



RD 1 12 APR. 1965

DET KONGELIGE DEPARTEMENT FOR INDUSTRI OG HÅNDVERK

AKERSGT. 42 OSLO-DEP. TELEFON 41 78 00

Standard Oil Company(N.J.)
v/A/S Norske Esso
Haakon VII gt. 9
OSLO 1

Lisens (1965)
(1969)

exceptive award
by Blue Book

Deres ref.

Vår ref. (bes oppgitt ved svar)
ID.utg. /65 A
NG/sm

Dato
10th April, 1965

1965 and
1967 licenses

1.
f. el. Royalty

flat 10%

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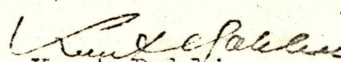
The Norwegian Continental Shelf.
Royal Decree of 9th April, 1965.

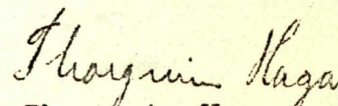
Please find enclosed a copy of the Royal Decree, given on the 9th inst. The Ministry also enclose three copies of an unauthorized English translation of same.

The Ministry are going to make a notification in the Norsk Lysingsblad on the 13th, 20th and 27th April according to section 12 in the Royal Decree. An unauthorized English translation of this notification is enclosed.

All correspondence with Norwegian authorities shall be addressed to the Ministry of Industry in the time to come, unless otherwise expressly stated. The correspondence shall also be addressed to the Ministry and not to individuals.

By authority,


Knut Døhlin


Thorgrim Haga

Invitation to apply for licence according to Royal Decree of 9th April, 1965 regarding exploration and exploitation of Petroleum Deposits in the Sea Bed or in the Sub-soil.

1. The Royal Ministry of Industry and Handicrafts is prepared to receive applications for reconnaissance and production licences according to the provisions in Royal Decree of 9th April, 1965.
2. Applications for production licence will be received between 1st May and 15th June, 1965, both days inclusive. The applications shall refer to field and block numbers specified in this notification and according to a map deposited at the Royal Ministry of Industry and Handicrafts. Copies of this map will be obtainable on applying to the Ministry of Industry, Government Building, Akersgaten 42, Oslo - Det. All applications received within 15th June, 1965 will be regarded as received simultaneously.
3. If the application covers several blocks, it should indicate the preference for individual blocks.
4. It is possible to apply for production licence with regard to the following blocks:

Field No. 1, blocks Nos 2, 3, 5, 6 and 9.

3 Field No. 2, " No. 1 to 8, both inclusive.

4 Field No. 3, " No. 1 to 5, both inclusive.

5 Field No. 4, block No. 1.

Field No. 6, " " 3.

Field No. 7, blocks No. 1 to 12, both inclusive.

Field No. 8, " " 1 to 12, both inclusive.

Field No. 9, " " 1 to 12, both inclusive.

Field No. 10, " " 1 to 12, both inclusive.

12 Field No. 11, " " 1 to 10, both inclusive.

13 Field No. 12, " " 1 to 6, both inclusive.

14 Field No. 13, " " 1 and 2.

Field No. 15, " Nos 2, 3, 5, 6, 8, 9, 11, and 12.

Field No. 16, " No. 1 to 12, both inclusive.

Field No. 17, " " 1 to 12, both inclusive.

Field No. 18, " " 1 to 12, both inclusive.

