Act shall be conducted in a prudent manner and in accordance with applicable legislation for such petroleum activities. The petroleum activities shall take due account of the safety of personnel, the environment and of the financial values which the facilities and vessels represent, including also operational availability.

The petroleum activities must not unnecessarily or to an unreasonable extent impede or obstruct shipping, fishing, aviation or other activities, or cause damage or threat of damage to pipelines, cables or other subsea facilities. All reasonable precautions shall be taken to prevent damage to animal life and vegetation in the sea, relics of the past on the sea bed and to prevent pollution and littering of the seabed, its subsoil, the sea, the atmosphere or onshore.

Section 10-2

Management of the petroleum activities, bases etc.

The licensee shall, unless otherwise decided by the Ministry, have an organisation which is capable of managing independently the petroleum activities from Norway. To achieve this, the Ministry may stipulate specific requirements in respect of the organisation and the capital of the company.

The licensee shall see to it that the circumstances permit trade union activities to take place among his own employees and the personnel of contractors and sub-contractors in accordance with Norwegian practice.

The petroleum activities shall be conducted from a base in Norway. The licensee may be ordered to use bases designated by the Ministry.

Section 10-3

Regulatory supervision of the petroleum activities

The Ministry carries out regulatory supervision to see that the provisions laid down in or pursuant to this Act are complied with by all who carry out petroleum activities comprised by the Act. The Ministry may issue such orders as are necessary for the implementation of the provisions laid down in or pursuant to this Act.

The Ministry may, when it is considered necessary, order a vessel or a mobile facility or part of a facility to be brought to a Norwegian port or to another place.

Expenses related to the regulatory supervision may be required to be covered by the licensee or by the party which the supervision in each case is directed at or where it takes place.

Section 10-4

Material and information concerning the petroleum activities

Material and information which the licensee, operator, contractor etc. possesses or prepares in connection with planning and implementation of petroleum activities pursuant to this Act shall be available in Norway and may be required to be submitted free of charge to the Ministry or to anyone designated by the Ministry. Such material and information shall be submitted in a format decided by the Ministry to the extent this is deemed reasonable. In this connection, the Ministry may also require analyses and studies to be carried out. When a production licence is surrendered, the operator takes over the responsibility for material and information relating to the surrendered production licence according to this provision.

The King shall issue more specific rules relating to what material shall be available to the authorities and what material may be required to be submitted, as well as what information shall be given to public authorities prior to the commencement of the petroleum activities and after they have been started.

Information which has been provided to the authorities may, in accordance with further provisions issued by the Ministry, be used for the preparation of overview maps and for statistical purposes, among others by the Central Bureau of Statistics of Norway.

Section 10-5

Agreements between affiliated companies

The Ministry may, when particular reasons so warrant, consent to the licensee entering into an agreement, which authorises a parent company or a company with which the licensee is affiliated in a similar manner, to undertake the activities on behalf of the licensee.

It shall be set as a condition for the abovementioned consent that the arrangement will not result in less tax revenues to Norway.

Section 10-6

Obligation to comply with the Act and to see to it that provisions are complied with

The licensee and other persons engaged in petroleum activities comprised by this Act are obliged to comply with the Act, regulations and individual administrative decisions issued by virtue of the Act through the implementation of necessary systematic measures.

In addition the licensee shall see to it that anyone performing work for him, either personally, through employees or through contractors or subcontractors, shall comply with the provisions laid down in or pursuant to the Act.

Section 10-7

Security

Upon granting a licence and subsequently, the Ministry may decide that the licensee shall provide such security as approved by the Ministry for fulfillment of the obligations, which the licensee has undertaken, as well as for possible liability in connection with the petroleum activities.

This shall apply correspondingly to any other responsible party according to Chapter 5.

Section 10-8

Responsibility for commitments

Licenses who jointly hold a licence are jointly and severally responsible to the state for financial obligations arising out of petroleum activities pursuant to the licence.

Section 10-9

Liability for damage caused

If liability in respect of a third party is incurred by anyone undertaking tasks for a licensee, the licensee shall be liable for damages to the same extent as, and jointly and severally with, the perpetrator and, if applicable, his employer.

Liability for pollution damage is governed by the rules of Chapter 7.

Section 10-10

Commission of inquiry

If a serious accident has occurred in connection with petroleum activities comprised by this Act, the Ministry may appoint a special commission of inquiry. The same applies to incidents in the activities which have led to serious danger of loss of life or major damage to property or pollution of the marine environment. The members of the commission shall represent sufficient legal, nautical and technical expertise. The chairman shall satisfy the criteria for being a judge of the supreme court.

The commission of inquiry may require the licensee and other parties involved in the accident or incident to provide the commission with information which may be relevant to the investigation, and that they shall make available documents, facilities and other objects at a place where it is suitable for the investigation to take place.

The licensee may be required to cover the costs in connection with the work of the commission of inquiry.

