

**PETROLEUM EXPLORATION AND
DEVELOPMENT IN IRELAND**

**Report Covering Period
1 July 1998 - 31 December 1998**

Report by the Minister for the Marine and Natural Resources for the six months ended 31 December 1998 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 6772

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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 eight~~ ^{SIX} 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 No. and Type	Licence Period	Block Nos.	Participants	Operator
1/92 Standard	1 October 1992 - 30 September 1998	33/28 (p), 33/29 (p), 42/3 (p), 42/4 (p), 42/8 (p).	BHP Petroleum (International Exploration) Pty Ltd ; National Power Plc; Saga Petroleum Ireland Limited	BHP Petroleum (International Exploration) Pty Ltd.
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; Statoil Exploration (Ireland) Limited	Enterprise Oil plc.
2/94 Frontier	15 March 1994 - 14 March 2010	12/2, 12/3, 12/7, 12/8	Enterprise Oil plc; Agip Ireland B.V .	Enterprise Oil plc.
3/94 Frontier	15 March 1994 - 14 March 2010	18/14, 18/15, 18/19, 18/20.	Enterprise Oil plc; Saga Petroleum Ireland Limited; Statoil Exploration (Ireland) Limited	Enterprise Oil plc.
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; Union Texas Petroleum, Limited ; Murphy Ireland Offshore Ltd; Enterprise Oil plc.	Statoil Exploration (Ireland) Limited;

Petroleum Exploration Licences contd.

Licence No. and Type	Licence Period	Block Nos.	Participants	Operator
7/94 Standard	1 April 1994 - 31 March 2000	42/18, 42/19, ----- 42/26(p), 50/5(p), 51/1	Marathon International Petroleum Hibernia Limited; ----- Marathon International Petroleum Hibernia Limited; Seagull Ireland Ltd.	Marathon International Petroleum Hibernia Limited
2/95 Frontier	15 March 1995 - 15 March 2010	26/28, 26/29	Statoil Exploration (Ireland) Limited	Statoil Exploration (Ireland) Limited
5/95 Frontier	15 March 1995 - 15 March 2010	34/15, 34/20, 35/16	Chevron Exploration Europe Limited; Statoil Exploration (Ireland) Limited	Chevron Exploration Europe Limited
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	Marathon International Petroleum Hibernia Limited
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; Union Texas Petroleum Limited; Dana Petroleum (E&P) Limited	Statoil Exploration (Ireland) Limited
9/95 Frontier	15 March 1995 - 15 March 2010	35/17, 35/22, 35/23(p), 35/28	Total Oil Marine plc.; DSM Energy (Ireland) B.V.; Conoco (U.K.) Limited ARCO Ireland Offshore Inc.	Total Oil Marine plc
10/95 Standard	1 May 1995 - 30 April 2001	49/12	Marathon International Petroleum Hibernia Limited	Marathon International Petroleum Hibernia Limited
11/95 Standard	1 September 1995 - 31 August 2001	49/23, 49/24(p)	Frontier Resources International Inc.; Sherritt International Oil and Gas Limited	Frontier Resources International Inc.
1/96 Standard	19 July 1996 - 18 July 2002	33/17(p), 33/18, 33/22 (p)	Enterprise Oil plc; Powergen (North Sea) Limited	Enterprise Oil plc
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	EDC (Europe) Limited
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.	ARCO Ireland Offshore Inc
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.	BG Exploration & Production Ltd
4/97 Frontier	4 June 1997 - 3 June 2013	25/1(p), 75/4, 75/5, 75/8, 75/9(p)	Elf Petroleum Ireland B.V.; Phillips Petroleum Exploration Ireland	Elf Petroleum Ireland B.V.

Petroleum Exploration Licences contd.

Licence No. and Type	Licence Period	Block Nos.	Participants	Operator
5/97 Frontier	4 June 1997 - 3 June 2013	5/18, 5/23, 5/28	Elf Petroleum Ireland B.V.; Phillips Petroleum Exploration Ireland; British Borneo International Ltd.	Elf Petroleum Ireland B.V.
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. Union Texas Petroleum Limited	Enterprise Oil plc
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	Phillips Petroleum Exploration Ireland
8/97 Frontier	4 June 1997 - 3 June 2013	75/21, 75/26, 82/25, 82/30	Phillips Petroleum Exploration Ireland; Agip Ireland B.V.	Phillips Petroleum Exploration Ireland
9/97 Frontier	4 June 1997 - 3 June 2013	83/9, 83/10, 83/14, 83/15	Phillips Petroleum Exploration Ireland; Elf Petroleum Ireland B.V.	Phillips Petroleum Exploration Ireland
10/97 Frontier	4 June 1997 - 3 June 2013	83/13, 83/18, 83/19 and 83/20	Saga Petroleum Ireland Limited; Total Oil Marine plc; Statoil Exploration (Ireland) Limited; Shell EP Atlantic B.V.	Saga Petroleum Ireland Limited
11/97 Frontier	4 June 1997 - 3 June 2013	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 Atlantic B.V.; Statoil Exploration (Ireland) Limited.; BP Exploration Operating Company Ltd	Shell EP Atlantic B.V.
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 Atlantic B.V.	Statoil Exploration (Ireland) Limited

