V

(Announcements)

PROCEDURES RELATING TO THE IMPLEMENTATION OF COMPETITION POLICY

EUROPEAN COMMISSION

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

(Text with EEA relevance)

(2012/C 17/06)

Announcement of United Kingdom 27th Offshore Oil and Gas Licensing Round

Department of Energy and Climate Change

The Petroleum Act 1998

Offshore Licensing Round

1. The Secretary of State for Energy and Climate Change invites interested persons to apply for Seaward Production Licences in respect of certain acreage on the United Kingdom Continental Shelf.

2. Full details of the offer, including lists and maps of the acreage on offer and guidance about licences, the terms which those licences will include, and how to apply, are available on the Energy Development Unit (EDU) website (see below).

3. All applications will be determined in accordance with the terms of the Hydrocarbons Licensing Directive Regulations 1995 (S.I. 1995 No 1434) and against a background of the continuing need for expeditious, thorough, efficient and safe exploration to identify the United Kingdom's oil and gas resources with due regard to environmental considerations.

Traditional and Frontier (including West of Scotland) Applications

4. Applications for Traditional and Frontier Licences (both for areas West of Scotland and elsewhere) will be determined on the basis of the following criteria:

(a) the financial viability of the applicant and its financial capacity to carry out the activities that would be permitted under the licence during the initial term including the work programme submitted for evaluating the full potential of the area within the block or blocks applied for;

(b) the technical capability of the applicant to carry out activities that would be permitted under the licence during the initial term, including the identification of hydrocarbon prospects within the block or blocks applied for. The technical capability will be assessed in part upon the quality of analysis related to the block or blocks applied for;

(c) the way in which the applicant proposes to carry out the activities that would be permitted under the licence, including the quality of the work programme submitted for evaluating the full potential of the area applied for;

(d) where the applicant holds or has held a licence granted under or treated as having been granted under the Petroleum Act 1998, any lack of efficiency and responsibility displayed by the applicant in operations under that licence.

5. The proposed operator within each applicant group (including any company that is applying as a sole applicant) must submit a statement of its general environmental policy for the conduct of licensed activities in seaward areas.

6. For Traditional and Frontier applications the Secretary of State will not award a licence unless he is prepared to approve the applicant's choice of operator at the same time. Before approving an operator, the Secretary of State must be satisfied that the nominee will be competent to plan and manage drilling operations, in terms of the numbers, experience, competence and training of its staff, the proposed procedures and methodologies, the design of its command structure, interfaces with contractors and overall corporate strategy. In considering a proposed operator, the Secretary of State will take into account both new information presented in the application and the nominee's record as an operator, both within the UK and abroad.

Promote Applications

7. Applications will be determined on the basis of the following criteria:

(a) the financial viability of the applicant;

(b) the technical capability of the applicant to carry out activities that would be permitted under the licence during the first two years of the licence including the identification of hydrocarbon prospects within the block or blocks applied for. The technical capability will be assessed in part upon the quality of analysis related to the block or blocks applied for;

(c) the quality of the applicant's approach to securing the additional financial and technical resources that would be needed to complete the substantive work programme contemplated in the second two years of the Initial Term;

(d) where the applicant holds or has held a licence granted under or treated as having been granted under the Petroleum Act 1998, any lack of efficiency and responsibility displayed by the applicant in operations under that licence.

8. Promote Licences will expire after two years if the Licensee has not satisfied DECC of its technical and financial capacity to complete the Initial Term Work Programme which will include a firm commitment at that time to the drilling of at least one well, or to conduct an equivalent agreed substantive activity. The Initial Term Work Programme must be carried out within four years.

Guidance

9. Further guidance detailing the above which accompany this offer can be viewed on the Energy Development Unit (EDU) website: http://www.og.decc.gov.uk/

Licence Offers

10. Unless an environmental assessment in relation to a particular Block is required (see Para. 14 below), any offer by the Secretary of State of a licence pursuant to this invitation, will be made within 12 months of the date of this Notice.

11. The Secretary of State accepts no liability for any costs incurred by the applicant in considering or making its application.

Environmental Assessments

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

http://www.offshore-sea.org.uk/consultations/Offshore_Energy_SEA/index.php

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

(a) the activities to be carried out under the licence are not likely to have a significant effect on the management of a Special Conservation Area (SCA) or Special Protection Area (SPA) or if

(b) an Appropriate Assessment has ascertained that the activities will have no adverse effects on such SCAs or SPAs; or

(c) in a case where the activities are assessed as likely to cause such adverse effects, subject to:

(i) there being imperative reasons of overriding public interest for awarding the licence,

(ii) the taking of appropriate compensatory measures, and

(iii) there being no alternative solutions.

14. Licence Administration: Energy Development Unit (EDU), Department of Energy and Climate Change, 3 Whitehall Place, London SW1A 2AW, United Kingdom (tel. +44 03000686042, fax +44 003000685129).

Energy Development Unit (EDU) website: http://www.og.decc.gov.uk/