The rules of the Maritime Act relating to maritime declaration and regulations issued pursuant to Section 485 of the Maritime Act apply correspondingly to the extent they are suitable.

Section 10-11

Training

The King may issue rules relating to the licensees' obligation to undertake training of civil servants.

Section 10-12

Transfer etc.

Transfer of a licence or participating interest in a licence for petroleum activities may not take place without the approval of the Ministry. The same applies to other direct or indirect transfer of interest or participation in the licence, including, inter alia, assignment of shareholdings and other ownership shares which may provide decisive control of a licensee possessing a participating interest in a licence.

Transfer of a group of licensees' right of ownership to fixed facilities may not take place without the approval of the Ministry. The same applies to establishing a mortgage in a facility which in accordance with a licence under this Act has been placed onshore or on seabed subject to private property rights.

The Ministry may in special cases decide that a fee shall be paid for the transfer.

Section 10-13

Revocation

In the event of serious or repeated violations of this Act, regulations issued pursuant hereto, stipulated conditions or orders issued, the King may revoke a licence granted pursuant to this Act.

If an application for a licence contains incorrect information, or if information of significance has been withheld, and it must be assumed that the licence would not have been granted had correct or complete information been available, the licence may be revoked in relation to the licensee concerned.

A licence may be revoked if the security which the licensee is obliged to provide pursuant to Section 10-7 has become significantly weakened, or if the company or other association holding the licence is dissolved or enters into debt settlement proceedings or bankruptcy proceedings.

Section 10-14

Consequences of revocation, surrender of rights or lapse for other reasons

Revocation of a licence, surrender of rights or lapse of rights for other reasons do not entail release from the financial obligations which follow from this Act, regulations issued pursuant hereto or specific conditions. If a work obligation or other obligation has not been fulfilled, the Ministry may demand payment, in full or in part, of the amount which fulfillment of the obligation would have cost. The amount shall be stipulated by the Ministry with binding effect.

Section 10-15**Immunity etc. for civil servants of other states**

The King may, notwithstanding of Norwegian law, grant to civil servants of other states immunity and special privileges in connection with measures to prevent and take action against illegal acts representing a safety threat to the petroleum activities.

Section 10-16**Enforcement measures**

With regard to orders issued in or pursuant to this Act, the authority which has issued the order may stipulate a current fine for each day that passes after expiry of the time limit set for implementation of the order, until it has been complied with. Notice of a fine shall be given by registered letter or by another equally reliable method. An order to pay a fine is regarded as grounds for enforcement of distraint.

The King may waive an imposed fine when this is considered reasonable.

In the event of serious or repeated violations of acts and regulations, stipulated conditions or orders issued, the Ministry may impose a temporary suspension of the activities.

The Ministry may initiate necessary measures for the account and risk of the licensee if orders are not complied with. The costs of such measures are grounds for enforcement of distraint.

A vessel or aircraft which violates provisions or orders issued in or pursuant to this Act may be instructed, expelled or seized and brought to a Norwegian port.

Section 10-17**Penal provisions**

Wilful or negligent violation of provisions or decisions issued in or pursuant to this Act shall be punishable by fines or imprisonment for up to 3 months. In particularly aggravating circumstances, imprisonment for up to 2 years may be imposed. Complicity is punishable in the same way. These provisions shall not apply if the violation is subject to a more severe penalty under any other statutory provision.

Section 10-18**Authority to issue regulations and stipulate conditions**

The King may issue regulations to supplement and implement this Act, including, inter alia, provisions relating to working conditions, confidentiality and relating to the licensee's obligation to make information on the activities pursuant to the Act available to the public. The King may also issue regulations relating to duty to provide information for the fulfillment of Norway's obligations pursuant to the EEA agreement.

In connection with individual administrative decisions, other conditions than those mentioned in this Act may be stipulated, when they are naturally linked with the measures or the activities to which the individual administrative decision relates.

CHAPTER 11**MANAGEMENT OF THE STATE DIRECT FINANCIAL INTEREST**

Addendum by Act of 18 May 2001 No. 23 (entry into force 17 June 2001 according to resolution 15 June 2001 No. 636)

Section 11-1**The State's participation in petroleum activities**

The State participates in petroleum activities under this Act in that the State reserves a specified share of a licence granted pursuant to this Act and in the joint venture established by a joint operating agreement in accordance with the licence.

The King may decide that the State shall participate in activities under this Act otherwise than mentioned in the first paragraph, and that the State shall participate in other activities connected with activities under this Act. In such case the provisions contained in this chapter shall apply accordingly to the extent they are suitable, unless otherwise specifically decided by the King.

Addendum by Act of 18 May 2001 No. 23 (entry into force 17 June 2001 according to resolution 15 June 2001 No. 636)

Section 11-2**Management company**

The commercial aspects in relation to the participating interests which the State owns or reserves for itself, shall be managed by a limited company owned by the State as sole owner.