2. Petroleum Leases

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

Two offshore Petroleum Leases were current during the reporting period.

Lease No.	Commencement Date	Blocks	Participants	Operator
Kinsale / Ballycotton	7 May 1970	48/20, 48/25, 49/16, 49/21	Marathon International Petroleum Ireland Limited	Marathon International Petroleum Ireland Limited
Helvick	1 May 1998	49/9 (p)	Providence Resources plc.	Providence Resources plc.

3. Licensing Options

A Licensing Option enables the holder to carry out an exclusive petroleum exploration programme in the licensed acreage for a specified period. At the end of the option period the holder may apply for an Exploration Licence over the acreage.

Licensing Options are granted under the 1992 Licensing Terms for Offshore Oil and Gas Exploration and Development which provide for an application fee of £1097 and an annual rental of £16,449 per block. Extensions beyond the original period are subject to an annual fee of £27,415 per block.

Two Offshore Licensing Options covering five blocks or part blocks were held during the reporting period.

Option No.	Expiry Date	Blocks	Participants
96/2	31 December 1997 (Extended to 30/9/98)	49/13(p), 49/14(p), 49/18(p), 49/19(p)	Providence Resources plc.
98/1	13 May 1999	50/11	Providence Resources plc; Island Petroleum Developments Ltd.

Two onshore Licensing Options covering 1960 km² were held during the reporting period.

Option No.	Expiry date	Area	Participants	Operator
98/1 (Sligo)	30 June 1999	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)	30 June 1999	1549 km ² over North West Carboniferous Basin	S. Morrice and Associates LLC; Priority Oil and Gas LLC	S. Morrice and Associates LLC

4. 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.

Seventeen Petroleum Prospecting Licences (including one Onshore Petroleum Prospecting Licence) granted under Part II of the Petroleum and Other Minerals Development Act, 1960 as applied by the Continental Shelf Act, 1968, were current during the reporting period.

Petroleum Prospecting Licences are valid for periods of either one, two or three years. Each licence is subject to the 1992 Licensing Terms for Offshore Oil and Gas Exploration and Development which provide for an application fee of £1097 and annual rental of £5483.

Licence No.	Period of Years	Licence From	Licensee
2/93	3	1/10/93 (extended to 30/9/98)	Chevron Europe Limited
1/94	3	1/4/94 (extended to 31/3/99)	Marathon International Petroleum Hibernia Limited
3/95	3	13/4/95 (extended to 12/3/2000)	Geco-Prakla (UK) Limited
4/95	3	20/7/95	Esso Exploration and Production Ireland Ltd.
5/95	3	20/7/95	Total Oil Marine p.l.c.
4/96	3	8/6/96	Union Texas Petroleum Limited
6/96	3	13/6/96	P.G.S. Exploration (UK) Ltd.
10/96	1	10/9/96 (extended to 9/9/98)	Oilsearch plc.
1/97	1	11/3/97 (extended to 11/3/2000)	Nopec Geoventures
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.
2/98	1	15/5/98	Surface Geochemical Services AS
3/98	3	15/5/98	Elf Exploration UK plc
4/98	3	1/10/98	Chevron Ireland

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 31 December, 1998 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£2,740,647.

The above figure includes a sum of IR£1,994,411 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 31 December 1998.

OPERATOR	CONTRACTOR	SURVEY AREA
PGS Exploration	PGS Exploration	Rockall Trough
Statoil	Fugro-Geoteam	Rockall Trough & Erris Trough
Providence Resources	Gardline	Celtic Sea
Phillips	Geco-Prakla	Rockall Trough
Saga	Fugro-Geoteam	Rockall Trough
Phillips	Geco-Prakla	Rockall Trough
Phillips	Geco-Prakla	Rockall Trough
BG	Geco-Prakla	Rockall Trough
Elf	Geco-Prakla	Rockall Trough
Elf	Geco-Prakla	Rockall Trough