Field No. 19, blocks Nos 1, 2, 4 to 12, last numbers inclusive.
Field No. 20, " " 7, 10, 11 and 12.
Field No. 20 a, block No. 12,
Field No. 21, blocks No. 8 to 12, both inclusive.
Field No. 22, " " 2 to 8, both inclusive.
Field No. 24, " Nos 6, 9, 11 and 12.
Field No. 25, " No. 1 to 12, both inclusive.
Field No. 26, " No. 1 to 12, both inclusive.
Field No. 27, " No. 1 to 12, both inclusive.
Field No. 28, " Nos 1, 4, 10 and 11.
Field No. 29, " Nos 3, 6 and 9.
Field No. 30, " No. 1 to 12, both inclusive.
Field No. 31, " No. 1 to 12, both inclusive.
Field No. 32, " Nos 1, 2, 4 to 12, last numbers inclusive.
Field No. 33, " Nos 3, 6, 9 to 12, last numbers inclusive.
Field No. 34, " No. 1 to 12, both inclusive.
Field No. 35, " No. 1 to 12, both inclusive.
Field No. 36, " Nos 1 to 5, 7, 8, 10 and 11, first numbers inclusive.

5. For a production licence following fees will inter alia be required:

- a. A handling fee of kr. 10.000 to be paid simultaneously with the application, see the Royal Decree of 9th April, 1965, Section 11.
- b. Upon the granting of a production licence, the licensee shall pay a one-time fee for the first six years in the amount of kr. 500 per km², see Section 18 of the Decree.
- c. After the expiry of the six-year period an area fee shall be paid annually in advance for production licence. For the first year the fee is stipulated to kr. 500 per km². Thereafter, the fee is increased by kr. 500 per km² per year, until it has reached kr. 5.000 per km² per year. For the remainder of the period the fee shall be kr. 5.000 per km² per year see Section 25 of the Decree.
- d. When production commences, the licensee shall pay a 10 % royalty on basis of the gross value at wellhead of the products extracted, see Section 26 of the Decree. The area fee mentioned in no. 5 c, can be deducted from the royalty, according to Section 27 of the Decree.

6. The Ministry of Industry shall endeavor, to grant production licences according to this notifications within 20th September, 1965.
7. Applications for reconnaissance licences will be received by the Ministry of Industry on the 13th April and thereafter until further notice.

For a reconnaissance licence an annual fee of kr. 15.000 will be required, see Section 6 of the Decree.

8. All correspondance with Norwegian authorities regarding exploration for and exploitation of Petroleum deposits on the Norwegian Continental Shelf must be forwarded through the Ministry of Industry, unless otherwise expressly stated.

The Royal Ministry of Industry
and Handicrafts.

Oslo, April 13th, 1965.

9th April, 1965

Royal Decree
relating to
Exploration and Exploitation
of Petroleum in the Seabed
and its Subsoil
on The Norwegian Continental Shelf.

By virtue of Act of 21st June, 1963 on the exploration and exploitation of the natural resources of the seabed and its subsoil Section 3, it is hereby provided:

Chapter 1.

Introductory provisions.

Section 1.

These provisions shall apply to exploration for and exploitation of petroleum on the seabed or in the subsoil in Norwegian internal waters, in Norwegian territorial waters and in the part of the Continental Shelf which is under Norwegian sovereignty, but not in areas subject to private property rights.

Section 2.

By the term petroleum shall be understood all mineral oils and related hydrocarbons and natural gas existing in natural condition in strata as well as all substances, including sulphur, produced in association with such mineral oils, related hydrocarbons and natural gas.

Section 3.

The following licences may be granted by the Ministry of Industries on conditions stipulated in this Royal Decree and on the excessive conditions issued in the licence:

- (1) Non-exclusive licence permitting the exploration of the seabed and subsoil or defined parts thereof for petroleum for a limited period of time. (Reconnaissance licence.)
- (2) Licence for the exploration for and exploitation of petroleum in specified areas of the seabed and subsoil, with exclusive rights for the licensee for a specified period of time. (Production licence.)

Chapter 2.

Reconnaissance licence.

Section 4.

A reconnaissance licence may be granted to Norwegian or foreign persons, corporations, foundations or other associations.

Section 5.

A written application for reconnaissance licence must have been filed with the Ministry at least thirty days prior to the intended commencement of the exploration. If the application is not written in Norwegian, a translation thereof into Norwegian shall be enclosed. Annexes to the application should be presented in Norwegian or English.