The company shall be a licensee in respect of the participating interests it manages on behalf of the State. In the individual joint venture the company shall have rights and duties as a participant in accordance with the joint operating agreement and shall otherwise have rights and duties as a licensee according to rules stipulated in or pursuant to this Act with appurtenant regulations.

The revenues resulting from the management of the participating interests shall belong to the State. The operating expenses, investments and other expenditure incurred to or relating to the management of the participating interests, shall be covered by appropriation from the State. The company shall keep separate accounts in respect of revenues and expenses relating to the participating interests.

Funds for the operation of the company shall be provided by the State.

Addendum by Act of 18 May 2001 No. 23 (entry into force 17 June 2001 according to resolution 15 June 2001 No. 636)

Section 11-3**The State's responsibility for the company**

The State is directly liable for any obligations incurred by the company by contract or otherwise. Claims against the State shall be made to the company.

Bankruptcy and debt settlement proceedings according to Act of 8 June 1984 No.58 relating to debt

settlement proceedings and bankruptcy (The Bankruptcy Act) cannot be instituted against the company.
Addendum by Act of 18 May 2001 No. 23 (entry into force 17 June 2001 according to resolution 15 June 2001 No. 636)

Section 11-4

Raising of loans etc.

The company cannot raise loans or provide security without the consent of the Storting (Parliament).
Addendum by Act of 18 May 2001 No. 23 (entry into force 17 June 2001 according to resolution 15 June 2001 No. 636)

Section 11-5

The relationship to company law

The company is subject to the Act of 13 June 1997 No. 44 relating to limited companies (the Companies Act), including the provisions on State limited companies, unless otherwise ensues from this Act.
Addendum by Act of 18 May 2001 No. 23 (entry into force 17 June 2001 according to resolution 15 June 2001 No. 636)

Section 11-6

Duties of the Board of Directors

The Board of Directors shall see to it that the participating interests are subject to sound management in accordance with commercially sound principles and allocated funds and authorisations issued to the company and the activities it manages. The Board of Directors shall also consider the composition of the portfolio of participating interests and shall, as appropriate, put forward a proposal of possible changes to the General Assembly.

The Board of Directors may engage managers to execute management tasks of the individual joint venture. The Board of Directors may also engage particular managers for limited business areas. The Board of Directors shall see to it that the execution of the tasks assigned to managers, is supervised in a satisfactory manner.

Addendum by Act of 18 May 2001 No. 23 (entry into force 17 June 2001 according to resolution 15 June 2001 No. 636)

Section 11-7

Duty of submission of the Board of Directors

The Board of Directors shall submit the following matters to the General Assembly:

- a) plans for the coming year, as well as outlook for the intermediate term and significant changes in any of these;
- b) plans regarding projects of major significance to the State's participation in activities according to this Act;
- c) main features of the budget for the coming year;
- d) principles relating to engagement of managers;
- e) annual report and annual accounts in respect of the participating interests of the State as mentioned in Section 11-8.

The Board of Directors shall in addition submit to the General Assembly all matters that must be assumed to comprise principal or political aspects of significance or that may entail significant socio-economic or social effects.

If the management committee of a joint venture is to make a decision in a matter governed by special voting rules with the right for the company to cast its vote based on a decision by the General Assembly, the Board of Directors shall submit the matter to the General Assembly before the company casts its vote in the matter. If the management committee has made a decision that will constitute a violation of conditions and requirements specified in the licence as regards the State's production policy or the State's financial interests, the Board of Directors shall submit the matter to the General Assembly.

The Board of Directors shall inform the Ministry of matters which are to be submitted to the General Assembly according to first to third paragraph, and shall demand that this Assembly be called. The General Assembly shall decide whether the submission of the Board of Directors according to this Section shall be duly noted, approved or amended.

The Board of Directors may make a decision in matters comprised by this Section if it has not been possible to submit the matter to the General Assembly in advance. The General Assembly shall be notified of such decision immediately.

Addendum by Act of 18 May 2001 No. 23 (entry into force 17 June 2001 according to resolution 15 June 2001 No. 636)

Section 11-8

Annual report and annual accounts

The Board of Directors shall render accounts for revenues and expenditure in respect of the State's participating interests. The Board of Directors shall also submit an annual report containing an overview of the participating interests managed by the company, including a resource account.

Addendum by Act of 18 May 2001 No. 23 (entry into force 17 June 2001 according to resolution 15 June 2001 No. 636)

Section 11-9

The relationship to provisions of the Public Administration Act etc.

The Act of 10 February 1967 relating to procedures in cases concerning public administration (the Public Administration Act) and the Act of 19 June 1970 No. 69 relating to public information (the Public Information Act) do not apply to the company.

Addendum by Act of 18 May 2001 No. 23 (entry into force 17 June 2001 according to resolution 15 June 2001 No. 636)

Section 11-10

Instructions. Supplementary provisions

The Ministry may issue instructions in respect of the company's execution of its management task under to this Act, including the stipulation of rules relating to the duty of secrecy of elected representatives and employees.

