



See NO 2

Prime Minister

To note

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 28/4

PRIME MINISTER

EIGHTH ROUND OF OFFSHORE LICENSING

On 17 February, I announced the award of seven Eighth Round blocks by auction, for a total of over £32 million. I am now ready to complete the Round by dealing with the far more numerous discretionary blocks. I am minded to offer a further 63 licences, as set out in the annex to this minute, making 70 awards in all.

These awards will promote exploration for gas in the southern North Sea, building on the interest reawakened by the Oil and Gas (Enterprise) Act. Much of the drilling will be aimed at deeper prospects than have previously been tested in this area. The Round will also open up four new areas for exploration - the East Shetlands Platform, the West Orkneys Basin, the Forth Approaches and the mid North Sea High.

Overall, therefore, the Round has been a success even though I will not be able to licence the proposed maximum of 85 blocks, largely because the oil companies' interest in the new areas was more limited than I had hoped. In one of these areas, the highly speculative mid North Sea High, a consortium led by the American company, Murphy Petroleum, and including two small British companies, is to get sixteen blocks, a substantially larger award than is usual but for which they were the only applicants.

42 of the 46 British companies which applied for licences will receive at least one award, 9 of them as operators in 21 blocks. The British share of the awards is 42 per cent overall, reflecting the restrained interest of the smaller companies. The other countries represented among the awards will be the United States, the Netherlands, Canada, France, Ireland, Belgium, Norway, Kuwait, Australia and Italy.

Policy towards involvement by the British Gas Corporation was set out in a Parliamentary Answer last June: the Corporation should confine itself to areas where gas was likely to be found and would be required to dispose of any



oil discoveries it might make. In fact, they applied in a consortium led by Mobil for a substantial number of blocks. I propose to offer them four, three in the established gas province of the Southern Basin and one on its edge, for which their bid was strong technically with little or no effective competition.

A number of the blocks to be awarded have fishing, defence, shipping or environmental sensitivities which have been drawn to the attention of the prospective licensees. They have given undertakings, where appropriate, to consult interested parties before and during operations and to establish suitable oil spill contingency arrangements.

I have it in mind to announce the awards on 10 May by written Answer.

I am copying this minute to members of E Committee, the Secretaries of State for Scotland and Wales and to Sir Robert Armstrong.

NR

Secretary of State for Energy

28th April 1983

EIGHTH ROUND: CONDITIONAL^{*} AWARDS FOR BLOCKS LISTED IN
SCHEDULE I TO THE GAZETTE NOTICE (DISCRETIONARY BLOCKS)

<u>BLOCK</u>	<u>GROUP</u>
8/15	UNOCAL EXPLORATION & PRODUCTION COMPANY (U.K.) LTD ULTRAMAR EXPLORATION LTD THE NORWEGIAN OIL COMPANY D.N.O. (U.K.) LTD <u>PROPOSED OPERATOR: UNOCAL EXPLORATION & PRODUCTION COMPANY (U.K.) LTD</u>
8/30	SOVEREIGN OIL & GAS PLC KERR-McGEE OIL (U.K.) LTD THE BRITISH ELECTRIC TRACTION COMPANY PLC PLASCOM LTD BRICOMIN EXPLORATION COMPANY LTD <u>PROPOSED OPERATOR: SOVEREIGN OIL & GAS PLC</u>
14/2	SHELL U.K. LTD ESSO EXPLORATION AND PRODUCTION UK LTD <u>PROPOSED OPERATOR: SHELL U.K. LTD</u>
14/3	SHELL U.K. LTD ESSO EXPLORATION AND PRODUCTION UK LTD <u>PROPOSED OPERATOR: SHELL U.K. LTD</u>
14/6	BP PETROLEUM DEVELOPMENT LTD CHEVRON PETROLEUM COMPANY LTD CLYDE PETROLEUM PLC <u>PROPOSED OPERATOR: BP PETROLEUM DEVELOPMENT LTD</u>
14/7	SHELL U.K. LTD ESSO EXPLORATION AND PRODUCTION UK LTD <u>PROPOSED OPERATOR: SHELL U.K. LTD</u>
14/8	ELF UK LTD MURPHY PETROLEUM LTD OCEAN EXPLORATION CO LTD HOWARD DORIS EXPLORATION LTD PETROLEX PLC VIVA PETROLEUM LTD BERKELEY EXPLORATION & PRODUCTION PLC <u>PROPOSED OPERATOR: ELF UK LTD</u>
15/3	MARATHON OIL U.K., LTD CLYDE PETROLEUM PLC PREMIER CONSOLIDATED OILFIELDS PLC LOCHIEL OIL & GAS LTD NORTH SEA OIL COMPANY LTD <u>PROPOSED OPERATOR: MARATHON OIL U.K., LTD</u>

