

**PETROLEUM EXPLORATION AND
DEVELOPMENT IN IRELAND**

**Report Covering Period
1 January 2000 - 30 June 2000**

Report by the Minister for the Marine and Natural Resources for the six months ended 30 June 2000 in accordance with Section 57 of the Petroleum and Other Minerals Development Act, 1960 and the said Section 57 as applied by the Continental Shelf Act, 1968.

PN 9000

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Note: Block numbers refer to blocks in the Williams Grid.

INTRODUCTION

This report sets out:

- particulars of all authorisations granted by the Minister and current during the reporting period;
- the amount of money relating to petroleum exploration collected by the Minister during the reporting period; and
- other information relating to petroleum exploration and development.

PART ONE

PETROLEUM AUTHORISATIONS

1. Petroleum Exploration Licences

A Petroleum Exploration Licence vests in the holder the exclusive right of carrying out exploration for petroleum in the licensed area.

Twenty-two exploration licences were current during the reporting period. These licences were subject to the 1992 Licensing Terms for Offshore Oil and Gas Exploration and Development.

A **Standard Exploration Licence** is issued for a period of six years in respect of an area with water depths up to 200 metres and is subject to an annual rental fee of £132 per sq. km. If acreage is surrendered at the end of the 4th year the annual rental fee rises to £264 per sq. km.

A **Deepwater Exploration Licence** is issued for a period of twelve years in respect of areas in which the water depth exceeds 200 metres and is subject to annual rental fees of £66 per sq. km. If acreage is surrendered at the end of the 4th year annual rental fees rise to £132 per sq. km. and at the end of the 7th year to £264 per sq. km.

A **Frontier Exploration Licence** may be issued in respect of an area with special difficulties related to physical environment, geology or technology where such area is specified and announced by the Minister for the Marine and Natural Resources as a 'Frontier Area'. This licence type is valid for a period of not less than 15 years, comprising a maximum of four phases. Annual rental during the first phase is £22 per sq. km. and £ 44 per sq. km. during the second and subsequent phases. If acreage is surrendered at the end of the second or third phase annual rental fees rise to £88 per sq. km.

The 1992 terms also provide for an application fee of £6,580 in each case.

Licence	Licence Period	Block Nos.	Participants * Operator	% Interest
2/93 Deepwater	1 January 1993 - 31 December 2004	18/25, 18/29, 18/30, 27/4, 27/5 & 27/9	* Enterprise Oil plc; Saga Petroleum Ireland Limited; Marathon International Petroleum Hibernia Limited Statoil Exploration (Ireland) Limited	45% 21.5% 18.5% 15%
2/94 Frontier	15 March 1994 - 14 March 2010	12/2, 12/3, 12/7 & 12/8	* Enterprise Oil plc. Agip Ireland BV.	60% 40%
3/94 Frontier	15 March 1994 - 14 March 2010	18/14, 18/15, 18/19 & 18/20	* Enterprise Oil plc; Saga Petroleum Ireland Limited; Marathon International Petroleum Hibernia Limited Statoil Exploration (Ireland) Limited	45% 21.5% 18.5% 15%
5/94 Frontier	15 March 1994 - 14 March 2010	11/29, 19/2, 19/3, 19/4, 19/7, 19/8, 19/11, 19/12, 19/16, 19/17 & 19/21	* Statoil Exploration (Ireland) Limited; ARCO Ireland Offshore Inc; Murphy Ireland Offshore, Ltd; Enterprise Oil plc.	30% 30% 25% 15%

PETROLEUM EXPLORATION LICENCES (contd.)

Licence	Licence Period	Block Nos.	Participants * Operator	% Interest
5/95 Frontier	15 March 1995 - 15 March 2010	34/15, 34/20 & 35/16	* Chevron U.K. Limited; Statoil Exploration (Ireland) Limited	80% 20%
6/95 Frontier	15 March 1995 - 15 March 2010	35/19, 35/29, 35/30, 36/21, 36/26, 44/4 & 44/5	* Marathon International Petroleum Hibernia Limited; Phillips Petroleum Company United Kingdom Limited	50% 50%
8/95 Frontier	15 March 1995 - 15 March 2010	34/24, 34/25, 34/30, 35/21, 35/23(p) & 35/24	* Statoil Exploration (Ireland) Limited; Conoco (U.K.) Ltd; ARCO Ireland Offshore Inc; Dana Petroleum (E&P) Limited	37.931% 27.586% 20.690% 13.793%
11/95 Standard	1 September 1995 - 31 August 2001	49/23 & 49/24(p)	* Frontier Resources International Inc.; Sherritt International Oil and Gas Limited	50% 50%
1/97 Standard	1 May 1997 - 30 April 2003	63/3(s), 63/4, 63/8, 63/9 & 63/10	* EDC (Europe) Limited; Prospeccion Y Desarrollo de Hidrocarburos Espanoles S.A. (PYDHESA); Medusa Oil Limited	57% 28.5% 14.5%
2/97 Frontier	4 June 1997 - 3 June 2013	18/9, 18/10 & 19/6	* ARCO Ireland Offshore Inc.; BG Exploration & Production Ltd; Anadarko Ireland Company	33.33% 33.33% 33.33%
3/97 Frontier	4 June 1997 - 3 June 2013	16/27, 25/1(p), 25/2, 25/6, 75/9(p) & 75/10	* BG Exploration & Production Ltd; ARCO Ireland Offshore Inc.; Anadarko Ireland Company	33.33% 33.33% 33.33%
4/97 Frontier	4 June 1997 - 3 June 2013	25/1(p), 75/4, 75/5, 75/8 & 75/9(p)	* Elf Petroleum Ireland BV; Phillips Petroleum Exploration Ireland	50% 50%
5/97 Frontier	4 June 1997 - 3 June 2013	5/18, 5/23 & 5/28	* Elf Petroleum Ireland BV; Phillips Petroleum Exploration Ireland; British Borneo International Ltd	50% 30% 20%
6/97 Frontier	4 June 1997 - 3 June 2013	5/16, 5/17, 5/21, 5/22, 5/26 & 5/27	* Enterprise Oil plc; Mobil Oil North Sea Ltd; Murphy Ireland Offshore, Ltd; ARCO Ireland Offshore Inc;	25% 25% 25% 25%