The King may by individual administrative decisions or regulations stipulate provisions relating to implementation of, or as supplement to or delimitation of, the provisions of this chapter.

Addendum by Act of 18 May 2001 No. 23 (entry into force 17 June 2001 according to resolution 15 June 2001 No. 636)

CHAPTER 12

ENTRY INTO FORCE AND AMENDMENT OF LAWS

Section 12-1

Entry into force etc.

This Act enters into force as from the time decided by the King. The King may decide that individual provisions contained in the Act shall enter into force at different times.

Section 3-9, first, second and third paragraphs do not apply to production licences granted pursuant to Royal Decree of 9 April 1965 relating to exploration for and exploitation of submarine petroleum resources (the 1965 Decree). Such production licences are valid for up to 46 years from the time when the licence was granted.

Section 4-5 does not apply to production licences granted prior to 1 July 1985.

The Ministry may exempt from the provisions of Section 4-9, second paragraph, relating to the shipment point of the production area in respect of production licences issued pursuant to Royal Decree of 9 April 1965 relating to exploration for and exploitation of submarine petroleum resources (the 1965 Decree).

Regulations issued pursuant to previous Act of 21 June 1963 No.12 relating to scientific research and exploration for and exploitation of subsea natural resources other than petroleum resources, or Act of 22 March 1985 No. 11 relating to petroleum activities, or by virtue of regulations issued pursuant to the said Acts, shall apply insofar as no other provision has been or will be made applicable.

Section 12-2

Repeal and amendment of acts

Act of 22 March 1985 No. 11 relating to petroleum activities shall be repealed as from the time of entry into force of this Act.

As from the same time, the belowmentioned Acts shall be amended as follows:

1. Act of 21 June 1985 No. 83 relating to general partnerships etc. (the Companies Act), Section 1-1 (4) second sentence, shall read as follows:

Similarly it shall not be applicable to co-operation agreements in connection with licence granted pursuant to Act of 29 November 1996 No. 72 relating to petroleum activities, Section 4-3, and co-operation agreements by virtue of Section 3-3 fourth paragraph and Section 4-7, cf. Section 4-3 of the Act, and corresponding agreements entered into prior to the entry into force of the Petroleum Act.

2. Act of 21 June 1963 No. 12 relating to scientific research and exploration for and exploitation of subsea natural resources other than petroleum resources, Section 1 first paragraph, shall read as follows:

This Act applies to scientific research of the seabed and its substrata and exploration for and exploitation of subsea natural resources other than petroleum resources in Norwegian internal waters, in Norwegian territorial sea and on the continental shelf. By continental shelf shall be understood the sea bed and subsoil of the submarine areas that extend beyond the Norwegian territorial sea throughout the natural prolongation of its land territory to the outer edge of the continental margin, but no less than 200 nautical miles from the base lines from which the territorial sea has been measured, nevertheless not beyond the median line in relation to other states.



OLJEDIREKTORATET

(Unofficial translation)

**TILLATELSE TIL UNDERSØKELSE
ETTER PETROLEUM**

**LICENSE FOR
PETROLEUM EXPLORATION
(Reconnaissance Licence)**

UNDERSØKELSESTILLATELSE NR

EXPLORATION LICENSE NO

1 Med hjemmel i lov nr 72 av 29 november 1996 om petroleumsvirksomhet (petroleumsloven) § 2-1, jf forskrift til petroleumsloven, kgl res 27 juni 1997 (petroleumsforskriften) §§ 3 til 6, jf Olje- og energidepartementets delegeringsvedtak av 28 juni 1985, tildeler Oljedirektoratet herved:

1 Pursuant to Section 2-1 of Act No. 72 of 29 November 1996 relating to petroleum activities (The Petroleum Act), cf regulations to Act relating to petroleum activities, Royal Decree 27 June 1997 (the petroleum Regulations) sections 3 to 6, cf letter of delegation of 28 June 1985 from the Ministry of Petroleum and Energy, the Norwegian Petroleum Directorate hereby grants:

tillatelse til å foreta undersøkelse etter petroleum.

Permission, in the form of a reconnaissance license to undertake exploration for petroleum.

For tillatelsen gjelder de bestemmelser som er fastsatt i nevnte kgl res, samt de øvrige bestemmelser som er fastsatt eller som senere måtte bli fastsatt for slike tillatelser.

The provisions laid down in the above mentioned Royal Decree are applicable for this license, together with other provisions or decisions issued now or at a later date.

2 Tillatelsen gjelder for følgende områder:

2 The license applies in the following areas:

***Den norske kontinentalsokkel sør for 62°N
samt områdene som fremgår av vedlegg.***

***The Norwegian Continental Shelf south of
62°N and all open areas north of 62°N***

Tillatelsen gjelder dog ikke for områder som det til enhver tid er gitt utvinningstillatelse for, uten at vedkommende rettighetshavers samtykke er innhentet.