<u>BLOCK</u>	<u>GROUP</u>
26/2	PHILLIPS PETROLEUM COMPANY UNITED KINGDOM LTD FINA EXPLORATION LTD CENTURY POWER AND LIGHT LTD <u>PROPOSED OPERATOR:</u> PHILLIPS PETROLEUM COMPANY UNITED KINGDOM LTD
26/7	BP PETROLEUM DEVELOPMENT LTD <u>PROPOSED OPERATOR:</u> BP PETROLEUM DEVELOPMENT LTD
26/10	TRICENTROL EXPLORATION UK LTD UNOCAL EXPLORATION & PRODUCTION COMPANY (U.K.) LTD BOW VALLEY EXPLORATION (U.K.) LTD TOTAL OIL MARINE PLC LOCHIEL OIL & GAS LTD <u>PROPOSED OPERATOR:</u> TRICENTROL EXPLORATION UK LTD
26/12	CLUFF OIL PLC CLUFF ATLANTIC PETROLEUM LTD CLUFF OIL AUSTRALIA (U.K.) LTD <u>PROPOSED OPERATOR:</u> CLUFF OIL PLC
26/14	TRICENTROL EXPLORATION UK LTD UNOCAL EXPLORATION & PRODUCTION COMPANY (U.K.) LTD BOW VALLEY EXPLORATION (U.K.) LTD TOTAL OIL MARINE PLC LOCHIEL OIL & GAS LTD <u>PROPOSED OPERATOR:</u> TRICENTROL EXPLORATION UK LTD
36/20	ARPET PETROLEUM LTD <u>PROPOSED OPERATOR:</u> ARPET PETROLEUM LTD
37/6-15,19,20 38/6, 7,11,16	MURPHY PETROLEUM LTD OCEAN EXPLORATION CO. LTD PREMIER CONSOLIDATED OILFIELDS PLC VIVA PETROLEUM LTD <u>PROPOSED OPERATOR:</u> MURPHY PETROLEUM LTD
37/24	ARPET PETROLEUM LTD <u>PROPOSED OPERATOR:</u> ARPET PETROLEUM LTD
38/4b	AMERADA EXPLORATION LTD UNION JACK OIL COMPANY LTD RANGER OIL (U.K.) LTD CHARTERHALL OIL LTD ANVIL PETROLEUM VENTURES LTD BULA EXPLORATION LTD <u>PROPOSED OPERATOR:</u> AMERADA PETROLEUM CORPORATION OF THE UNITED KINGDOM LTD