The application shall contain the following information:

- a) Name, address and nationality of the person or persons or corporations etc. on whose behalf the exploration is to be carried out, with information of the person who is to serve as liaison with the Norwegian authorities.

b) Name, address and nationality of the person or persons or corporations etc. who are to carry out the explorations.

c) A description of the exploration to be carried out, with indication of the time of the intended commencement and termination thereof and with indication of the areas in which the exploration will be carried out.

d) Description of exploration methods, including information with regard to ships, aeroplanes or other floating or airborne objects to be used.

e) Whether seismic explorations are contemplated, if so description of the types of explosives to be used, with specification of the size of the charges and of the depth of discharge. Information shall also be provided with regard to the types and length of fuses, and with regard to the type and strength of primers to be used. Information shall likewise be given as to whether the vessels are equipped with radar, echo-sounder, sonar (asdic) or other fish-detecting instruments.

f) Indication of the extent to which the exploration is to be conducted from Norwegian land territory, if possible with indication of Norwegian ports, airfields or other Norwegian areas to be used as bases.

One year's fee, in the amount stipulated in Section 6 herof, shall be paid to the Ministry simultaneously with the filing of the application. If the application is rejected, the amount shall be returned.

Section 6.

A reconnaissance licence shall be granted for a period of three years.

A fee of kr. 15.000,- shall be paid annually in advance for the licence. The licence shall be considered as renounced if the licensee has not in advance paid the fee for the year to come.

Section 7.

The reconnaissance licence entitles the licensee to carry out the following explorations:

- (a) Magnetic surveys.
- (b) Gravimetric surveys.
- (c) Seismic works.
- (d) Heat-flow measurements.
- (e) Radio-metric measurements.
- (f) Bottom sampling without drilling.

The Ministry may, on application, permit the use of other exploration methods.

Section 8.

A reconnaissance licence does not give exclusive right to carry out exploration in the areas covered by the licence. Nor does it give precedence or right to exploit possible petroleum finds.

The licence does not give the right to carry out exploration in areas covered by a production licence.

The Ministry may at any time grant to others exclusive right to exploration and exploitation in areas covered by a reconnaissance licence without incurring liability or without entailing any obligation by the Ministry to refund fees paid.

Section 9.

The holder of a reconnaissance licence shall twice annually, before 1st February and 1st August, file a six months' report with the Ministry concerning the exploration carried out. The Ministry may demand additional information relating to the carrying out of the exploration.

Chapter 3.

Production licence.

Section 10.

A production licence may be granted to persons who are domiciled in Norway, and to corporations, foundations or other associations, which have been established in conformity

with Norwegian law and which have their seat in Norway.

When special reasons should call for it, such licence can be granted to foreign subjects, corporations etc., which have established a Norwegian branch with a permanent representative domiciled in Norway, who is fully authorized to act for the corporation etc. and to enter into binding commitments on its behalf, to the same extent as the board of a Norwegian joint-stock company.

Two or several persons, corporations etc., separately meeting the requirements set out above, may be granted a joint production licence.

Section 11.

The Ministry decides when applications for production licence in a specified area may be received, and shall notify this in accordance with the provisions of Section 12. The Ministry shall divide the area concerned into blocks. Each block shall be of a size of 15 minutes latitude and 20 minutes longitude, unless adjacent land areas or boundaries with the continental shelves of other countries necessitate a different delimitation of the blocks concerned. The blocks shall be measured from whole degrees of latitude and whole degrees of longitude.

A map of the area concerned, with delineation of the blocks, shall be available in the Ministry.

A handling fee of kr. 10.000,- is to be paid simultaneously with the application.

Section 12.

The notification mentioned in Section 11 shall be publicised in the Norwegian Gazette three times, with at least one week's interval. The notification shall provide for a time-limit, not shorter than 30 days calculated from the date of the last notification. In the notification should be included information as to fees mentioned in Sections 11, 18, 25 and 26.