The license does not apply in areas for which a production license has or will be granted, unless permission is obtained from the license holder.

Forskrifter om fremmede, ikke-militære fartøyers anløp av og ferdsel i norsk territorialfarvann under fredsforhold, ble fastsatt ved kgl res av 23 desember 1994. Det vises til disse bestemmelsene da søknad om tillatelse til anløp av norsk indre farvann for fremmede ikke militære fartøy skal fremmes for norske myndigheter. Søknaden skal rettes til Fellesoperativt hovedkvarter. Det vises også til kgl res 4 mai 1995 om påbudte leder og rapporteringspunkter for fremmede, ikke-militære fartøyers ferdsel i norsk territorialfarvann.

Regulations relating to the entry and transit of non-military vessels in Norwegian territorial waters in peace were laid down by Royal Decree of 23 December 1994. Reference to these regulations is made because an application for permission to enter Norwegian internal waters must be made to the Norwegian authorities. This application shall be addressed to the Norwegian National Joint Headquarters. Regarding entry points and reporting stations for non-military vessels within Norwegian territorial waters, reference is made to Royal Decree 4 May 1995.

3 Undersøkelsen skal foregå på forsvarlig måte i samsvar med de til enhver tid gjeldende bestemmelser. Aktiviteten må ikke

3 Exploration under the reconnaissance license shall be conducted in a responsible manner and according to the

i unødvendig eller i urimelig grad vanskeliggjøre eller hindre skipsfart, fiske, luftfart eller annen virksomhet, eller volde skade eller fare for skade på rørledninger, kabler eller andre undersjøiske innretninger.

Alle rimelige foranstaltninger skal tas for å unngå skade på dyre- og plantelivet i havet, kulturminner på havbunnen og forurensning og forurensning av havbunnen, dens undergrunn, havet, luften eller på land.

Rettighetshaver skal i denne forbindelse særlig være oppmerksom på Forskrifter for fiskerikyndig person om bord i seismiske fartøy på norsk sokkel av 11 oktober 1991. En kopi av nevnte forskrift skal alltid finnes om bord i undersøkelsesfartøyet.

- 4 Når undersøkelsene foretas med fartøy eller luftfartøy, skal de rette seg etter de til enhver tid gjeldende internasjonale og norske sjøveis- henholdsvis luftfartsregler for vedkommende område.

Fartøy og luftfartøy skal, i nødvendig utstrekning, være kjent med de norske bestemmelser for merking av flytende og faststående fiskeredskap, samt med reglene for landterneføring hos fartøyer som driver tråling eller annet fiske.

Fartøy og luftfartøy skal holde seg i forsvarlig avstand fra fartøyer som driver fiske og fra faststående og flytende fiskeredskap. Særlig aktsomhet skal utvises når større ansamlinger av fiskefartøyer observeres.

Fartøy og luftfartøy skal følge anvisninger fra norsk marinefartøy, kystvaktfartøy eller bruksvaktfartøy.

- 5 Tillatelsen gir rett til å foreta
- geologiske,
 - petrofysiske,
 - geofysiske,
 - geokjemiske og
 - geotekniske aktiviteter.

Det kan foretas grunne borerer ned til 200 meter under sjøbunnen.

Dersom undersøkelsen omfatter boring dypere enn 25 meter, må det sendes inn særskilt søknad med nødvendig dokumentasjon til Oljedirektoratet, jf forskrift om sikkerhet i petroleumsvirksomheten, kgl res 27 juni 1997 (sikkerhetsforskriften) § 15 første ledd bokstav a).

- 6 Tillatelsen gir ikke enerett til undersøkelse i de i tillatelsen nevnte områder og den gir heller ikke fortrinn eller rett til utnyttelse av mulige funn av petroleum eller andre undersjøiske naturforekomster.
- 7 Ved seismiske undersøkelser er det ikke tillatt å bruke energikilde på mer enn 25 kg ammoniumnitrat eller tilsvarende.

current legislation. Exploration activity shall not unnecessarily, or to an unreasonable extent, impede or prevent the movement of shipping, fishing activities, aviation or other activities; or cause damage or threaten to cause damage to pipelines, cables or other subsea installations.

All reasonable precautions shall be taken to prevent damage to marine fauna and flora, to archaeological relics on the seabed; and to prevent pollution and dumping of waste on the seabed, its sediments, the sea, atmosphere or land.

In this regard, the licensee shall pay particular attention to the Regulations of 11 October 1991 pertaining to the fisheries representative on board seismic vessels which operate on the Norwegian Continental Shelf. A copy of these regulations shall at all times be available on board the seismic vessel.

- 4 During the survey work, the reconnaissance vessel and aircraft shall comply with current international and Norwegian laws and regulations regarding navigation in the area concerned.