PETROLEUM EXPLORATION LICENCES (contd.)

Licence	Licence Period	Block Nos.	Participants * Operator	% Interest
7/97 Frontier	4 June 1997 - 3 June 2013	11/20, 11/23, 11/24, 11/25, 11/28, 12/11, 12/12 & 12/16	* Phillips Petroleum Exploration Ireland; Agip Ireland BV	50% 50%
8/97 Frontier	4 June 1997 - 3 June 2013	75/21, 75/26, 82/25 & 82/30	* Phillips Petroleum Exploration Ireland; Agip Ireland BV	50% 50%
9/97 Frontier	4 June 1997 - 3 June 2013	83/9, 83/10, 83/14 & 83/15	* Phillips Petroleum Exploration Ireland; Elf Petroleum Ireland BV	50% 50%
10/97 Frontier	4 June 1997 - 3 June 2013	83/13, 83/18, 83/19 & 83/20	* Saga Petroleum Ireland Ltd; Statoil Exploration (Ireland) Limited; Shell EP Ireland BV Total Oil Marine plc;	30% 25% 25% 20%
11/97 Frontier	4 June 1997 - 3 June 2013 ∅ ∅ relinquished 3/6/00	1/17, 1/18, 1/21, 1/22, 1/23, 1/26, 1/27, 77/4, 77/5, 78/25, 78/29 & 78/30	* Shell EP Ireland BV; Statoil Exploration (Ireland) Limited; BP Exploration Operating Company Ltd	33.33% 33.33% 33.33%
12/97 Frontier	4 June 1997 - 3 June 2013	10/30, 11/26, 18/4, 18/5 & 19/1	* Statoil Exploration (Ireland) Limited; Shell EP Ireland BV	50% 50%
1/99 Frontier	15 March 1999 - 14 March 2014	43/19, 43/20, 43/24, 43/25, 43/28 & 43/29	* Agip Ireland BV	100%
2/99 Frontier	15 March 1999 - 14 March 2014	44/18, 44/23, 44/24, 44/29, & 44/30	* Elf Petroleum Ireland BV	100%

PETROLEUM LEASES

A Petroleum Lease vests in the lessee the exclusive right to produce petroleum from the leased areas.

Fields	Commencement Date	Block Nos.	Participants	Operator
Kinsale / Ballycotton	7 May 1970	48/20, 48/25, 49/16, 49/21	Marathon Petroleum Company (Ireland) Ltd.	Marathon Petroleum Company (Ireland) Ltd.
Helvick	1 May 1998	49/9 (p)	Providence Resources plc	Providence Resources plc

LICENSING OPTIONS

A Licensing Option gives the holder the first right to an Exploration Licence over all or part of the area covered by the Option.