To be taken into consideration, applications must have been received by the Ministry before the expiry of the last day of the time-limit. Applications received

before the expiry of the time-limit shall be considered as having been received simultaneously.

The Ministry is not obligated to grant licence on the basis of the applications received. If none of the applications are accepted, a renewed notification must be made before production licences are granted.

Section 13.

An application for production licence shall contain:

- a) Such information as set out in Section 5, second paragraph.
- b) Place of registration, information relating to its principal place of business, its executive board, the domicile and nationality of board-members, its capital, including size and distribution of the shares.
- c) If the applicant is a foreign corporation etc., the application shall contain complete information with regard to the points mentioned in Section 10, second paragraph.
- d) The last three annual reports with copy of the balance sheets.
- e) Information relating to the previous experience of the applicant in exploration for and exploitation of petroleum.
- f) Statement of the block or blocks to be covered by the licence, with reference to the map mentioned in Section 11.
- g) If the application covers several blocks, it should indicate the preference, if any, for individual blocks.

If the application is not written in Norwegian, a translation thereof into Norwegian shall be enclosed. Annexes to the application should be in Norwegian or English.

Section 14.

The licence shall be valid for a period of six years. On the conditions laid down in these regulations and the licence granted, the licensee can demand that the period of validity shall be extended in respect of a part of the area.

The licence gives the licensee exclusive right to exploration for and exploitation of petroleum in the areas covered by the licence.

Under special circumstances, the Ministry may give

permission for holders of reconnaissance licence or production licence for adjacent areas to carry out such limited exploration in the licensed area as is deemed necessary in order to obtain sufficient knowledge of the geological structure of the adjacent areas. When the licensee has been heard, the Ministry decides what type of exploration may be carried out, in which areas such exploration can take place and the period of time during which the exploration shall be permitted.

Section 15.

A production licence may be granted for one or several blocks. If the application covers several blocks, the Ministry may, after having heard the applicant, group the blocks in licensed areas. For the purpose of these regulations, each licensed area shall be considered as a unit, unless otherwise provided.

Section 16.

Production licence can not be granted before the Ministry, after consultations with prospective licensees, has accepted a work programme for each licensed area for the six-year period. The prospective licensee must accept in writing the execution of the established work programme.

If the established work programme is not carried out, or if the licensee renounces his rights, or if for other reasons the rights lapse prior to the fulfilment of the programme, the Ministry may demand payment of an amount equivalent to the presumed costs of the unexecuted portion of the programme, according to good oil-field practice. The Ministry shall stipulate the said amount. If the licensee does not accept the Ministry's assessment, he must, within 30 days after he has received written notification of the Ministry's decision, bring the dispute to arbitration.

Section 17.

The holder of a production licence shall send to the Ministry quarterly reports on the exploration and exploitation carried out. Such reports must be filed within two

months after the expiry of the quarter to which they relate.

Section 18.

Upon the granting of a production licence, the licensee shall pay a one-time fee for the six-year period in the amount of kr. 500,- per km². The forfeiture or surrender of the rights prior to the expiry of the period does not give the licensee a right to refund of the fee.

Section 19.

The licensee may renounce his rights for the remainder of the six-year period with three months' notice.

A renouncement does not exempt the licensee from the financial obligation which he has undertaken pursuant to these regulations or special conditions laid down, see Section 16, second paragraph.

A renouncement applies to the entire area covered by the licence. The Ministry may accept a renouncement which covers only part of the area, if the licensee submits a revised work programme which is approved by the Ministry.

Section 20.

A licensee who has fulfilled the work programme and the conditions laid down for the licence, can demand the licence remain valid for a maximum three quarters of the originally licensed area. The demand must have been set forth in written notification to the Ministry at least three months prior to the expiry of the six-year period. If such demand for prolongation has not been made, the rights of the licensee shall lapse at the expiry of the six-year period.