Reconnaissance vessels and aircrafts are obliged to the extent deemed necessary, to be aware of Norwegian practice for the marking of floating and stationary fishing equipment, and of the regulations relating to light signals carried by vessels engaged in trawling and other fishing activities.

The reconnaissance vessel and aircraft shall remain at a safe distance from vessels engaged in fishing, and from floating and stationary fishing equipment. Special care shall be taken when fleets of fishing vessels are observed.

The reconnaissance vessel and aircraft shall follow instructions given by Norwegian naval vessels, coastguard and patrol boats.

- 5 The license entitles the licensee to perform surveys involving;
- geological,
 - petrophysical,
 - geophysical,
 - geochemical and
 - geotechnical activities

The license entitles drilling to a maximum depth of 200 meters below the seabed.

If the survey work includes drilling to deeper than 25 meters, a separate application accompanied by the necessary documentation, shall be sent to the Norwegian Petroleum Directorate, cf regulations related to safety in the petroleum activities, Royal Decree of 27 June 1997 Section 15 first paragraph litera a.

- 6 The reconnaissance license provides neither an exclusive right for exploration in the areas in which the license applies, nor does it provide any rights or priority for the exploitation of possible petroleum accumulations, or of natural resources other than petroleum.
- 7 For seismic surveys, energy sources greater than 25 kg ammonium nitrate or its equivalent are prohibited.

- 8 Senest 5 uker før hver enkelt undersøkelse påbegynnes skal følgende opplysninger meddeles:
- Oljedirektoratet
Postboks 600
4003 Stavanger
Telefaks: 51 55 15 71
- Fiskeridirektoratet
Postboks 185
5004 Bergen
Telefaks: 55 23 80 90
- Fellesoperativt hovedkvarter
Postboks 8085
4068 Stavanger
Telefaks: 51 34 38 49
- a Nøyaktige opplysninger om området for undersøkelsen med posisjonslinjer.
- b Tidsangivelse for undersøkelsene, dvs tidspunkt for oppstart, samt varigheten.
- c Undersøkelsesmetoder, herunder tekniske spesifikasjoner vedrørende undersøkelsesmetodene, instrumentering, kabel, energikilde og prosesseringsmetode.
- d Hvilket fartøy, luftfartøy eller annen innretning som skal benyttes, dets utstyr og nasjonalitet.
- e I hvilken form resultatene vil foreligge.
- f Hvorvidt de innsamlede data skal være omsettelige eller ikke.
- Navn på fiskerikyndig person skal meddeles snarest, og senest 5 dager før undersøkelsen påbegynnes.
- Oljedirektoratet kan gjøre unntak fra fristene i denne artikkel.
- 9 I god tid, normalt 30 dager før undersøkelsen påbegynnes skal følgende sendes til Etterretninger for sjøfarende c/o Norges sjøkartverk, Postboks 60, 4001 Stavanger:
- a tidsangivelse for undersøkelsene
- b undersøkelsesfartøyets navn
- c undersøkelsesfartøyets fart
- d lengde på eventuell seismisk kabel
- e nøyaktige opplysninger om området for undersøkelsene med posisjonslinjer
- Nøyaktig forhåndsmelding om undersøkelsens startdato og avslutningsdato skal meldes:
- Fellesoperativt hovedkvarter
Postboks 8085
4068 Stavanger
Telefaks: 51 34 38 49
- 10 Mens undersøkelsen pågår, skal rettighetshaveren gi ukentlig informasjon om tid og sted for undersøkelsen, undersøkelses-
- 8 Not later than 5 weeks before the commencement of the survey the following information shall be relayed to:
- The Norwegian Petroleum Directorate
P O Box 600
4003 Stavanger, Norway
Telefax: +47 51 55 15 71
- The Directorate of Fisheries
P O Box 185
5004 Bergen, Norway
Telefax: +47 55 23 80 90
- Norwegian National Joint Headquarters
P O Box 8085
4068 Stavanger
Telefax: +47 51 34 38 49
- a Precise information pertaining to the area where the survey will be performed, indicating the position of survey lines.
- b The timeframe of the survey, including the commencement date and its anticipated duration.
- c A description of the survey methods including technical specifications of all instrumentation, cable(s), energy source(s) and dataprocessing.
- d A description of the vessel(s), aircraft(s), or other devices to be used, its equipment and nationality.
- e A description of how the results will be presented.
- f State whether the acquired data shall be made commercially available.
- The name of the fishery expert shall be relayed as soon as possible and, no later than 5 days before the commencement of survey.
- The Norwegian Petroleum Directorate may grant exemption from the time-limits mentioned in this article.
- 9 Well in advance, normally 30 days before commencement of the survey, notification of the following information shall be sent to the "Etterretninger for sjøfarende", c/o Norwegian Hydrographic Service, P O Box 60, 4001 Stavanger:
- a time for the survey
- b name of the vessel
- c speed of the vessel during the survey
- d length of the seismic cable, if any
- e exact information about the area where the survey is performed, with position lines
- Precise information of the commencement and termination dates of the survey shall be submitted in advance to:
- Norwegian National Joint Headquarters
P O Box 8085
4068 Stavanger
Telefax: +47 51 34 38 49
- 10 During the survey, the licensee shall provide weekly information as to time and location of the survey, the

fartøyets bevegelser, en oversikt over siste ukes produksjon og alle anløp av indre norske farvann, skriftlig eller over telefaks til:

- a Oljedirektoratet
Postboks 600
4003 Stavanger
Telefaks: 51 55 15 71
- b Fiskeridirektoratet
Postboks 185
5004 Bergen
Telefaks: 55 23 80 90
- c Kystvaktskvadron Sør / KVSØR
Postboks 75
5886 Bergen
Telefaks: 55 93 39 06
(for undersøkelser sør for 65°N bredde)
- d Kystvaktskvadron Nord / KVNORD
Postboks 295
8401 Sortland
Telefaks: 76 11 22 81
(for undersøkelser nord for 65°N bredde)
- e Fellesoperativt hovedkvarter
Postboks 8085
4068 Stavanger
Telefaks: 51 34 38 49

11 Dersom undersøkelsen ikke avsluttes til oppgitt dato, skal det sendes ny melding som nevnt i artikkel 8.

12 Etter at undersøkelsen er fullført og senest innen 3 måneder etter at de innsamlede data er tilgjengelig for rettighetshaver, skal data spesifisert i denne artikkelen bokstav a sendes vederlagsfritt til Schlumberger Infodata Norge AS (SINAS), og data spesifisert i bokstav b-f skal sendes til Oljedirektoratet.

- a Prosesserte seismiske data, hastighetsdata og navigasjonsdata. Navigasjonsdata skal også sendes til Statens Kartverk, Sjøkartverket.

Prosesserte seismiske data og hastighetsdata skal ved levering være i overensstemmelse med "SEG-Y Format Requirement for Stacked and Post-Stacked 2D-or 3D-Seismic Data." Dette dokumentet er tilgjengelig hos Oljedirektoratet eller det kan lastes ned fra internett-adressen:

<http://www.npd.no>

Navigasjonsdata skal være overensstemmende med kravene i "Guidelines to exploration activities", jf ODs internett-side:

<http://www.npd.no>

Alle data som rapporteres til SINAS skal tydelig merkes at dette er data som oversendes i henhold til pålagt myndighetsrapportering. Dataene skal være overensstemmende med retningslinjene gitt i "NPD's recommended naming conventions". Disse retningslinjene er tilgjengelig hos Oljedirektoratet eller kan lastes ned fra internett-adressen:

movements of the survey vessel, a summary of the previous week's production and all entries of Norwegian internal waters, in writing or by telefax to:

- a The Norwegian Petroleum Directorate
P O Box 600
4003 Stavanger, Norway
Telefax: +47 51 55 15 71
- b The Directorate of Fisheries
P O box 185
5004 Bergen, Norway
Telefax: +47 55 23 80 90
- c The Norwegian Coast Guard Squadron South /NOCGSOUTH
P O Box 75
5886 Bergen, Norway
Telefax: +47 55 93 39 06
(for surveys south of 65°N latitude)
- d The Norwegian Coast Guard Squadron North /NOCGNORTH
P O Box 295
8401 Sortland, Norway
Telefax: +47 76 11 22 81
(for surveys north of 65°N latitude)
- e Norwegian National Joint Headquarters
P O Box 8085
4068 Stavanger
Telefax: +47 51 34 38 49

11 If the survey is not completed within the given date, a new notification shall be submitted as mentioned in article 8.

12 After the survey is completed and not later than 3 months after the aquired data are available for the licensee, the data specified in litera a shall be submitted free of charge to Schlumberger Infodata Norge AS (SINAS), and data specified in this article litera b - f shall be submitted to the Norwegian Petroleum Directorate:

- a Processed seismic data, velocity data and navigation data. Navigation data shall also be submitted to the Norwegian Hydrographic Service.

At delivery, processed seismic data and velocity data shall be in accordance with "SEG-Y Format Requirement for Stacked and Post-Stacked 2D-or 3D-Seismic Data." This document is available at the Norwegian Petroleum Directorate, or may be downloaded from the Internet-address:

<http://www.npd.no>

Navigation data shall comply with the requirements in "Guidelines to exploration activities", cf the NPD's internet-site:

<http://www.npd.no>

All data which are reported to SINAS shall clearly be labelled that this is data which are being submitted in accordance with required reporting to the authorities. The data shall comply with the guidelines given in "NPD's recommended naming conventions". These guidelines are available at the Norwegian Petroleum Directorate, or they may be downloaded from the Internet-address:

<http://www.npd.no>

Adressater:

Schlumberger Infodata Norge AS - SINAS
Postboks 8013
4068 Stavanger

Statens Kartverk, Sjøkartverket
Lervigsveien 36
Postboks 60
4001 Stavanger

- b Prosesserte gravimetriske og magnetiske data i digital form.
- c Kart som transparentkopier og/eller i digitalt format som:
 - Bouguer-anomalier
 - Free-air anomalier
 - Total magnetisk intensitet
- d Prosesserte seismiske refraksjonsmålinger.
- e Grunnseismiske profiler i format som er vanlig i industrien.
- f Analyseresultater, kart og profiler som fremstiller resultatene fra andre geofysiske eller geologiske undersøkelser som varmestrømsmålinger, radiometriske målinger, prøvetakinger etc.