Option No.	Option Period	Blocks	Participants * operator	% interest
96/2	Option has expired; application for Lease Undertaking under consideration	49/13(p), 49/14(p), 49/18(p) and 49/19(p)	* Providence Resources plc	100%
98/1	Option has expired; application for Lease Undertaking under consideration	50/11	* Providence Resources plc; Island Petroleum Developments Ltd.	75% 25%
99/1	1 April 1999 - 31 March 2001	27/13, 27/14, 27/18, 27/19, 27/22 & 27/23	* Marathon International Petroleum Hibernia Limited	100%
99/2	11 May 1999 - 31 March 2001	13/4 (S), 13/8 (S), 13/9, 13/13 (N) and 13/14 (N)	* Enterprise Oil plc	100%
99/3	1 October 1999 - 31 March 2001	48/23 (S), 48/24 (S), 48/28 (N) and 48/29 (N)	* Ramco Oil and Gas Ltd.; Duke Engineering and Services Ltd. Island Petroleum Developments Ltd. Sunningdale Oils (Ireland) Ltd.	37.5% 37.5% 20% 5%
00/1	15 February 2000 - 31 January, 2001	50/6 (p) and 50/7 (p)	* Providence Resources plc.; Island Petroleum Developments Ltd.	65% 35%
00/2	1 March 2000 - 28 February 2001	13/7, 13/11 (NE) and 13/12 (N)	* Ramco Oil and Gas Ltd.; Island Petroleum Developments Ltd. Sunningdale Oils (Ireland) Ltd.	70% 20% 10%
00/3	1 June 2000 - 31 May 2002	19/9	Statoil Exploration (Ireland) Limited	100%
00/4	1 June 2000 - 31 May 2001	48/18 (p), 48/19 (p) and 48/24	* Ramco Oil and Gas Ltd.; Island Petroleum Developments Ltd. Sunningdale Oils (Ireland) Ltd.	60% 32% 8%

ONSHORE LICENSING OPTIONS

Option No.	Option period	Area	Participants	Operator
98/1 (Sligo)	1 January 1998 - 30 June 1999 (extended to 30 June 2000)	411 km ² over North West Carboniferous Basin	S. Morrice and Associates LLC; Priority Oil and Gas LLC	S. Morrice and Associates LLC
98/2 (Lough Allen)	1 January 1998 - 30 June 1999 (extended to 30 June 2000)	1549 km ² over North West Carboniferous Basin	S. Morrice and Associates LLC; Priority Oil and Gas LLC	S. Morrice and Associates LLC

PETROLEUM PROSPECTING LICENCES

A Petroleum Prospecting Licence is non-exclusive and confers the right to carry out exploration in any area where an Exploration Licence or Petroleum Lease is not in force.

Licence No.	No. of years	Licence From	Licensee
3/95	3	13/4/95 (extended to 12/4/2000)	Geco-Prakla (U.K.) Limited
6/96	3	13/6/96 (extended to 12/6/2001)	P.G.S. Exploration (UK) Ltd.
1/97	1	11/3/97 (extended to 10/3/2000)	TGS-Nopec (UK) Ltd
2/97	3	1/6/97	Enterprise Oil plc
3/97	3	6/8/97	Phillips Petroleum Exploration Ireland
4/97	3	8/8/97	Fina Petroleum Developments Limited
5/97	3	10/9/97	Saga Petroleum Ireland Limited
1/98	3	1/1/98	Providence Resources plc
3/98	3	15/5/98	Elf Exploration UK PLC
4/98	3	1/10/98	Chevron Ireland
1/99	3	9/4/99	Marathon International Petroleum Hibernia Limited
2/99	3	25/5/99	Fugro-Geoteam AS
3/99	1	23/11/99	World Geoscience (UK) Limited
1/00	3	8/3/00	Ramco Oil and Gas Ltd.
2/00	3	5/4/00	Delft Geophysical B.V.
3/00	3	8/6/00	Enterprise Energy Ireland Limited
4/00	3	8/6/00	Statoil Exploration (Ireland) Limited

ONSHORE PETROLEUM PROSPECTING LICENCE

Licence No.	Licence Period	Licence area	Participants	Operator
ON 1/97	1 December 1997- 30 November 2000	1960 km ² over North West Carboniferous Basin.	S. Morrice and Associates LLC; Priority Oil and Gas LLC	S. Morrice and Associates LLC

PART TWO

MONEYS RECEIVED

During the six months ended 30 June, 2000 the total amount of all moneys collected by the Minister either by way of fine or lump sum payment or by way of rent under or by virtue of any lease, licence or permit was IR£4,567,852.

The above figure includes a sum of IR£3,500,759 paid by Marathon International Petroleum Hibernia Limited in respect of royalty payments on production from the Kinsale Head Gas Field and the Ballycotton Gas Field. The Minister for Finance has directed that this payment be treated as an Extra-Exchequer receipt.

PART THREE
OTHER INFORMATION

Seismic Surveys carried out or commenced in the 6 months ended 30 June, 2000

Operator	Contractor	Vessel	Km	Survey Area
Providence Resources plc	Fugro-Geoteam AS	Geo Scanner	220	North Celtic Sea Basin
Statoil Exploration (Ireland) Limited	Fugro-Geoteam AS	Geo Pacific	3D survey in progress	Erris Basin
Providence Resources plc	Fugro-Geoteam AS	Geo Scanner	20	North Celtic Sea Basin
Ramco Oil and Gas Ltd.	Fugro-Geoteam AS	Geo Scanner	228	North Celtic Sea Basin
Ramco Oil and Gas Ltd.	Fugro-Geoteam AS	Geo Scanner	103	North Celtic Sea Basin
Ramco Oil and Gas Ltd.	Fugro-Geoteam AS	Geo Scanner	224	Donegal Basin
P.G.S.Exploration (UK) Ltd.	P.G.S	Ramform Viking	3D survey in progress	Porcupine Basin