C O N F I D E N T I A L

<u>BLOCK</u>	<u>GROUP</u>
38/5b	AMERADA EXPLORATION LTD UNION JACK OIL COMPANY LTD RANGER OIL (U.K.) LTD CHARTERHALL OIL LTD ANVIL PETROLEUM VENTURES LTD BULA EXPLORATION LTD <u>PROPOSED OPERATOR:</u> AMERADA PETROLEUM CORPORATION OF THE UNITED KINGDOM LTD
38/21	AMERADA EXPLORATION LTD UNION JACK OIL COMPANY LTD RANGER OIL (U.K.) LTD CHARTERHALL OIL LTD ANVIL PETROLEUM VENTURES LTD BULA EXPLORATION LTD <u>PROPOSED OPERATOR:</u> AMERADA PETROLEUM CORPORATION OF THE UNITED KINGDOM LTD
38/24	AMOCO U.K. PETROLEUM LTD ICI PETROLEUM LTD TRAFALGAR HOUSE OIL AND GAS LTD <u>PROPOSED OPERATOR:</u> AMOCO (U.K.) EXPLORATION COMPANY
38/26	AMERADA EXPLORATION LTD UNION JACK OIL COMPANY LTD RANGER OIL (U.K.) LTD CHARTERHALL OIL LTD ANVIL PETROLEUM VENTURES LTD BULA EXPLORATION LTD <u>PROPOSED OPERATOR:</u> AMERADA PETROLEUM CORPORATION OF THE UNITED KINGDOM LTD
38/27	BRITISH GAS CORPORATION MOBIL NORTH SEA LTD INDUSTRIAL SCOTLAND ENERGY PLC COALITE GROUP PLC <u>PROPOSED OPERATOR:</u> GAS COUNCIL (EXPLORATION) LTD or MOBIL NORTH SEA LTD
38/29	AMOCO U.K. PETROLEUM LTD ICI PETROLEUM LTD TRAFALGAR HOUSE OIL AND GAS LTD <u>PROPOSED OPERATOR:</u> AMOCO (U.K.) EXPLORATION COMPANY
43/12	LASMO NORTH SEA LTD OCCIDENTAL PETROLEUM (CALEDONIA) LTD THOMSON NORTH SEA LTD <u>PROPOSED OPERATOR:</u> LASMO NORTH SEA LTD

<u>BLOCK</u>	<u>GROUP</u>
43/13b	LASMO NORTH SEA LTD OCCIDENTAL PETROLEUM (CALEDONIA) LTD THOMSON NORTH SEA LTD <u>PROPOSED OPERATOR: LASMO NORTH SEA LTD</u>
43/25	BRITISH GAS CORPORATION MOBIL NORTH SEA LTD INDUSTRIAL SCOTLAND ENERGY PLC COALITE GROUP PLC <u>PROPOSED OPERATOR: GAS COUNCIL (EXPLORATION) LTD</u> or MOBIL NORTH SEA LTD
44/21	BP PETROLEUM DEVELOPMENT LTD NORSK HYDRO OIL & GAS LTD <u>PROPOSED OPERATOR: BP PETROLEUM DEVELOPMENT LTD</u>
44/22	CONOCO (U.K.) LTD BRITOL PLC TRICENTROL EXPLORATION UK LTD SAXON OIL PLC <u>PROPOSED OPERATOR: CONOCO (U.K.) LTD</u>
44/23	TEXAS GAS EXPLORATION (U.K.) CORPORATION RACAL OIL AND GAS LTD TRAFALGAR HOUSE OIL AND GAS LTD POGO BRITISH ISLES INC. CALEDONIAN OFFSHORE PLC SOUTHWEST CONSOLIDATED RESOURCES PLC COCKRELL OIL (U.K.) CORPORATION <u>PROPOSED OPERATOR: TEXAS GAS EXPLORATION (U.K.)</u> CORPORATION
44/28	SHELL U.K. LTD ESSO EXPLORATION AND PRODUCTION UK LTD <u>PROPOSED OPERATOR: SHELL U.K. LTD</u>
44/29	CHARTERHOUSE OIL AND GAS LTD SANTA FE MINERALS (U.K.) INC. TRANSWORLD PETROLEUM (U.K.) LTD SEARS EXPLORATION AND DEVELOPMENT LTD TEXAS EASTERN NORTH SEA INC <u>PROPOSED OPERATOR: CHARTERHOUSE OIL AND GAS LTD</u>
44/30 and 49/5	ULTRAMAR EXPLORATION LTD MURPHY PETROLEUM LTD OCEAN EXPLORATION CO. LTD DAWSEA PLC BERKELEY EXPLORATION & PRODUCTION PLC VIVA PETROLEUM LTD MORAY PETROLEUM HOLDINGS AND DEVELOPMENT LTD <u>PROPOSED OPERATOR: ULTRAMAR EXPLORATION LTD</u>