The notification shall contain a detailed statement on the results of the exploration carried out in the area, with information concerning finds and specifications as to kind and quantity. Have no finds been made, the notification shall contain a statement concerning the possibilities of future finds.

In the notification the licensee shall specify for what part of the originally licensed area the prolongation of the licence is desired. Prolongation can not apply to

areas previously surrendered.

Section 21.

Within three years after the expiry of the six-year period, the licensee shall surrender in writing, according to his own choice, an additional quarter of the concession area originally covered by the production licence. If such notification is not filed within three months prior to the expiry of the three-year period, the licence lapses at the expiry of the three-year period.

Section 22.

The areas which the licensee shall surrender pursuant to the provisions of Section 20 and Section 21 shall be delimited by parallels of latitude and longitude expressed in whole degrees and whole minutes. The areas surrendered shall not comprise any part of a block having an area of less than 100 square kilometres. The areas which the licensee retains within a block must not be less than 100 square kilometres.

Section 23.

With the limitations imposed by this decree, the extension shall cover a period of 40 years after the expiry of the six-year period.

Section 24.

The licensee may, with one year's written notice, surrender, wholly or in part, the areas in respect of which he has exclusive right of exploitation under Sections 20 - 23. The provisions of Section 22 shall apply correspondingly for surrender of parts of a licensed area.

Section 25.

For production licence an area fee shall, after the expiry of the six-year period, be paid annually in advance.

For the first year after the expiry of the six-year period the fee is stipulated at kr. 500,- per square kilo-

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metre. Thereafter, the fee is increased by kr. 500,- per square kilometre per year, until it has reached kr. 5.000,- per square kilometre per year. For the remainder of the period the fee shall be kr. 5.000,- per square kilometre per year.

The fee can be adjusted every tenth year to be brought in conformity with substantial changes in the value of the krone, in accordance with provisions to be promulgated later in this respect.

Section 26.

The licensee shall pay a 10% royalty on the production. The royalty shall be calculated on the basis of the gross value at wellhead of the products extracted.

The royalty for the six-month period 1st January - 30th June shall be paid within 1st October of that year. The royalty for the six-month period 1st July - 31st December shall be paid within 1st April of the next year.

Royalty shall only be paid on petroleum won and saved which is not used in the licensed area for production purposes, in accordance with good oil-field practice.

The Ministry may decide, with three months' notice, that a royalty shall, wholly or in part, be paid in kind.

Section 27.

From the royalty can be deducted the area fee paid for the licensed area for the year concerned.

If the area fee for the licensed area exceeds the royalty for that area, royalty shall not be paid.

If the licensed area consists of more than one block and the Ministry finds that the licensee without acceptable reason fails to exploit finds, or fails to continue exploration, it may decide that only area fee for the blocks where production goes on may be deducted from the royalty mentioned.

Section 28.

The licensee shall measure or weigh by methods customarily used in good oil-field practice all petroleum produced. Such methods must be approved by the Ministry.

The Ministry may at any time control the appliances and methods used. If, in the opinion of the Ministry, the appliances or methods used have been conducive to a too low calculation of the quantity produced, these circumstances shall be deemed to have existed during the period since the last control was carried out, unless there is reason to assume that they have existed for a longer period of time. If the licensee can prove that the circumstances have existed during a shorter period of time, the Ministry shall base its calculations on this shorter period, provided that the error is not due to intent or gross negligence.

Section 29.

The licensee shall, before 1st March and 1st September in each year of production, submit to the Ministry a survey as per 1st January and 1st July of the kind and quantity of the petroleum produced in the licensed area during the preceding six months. The survey shall include a statement of how much of the extracted product has been utilized in the said production area, if petroleum has escaped and if so an estimate of how much.

The survey shall, furthermore, contain an accurate calculation of the value of the extracted products or statement of the quantities of produced petroleum sold during the period concerned, and of the prices obtained. The survey shall also contain information as to what amount has been transferred to further processing or refining and as to what price has been used as a basis of calculation in connection with such transfer.