Addressat (denne artikkelen bokstavene b-f):

Oljedirektoratet
Prof. Olav Hanssensvei 10
Postboks 600
4003 Stavanger

I tillegg til de data som er nevnt ovenfor, kan Oljedirektoratet kreve å få tilsendt vederlagsfritt andre vesentlige data og resultater på det format Oljedirektoratet krever.

- 13 Oljedirektoratet kan kreve opplysninger om salg eller bytte av oppnådde undersøkelsesresultater.
- 15 En kopi av denne tillatelsen skal forefinnes på undersøkelsesfartøyet sammen med den til enhver tid gjeldende lovgivning for undersøkelse etter petroleum. Rettighetshaver er forpliktet til å forvisse seg om at kapteinen på fartøyet kjenner tillatelsens innhold og den til enhver tid gjeldende lovgivning.
- 16 Representanter fra Olje- og energidepartementet, Oljedirektoratet eller annen myndighet som direktoratet bestemmer har til enhver tid rett til å delta i eller være representert i de undersøkelser som foretas etter denne tillatelse.

Herunder skal offentlig inspektør ha rett til når som helst og så lenge det anses hensiktsmessig, å medfølge undersøkelsesfartøyet for å påse at undersøkelsene foretas i overensstemmelse med gjeldende regler og vilkår. Utgiftene kan kreves dekket av rettighetshaver. Rettighetshaver skal sørge for transport av representanter for myndighetene til og fra fartøy, samt for opphold om bord.

<http://www.npd.no>

Addressees:

Schlumberger Infodata Norge AS - SINAS
P.O. Box 8013
4068 Stavanger, Norway

The Norwegian Hydrographic Service
Lervigsveien 36
P.O. Box 60
4001 Stavanger, Norway

- b Processed gravity and magnetic data in a digital format.
- c Maps of transparencies and/or in digital format as:
 - Bouguer gravity anomalies
 - Free-air gravity anomalies
 - Total magnetic field
- d Processed seismic refraction measurements.
- e Shallow reflection profiles in industry standard formats.
- f Results of analyses, maps and profiles describing the results from other geophysical or geological surveys such as heat flow measurements, radiometric measurements, samples etc.

Addressee (this article litera b-f):

The Norwegian Petroleum Directorate
Prof. Olav Hanssensvei 10
P.O. Box 600
4003 Stavanger, Norway

In addition to the data mentioned above, the Norwegian Petroleum Directorate may require other essential data and results free of charge in a format required by the Norwegian Petroleum Directorate.

- 13 The Norwegian Petroleum Directorate may require to be informed of sale or trade of survey results.
- 15 A copy of this licence shall be available aboard the survey vessel together with the current legislation for petroleum exploration. The licensee is obliged to ensure that the master of the survey vessel is fully aware of the contents of the license and of current relevant legislation.
- 16 Representatives from the Ministry of Petroleum and Energy, the Norwegian Petroleum Directorate or other authorities as decided by the Directorate has a right at all times to participate in or be present on vessels which perform the survey under the licence.

A governmental official (inspector) has the right at any time and where appropriate to accompany the survey vessel in order to ensure that the survey is performed in according to current rules and regulations. Any expenses incurred in this regard shall be refunded by the licensee. The licensee shall provide transportation of representatives from the authorities to and from vessel, as well as their stay on board.

17 Tillatelsen kan tilbakekalles ved alvorlige eller gjentatte overtredelser av gjeldende regler og vilkår, jf petroleumsloven § 10-13.

17 This license may be revoked in cases of serious or repeated violations of the current rules and conditions, cf section 10-13 of the Petroleum Act.

18 Denne tillatelse gjelder i tre år fra:

1.1.2004

18 This license is valid for three years from:

1. January .2004

19 Tillatelsen bortfaller dersom ikke rettighetshaveren innen 31. desember hvert år betaler avgiften for kommende kalenderår, jf petroleumsforskriften § 5.

19 The licence lapses if the licensee fails, within the 31 December each year, to pay the license fee for the following calendar year, cf the petroleum Regulations, section 5.

Stavanger,

Gunnar Østebø
assisterende direktør

Martin Sellevoll
juridisk rådgiver