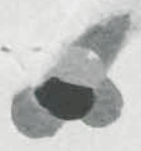
C O N F I D E N T I A L

<u>BLOCK</u>	<u>GROUP</u>
48/2	AMOCO U.K. PETROLEUM LTD ICI PETROLEUM LTD JUBILEE OIL COMPANY LTD <u>PROPOSED OPERATOR: AMOCO (U.K.) EXPLORATION COMPANY</u>
48/3	AMERADA EXPLORATION LTD UNION JACK OIL COMPANY LTD RANGER OIL (U.K.) LTD CHARTERHALL OIL LTD ANVIL PETROLEUM VENTURES LTD BULA EXPLORATION LTD <u>PROPOSED OPERATOR: AMERADA PETROLEUM CORPORATION OF THE UNITED KINGDOM LTD</u>
48/8c	AMERADA EXPLORATION LTD UNION JACK OIL COMPANY LTD RANGER OIL (U.K.) LTD CHARTERHALL OIL LTD ANVIL PETROLEUM VENTURES LTD BULA EXPLORATION LTD <u>PROPOSED OPERATOR: AMERADA PETROLEUM CORPORATION OF THE UNITED KINGDOM LTD</u>
48/9	TEXACO LTD CHEVRON PETROLEUM COMPANY LTD NORWICH UNION (HYDROCARBONS) LTD A.B. EXPLORATION LTD <u>PROPOSED OPERATOR: TEXACO LTD</u>
48/11b	CONOCO (U.K.) LTD BRITOIL PLC TRICENTROL EXPLORATION UK LTD SAXON OIL PLC <u>PROPOSED OPERATOR: CONOCO (U.K.) LTD</u>
48/12b	BRITISH GAS CORPORATION MOBIL NORTH SEA LTD INDUSTRIAL SCOTLAND ENERGY PLC COALITE GROUP PLC <u>PROPOSED OPERATOR: GAS COUNCIL (EXPLORATION) LTD or MOBIL NORTH SEA LTD</u>
48/16	PHILLIPS PETROLEUM COMPANY UNITED KINGDOM LTD CANADIAN PACIFIC OIL AND GAS OF CANADA LTD CENTURY POWER AND LIGHT LTD AGIP (U.K.) LTD UNION TEXAS PETROLEUM LTD <u>PROPOSED OPERATOR: PHILLIPS PETROLEUM COMPANY UNITED KINGDOM LTD</u>
48/17b	BRITISH GAS CORPORATION MOBIL NORTH SEA LTD INDUSTRIAL SCOTLAND ENERGY PLC COALITE GROUP PLC <u>PROPOSED OPERATOR: GAS COUNCIL (EXPLORATION) LTD or MOBIL NORTH SEA LTD</u>

<u>BLOCK</u>	<u>GROUP</u>
48/18c	ARPET PETROLEUM LTD GOAL PETROLEUM PLC SANTOP LTD <u>PROPOSED OPERATOR: ARPET PETROLEUM LTD</u>
48/19c	SHELL U.K. LTD ESSO EXPLORATION AND PRODUCTION UK LTD <u>PROPOSED OPERATOR: SHELL U.K. LTD</u>
48/22	HADSON PETROLEUM INTERNATIONAL PLC <u>PROPOSED OPERATOR: HADSON PETROLEUM INTERNATIONAL PLC</u>
48/23	ARPET PETROLEUM LTD GOAL PETROLEUM PLC SANTOP LTD <u>PROPOSED OPERATOR: ARPET PETROLEUM LTD</u>
49/4	BP PETROLEUM DEVELOPMENT LTD CLYDE PETROLEUM PLC NORSK HYDRO OIL & GAS LTD <u>PROPOSED OPERATOR: BP PETROLEUM DEVELOPMENT LTD</u>
49/13	SHELL U.K. LTD ESSO EXPLORATION AND PRODUCTION UK LTD <u>PROPOSED OPERATOR: SHELL U.K. LTD</u>
49/20b and 49/25b	TOTAL OIL MARINE PLC ELF UK LTD PETROLEX PLC PICT PETROLEUM PLC R.T.Z. OIL AND GAS LTD <u>PROPOSED OPERATOR: TOTAL OIL MARINE PLC</u>
202/19	SHELL U.K. LTD <u>PROPOSED OPERATOR: SHELL U.K. LTD</u>

* In accordance with the published terms of the Round, awards are conditional on the prospective licensees:-

- (i) confirming their acceptance of a work programme previously discussed with the Department; and
- (ii) agreeing to give BNOC the option to take at market value up to 51% of any petroleum (other than natural gas) produced from the licensed area.