If, in conjunction with the sale, the licensee has received or obtained other forms of remunerations or benefits than the selling price, he is obliged to give information thereon.

The licensee shall, furthermore, furnish accurate information about circumstances which may have had influence on the price or conditions of payments, such as whether he or any corporation etc., with which he is directly or indirectly associated, is in charge of the further distribution or sale of the extracted products.

The Ministry may demand additional information.

Section 30.

On the basis of the material submitted and other information which the Ministry may possess, the parties shall negotiate as to the value on the basis of which the royalty shall be calculated. If agreement is not reached, the Ministry shall stipulate the value on the basis of reasonable market prices for petroleum of the same or of a similar type.

If the licensee does not accept the Ministry's assessment, he must, within 30 days after he has received written notification of the Ministry's decision, bring the dispute to arbitration. Such a dispute does not postpone the obligation of payment according to Section 26, second paragraph.

Section 31.

If a deposit covers several concession areas and the licensees concerned do not reach agreement, the Ministry may decide that the licensees shall exploit the deposit jointly, if this is necessary or desirable in order to secure rational operation or maximum production. The Ministry may also stipulate rules for such joint exploitation. Every unitization agreement shall be submitted to the Ministry for approval.

Section 32.

If there is reason to believe that a petroleum deposit will continue to produce after the expiry of the period mentioned in Section 23, the Ministry may permit the licensee to continue the production, provided that an application to this effect has been received at the latest two years before the expiry of the licence. The conditions for such prolongation of the licence shall be laid down by the Ministry after the licensee has been heard.

Section 33.

The King may decide, if national interests so require, that produced petroleum, or part thereof, shall be landed in

Norway, or that a licensee shall deliver of his production to cover national needs.

Before the King makes his decision according to the first paragraph of this section, the licensees shall be given the opportunity to express their opinion.

In the application of the present Section, the provisions of Section 30 shall apply correspondingly.

Section 34.

In case of war, threats of war or cases of emergency the King may decide that a licensee shall place the produced petroleum, or part thereof, at the disposal of the Norwegian authorities.

In the application of the present Section, the provisions of Section 30 shall apply correspondingly.

Chapter 4.

Storage installations, pipelines etc.

Section 35.

Storage installations, pipelines, cables or other types of lines and installations, may not, except with the express consent of the Ministry, and on the conditions laid down by the Ministry, be placed in, on or above the areas mentioned in Section 1 of this Decree.

The holder of production licence cannot object to the granting of permission to lay a pipeline or cable or other type of line, or, if special circumstances so require, to establish storage installations in, on or above the licensed area. The installation must not cause damage or unnecessary inconvenience to the licensee.

Prior to the granting of such permission, the licensee shall be heard. The licensee has no claim for compensation for the placing in his concession area of such installations, etc., as mentioned above. The Ministry may, however, decide that compensation shall be paid if this is warranted by special circumstances.

Section 36.

The Ministry may decide that such installations, pipelines, etc., as mentioned in Section 35 shall be open for utilization by others, if this is conducive to rational operation, or if national interests so require.

Such utilization must not be carried out to the detriment of the owner's own needs.

The user shall pay a compensation to the owner. If the parties do not agree on the amount of compensation, this shall be stipulated by arbitration.

Chapter 5.

General provisions.

Section 37.

The Ministry may give further regulations relating to the manner in which exploration for or exploitation of petroleum shall be carried out. The Ministry may decide that such regulations shall be applicable also to licences previously granted. The regulations may i.a. relate to:

- a) establishment or placing of installations or appliances in, on or above the areas mentioned in Section 1,
- b) drilling, casing, safety valves and other measures connected with the production or the preparation of production,
- c) sealing of bore holes and other measures for prevention of pollution and the entry of water into the bore holes,
- d) measures for the protection of other activities in the area, including shipping and fishing, and measures to protect the living resources of the sea and the vegetation on the seabed,
- e) safety measures of any kind,
- f) measures relating to conservation of petroleum deposits.

Section 38.

Exploration for or exploitation of petroleum must be carried out in a safe manner in accordance with good oil-

field practice, and must not unreasonably interfere with other activities in the area. Special care must be taken to ensure that shipping or fishing is not obstructed or impeded to any unreasonable extent.

Section 39.

Prior to the commencement of drilling, the Ministry shall in due time be given information as to time and place for the drilling, including information as to the distance of the proposed drillings from the boundaries of the licensed area and estimated depth of the drillings. Drilling cannot be commenced until the Ministry has given its consent in writing.

Drilling and production must be carried out in such a manner that the licensee at any time is in full control of the deposits. Gas, oil or other kinds of petroleum must not be liberated in such a manner as to cause pollution of the surrounding sea or air.

The written consent of the Ministry must be obtained before a bore hole or well can be abandoned. The hole must be properly sealed and secured by methods approved by the Ministry.

Reply to notification mentioned in this Section shall be given as soon as possible.

Section 40.

Major deviations from an established exploration or exploitation programme require the written consent of the Ministry.

Section 41.

The Ministry may, if it deems it necessary, order the discontinuation, wholly or in part, for a shorter or longer period, of exploration in process, except drilling, prohibit exploration in certain areas, or lay down special conditions for its continuation. Under special circumstances, the Ministry may take such measures also in respect of drilling and exploitation.

If such discontinuation as mentioned above is due to circumstances not attributable to the licensee, the licence shall, upon application, be prolonged for a period of time stipulated by the Ministry. The Ministry may, furthermore, decide on reasonable modifications in the licensee's obligations.

No claim may be launched against the State in connection with decisions made according to the first paragraph of this Section.

Section 42.

Accurate data on the exploration and exploitation shall be available in Norway to the Ministry. Such data shall contain information of the exploration which has been carried out, the time and place of the exploration, and of all special circumstances which may be of interest to the authorities, including accidents or complications which may have arisen, the relations to other activities in the area, the effect, if any, of the exploration on living resources of the sea, etc.

If drilling is carried out, information shall be made available as to the time and place of the drilling, details relating to the geological strata penetrated, the number of bore holes and the depth of the well at any time, type and dimensions of casing, and information concerning water, salt, petroleum or usable minerals encountered during the drilling. If a bore hole or well is abandoned, information shall be given as to the reason therefore, as to the method by which the hole has been sealed and as to other measures taken in order to secure the area against pollution, or the bore hole against the entry of water.

If production is taking place, all relevant information shall be available with regard to the production, including type, quality and quantity of products extracted at any time, together with information with regard to storage, transport, refining and sale of the products extracted.

The holder of a production licence shall keep available in Norway to the Ministry accurate geological plans

and maps of the licensed area.

Copies of such materials as mentioned above shall upon request be made available to the Ministry.

If in the course of his operations a licensee makes finds of archeological interest, discovers wrecks etc., such finds shall forthwith be reported to the Ministry.

Section 43.

Samples of the seabed or its subsoil shall be kept for at least six months. The time, place and depth shall be marked on the sample.

Such samples shall be made available to the Ministry. The Norwegian Geological Institute shall be sent such samples as the licensee does not need for his own use.

Section 44.

Upon the request of the licensee, reports, information or other data and material made available to the Ministry shall be treated confidentially for a period of five years. The period may be prolonged. The Ministry shall, nevertheless be entitled to make general statements as to the exploration taking place and the possibilities for finds.

Section 45.

The Ministry may appoint inspectors who are authorized to inspect the exploration and exploitation activities, with a view to ensuring that operations are carried out in conformity with rules and regulations in force. The inspectors shall at any time have access to the installations and appliances and to the material mentioned in Section 42 and Section 43.