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28 APR 1983

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DEPARTMENT OF

ENERGY

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PRESS NOTICE

Reference No 22

February 17, 1983

EIGHTH ROUND CASH TENDER AWARDS RAISE £32 $\frac{3}{4}$ MILLION

- MR HAMISH GRAY

The Government will licence seven of the North Sea blocks offered for cash tender in the Eighth Round of offshore petroleum production licensing.

The successful bids for these blocks have raised £32 $\frac{3}{4}$ million. The highest bid was over £10 million.

This was announced today by the Rt. Hon. Hamish Gray, Minister of State for Energy, in answer to a Parliamentary Question from Mr Peter Lloyd MP, (Fareham).

Mr Gray said:

"I am pleased to report good progress with the Round.

"I intend to licence seven of the blocks offered for cash tender. The successful bids for these blocks have raised a total of £32 $\frac{3}{4}$ million. The highest bid was over £10 million for block 21/15b from a group led by Amerada Exploration Ltd.

"I have today placed details of the awards in the Libraries of both Houses.

"This brings the cash tender part of the Round to a satisfactory conclusion.

"Assessment continues of applications for the remaining blocks - those in the Southern Basin and in previously undrilled areas which are to be licensed on the basis of the usual criteria. Interviews with applicants are already in progress."

A list of successful tender and their bids is attached.

BACKGROUND NOTES

1. The offshore production licences are issued under the Petroleum (Production) Act 1934, as extended by the Continental Shelf Act 1934, and the Petroleum (Production) Regulations 1982 made thereunder.
2. Details of the Eighth Round were set out in the Gazette Notices of 24 September, 1982 and were described in Press Notice No.140 of 23 September, 1982. The Round closed on 17 January, 1983. An alphabetical list of companies applying was published on 19 January, 1983, in Press Notice No.7.
3. Cash tender bids were invited for 15 blocks in the mature oil province of the central North Sea. Eight were applied for and the Secretary of State has decided to licence seven of these.
4. In addition to their bids, successful tenderers are required to pay the standard initial payment for the blocks at a rate of £300 per square kilometre. These standard initial payments for the seven blocks total £286,200.
5. These blocks offered for cash tender were all included in the Seventh Round but were not applied for.

EIGHTH ROUND: LICENCE AWARDS FOR
BLOCKS IN TENDER AREA

BLOCK NO	GROUP	AMOUNT BID £
15/25b	CONOCO (U.K.) LTD TRICENTROL EXPLORATION UK LTD SAXON OIL PLC HISPANOIL (U.K.) LTD ELF UK LTD PROPOSED OPERATOR: CONOCO (U.K.) LTD	5,700,260
16/1	BP PETROLEUM DEVELOPMENT LTD PROPOSED OPERATOR: BP PETROLEUM DEVELOPMENT LTD	7,200,000
16/2b	FINA EXPLORATION LTD ARPET PETROLEUM LTD PROPOSED OPERATOR: AMERICAN PETROFINA EXPLORATION COMPANY	3,151,000
21/15b	AMERADA EXPLORATION LTD CHARTERHALL OIL LTD BULA EXPLORATION LTD PROPOSED OPERATOR: AMERADA PETROLEUM CORPORATION OF THE UNITED KINGDOM LTD	10,100,010
21/20b	SHELL U.K. LTD ESSO EXPLORATION AND PRODUCTION UK LTD PROPOSED OPERATOR: SHELL U.K. LTD	2,000,330
28/4b	CONOCO (U.K.) LTD TRICENTROL EXPLORATION UK LTD SAXON OIL PLC HISPANOIL (U.K.) LTD ULTRAMAR EXPLORATION LTD PROPOSED OPERATOR: CONOCO (U.K.) LTD	2,600,260
29/4b	ARPET PETROLEUM LTD ESSO EXPLORATION AND PRODUCTION UK LTD SHELL U.K. LTD NORSK HYDRO OIL & GAS LTD CHEMICAL & ALLIED TRUST LTD PROPOSED OPERATOR: ARPET PETROLEUM LTD	2,000,200
TOTAL		<u>32,752,060</u>