The inspector may point out violations and enjoin that special measures be taken.

In case of serious or repeated violations of the rules and conditions laid down, the inspector may order the operations temporarily discontinued. He shall, in these cases, immediately report to the Ministry.

Section 46.

A safety zone shall be established around and above provisional or permanent installations or appliances, such as anchored drilling vessels, permanent or anchored platforms, oil pumps or similar installations. The safety zone shall normally extend 500 metres from the outermost points of the installation or appliance concerned. Ships, aeroplanes or other floating or airborne objects not connected with the operations must not enter the safety zone unless the Ministry otherwise decides.

Installations and appliances must be properly marked. On the licensee's proposal, the Ministry may in each case decide the manner in which the marking is to be effected.

Section 47.

Assignment or transfer, in whole or in part, of any rights granted pursuant to this Decree, requires the written consent of the Ministry.

Section 48.

In case of serious or repeated violations of these provisions or of the conditions laid down, the Ministry may revoke a licence. If the violation is of a less serious character, a licence granted can be revoked only if the defects concerned are not corrected within a reasonable time-limit stipulated by the Ministry.

A licence can also be revoked if the licensee is placed under receivership, is declared bankrupt, fails to comply with the conditions laid down in Section 10, fails to pay the stipulated fees, royalties, etc., when falling due, default to give a guarantee as mentioned in Section 52, or obstructs or prevents the public inspectors from controlling the installations, accounts, reports, etc.

The provisions of Sections 16, last paragraph, Section 18, second period, Section 19, second paragraph and Section 39, third paragraph, second period, shall apply correspondingly.

Section 49.

The Ministry may, under special circumstances, grant dispensation from the rules stipulated in or pursuant to this Royal Decree.

Section 50.

When a licence expires, when a licensee surrenders the licence, wholly or in part, or when the Ministry by virtue of the provisions in Section 49 revokes a licence, permanent installations and appliances in the licensed area shall accrue to the State without compensation. The Ministry may demand that the licensee takes the necessary precautions in order to ensure continued exploration or exploitation of the deposit.

The Ministry may decide that the licensee within a stipulated time-limit shall remove such installations and appliances, including installations and appliances which accrue to the State in accordance with the provisions of this Section.

The Ministry may, in these cases, also demand that all available material pertaining to the licensed area and its geology shall be placed at the disposal of the Ministry without compensation.

Section 51.

If damage or inconvenience is caused, Norwegian law of torts is applicable. The tortfeasor as well as the person or persons or corporations etc., on whose behalf he has been operating, and the licensee shall jointly and severally be responsible for the claim.

The fact that the Ministry has approved or permitted the action or appliance which has caused the damage or inconvenience, does not exonerate the liability.

Section 52.

The Ministry may, at the time of the granting of the licence or at a later date, demand that the licensee shall procure bonds or similar security for the fulfilment of the obligations which he has undertaken, or for any liability

which he may incur in connection with his activities.

Section 53.

Petroleum extracted on the Continental Shelf shall be considered as extracted in Norway. Unless otherwise provided, Norwegian law shall apply to installations or appliances as mentioned in Section 46, and to activities carried out on such installations or appliances, or within the established security zone.

Otherwise, Norwegian law shall apply to activities covered by this Decree, to the extent this is provided for in rules of law in force.

Section 54.

Where in this Decree or in licences granted it is provided that a dispute shall be settled by arbitration, the Act of 13th August, 1915, No. 6, relating to judicial procedure in civil cases, (The Dispute Act), Chapter 32, shall apply, unless otherwise is expressly provided for.

Section 55.

The Oslo Town Court shall be proper legal venue in disputes which can be brought before the courts, unless another venue is prescribed under Norwegian law or is expressly agreed upon.

Section 56.

This Decree enters into force immediately. From the same time the Royal Decree of the 26th February, 1965 regarding the prolongation of the Royal Decree of the 15th May, 1964, is abrogated.